

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

**Consolidated Financial Statements**

**With Independent Auditors' Review Report  
For the Six Months Ended June 30, 2023 and 2022**

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

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## Independent Auditors' Review Report

To the Board of Directors of  
Nan Ya 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 June 30, 2023 and 2022, and the related consolidated statements of comprehensive income for the three months and six months ended June 30, 2023 and 2022, as well as the changes in equity and cash flows for the six months ended June 30, 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 June 30, 2023 and 2022, and of its consolidated financial performance for the three months and six months ended June 30, 2023 and 2022, as well as its consolidated cash flows for the six months ended June 30, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

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)

August 3, 2023

**Notes to Readers**

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**

**Consolidated Balance Sheets**

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

(Expressed in Thousands of New Taiwan Dollars)

Assets		June 30, 2023		December 31, 2022		June 30, 2022		Liabilities and equity		June 30, 2023		December 31, 2022		June 30, 2022	
		Amount	%	Amount	%	Amount	%			Amount	%	Amount	%	Amount	%
<b>Current assets:</b>								<b>Current liabilities:</b>							
1100	Cash and cash equivalents (note 6(a))	\$ 22,517,212	28	20,044,117	25	18,741,078	26	2100	Current borrowings (note 6(h))	\$ -	-	-	-	228,888	-
1120	Current financial assets at fair value through other comprehensive income	256,757	-	-	-	-	-	2130	Current contract liabilities (note 6(o))	1,983,869	2	1,082,286	2	311,718	1
1170	Notes and accounts receivable, net (notes 6(b) and (o))	8,491,771	11	14,790,920	18	12,566,354	17	2170	Accounts payable	4,089,392	5	5,003,404	6	3,842,006	5
1180	Accounts receivable due from related parties (notes 6(b), (o) and 7)	81,011	-	102,237	-	223,199	-	2180	Accounts payable to related parties (note 7)	291,359	-	316,155	1	277,646	-
1200	Other receivables (note 6(c))	306,091	-	237,260	-	306,330	1	2216	Dividends payable	11,630,978	14	-	-	6,461,655	9
1210	Other receivables due from related parties (notes 6(c) and 7)	59,962	-	5,349	-	3,832	-	2219	Other payables	2,477,831	3	3,575,022	4	2,819,670	4
1310	Inventories (note 6(d))	4,773,991	6	5,802,751	7	5,667,501	8	2220	Other payables to related parties (note 7)	30,713	-	36,960	-	28,791	-
1410	Prepayments	178,866	-	327,741	-	526,477	1	2230	Current tax liabilities	823,848	1	3,207,309	4	2,063,827	3
	<b>Total current assets</b>	<u>36,665,661</u>	<u>45</u>	<u>41,310,375</u>	<u>50</u>	<u>38,034,771</u>	<u>53</u>	2281	Current lease liabilities (note 6(j))	12,003	-	9,797	-	-	-
	<b>Non-current assets:</b>							2282	Current lease liabilities, related parties (notes 6(j) and 7)	244,831	-	237,025	-	208,249	-
1550	Investments accounted for using equity method (note 6(e))	486,969	1	513,814	1	492,604	1	2322	Long-term borrowings, current portion (note 6(i))	-	-	-	-	487,800	1
1600	Property, plant and equipment (note 6(f))	41,994,339	51	37,266,777	46	31,067,568	43	2399	Other current liabilities	238,455	-	220,572	-	381,587	1
1755	Right-of-use assets (notes 6(g) and 7)	1,838,877	2	1,936,781	2	1,772,094	2		<b>Total current liabilities</b>	<u>21,823,279</u>	<u>25</u>	<u>13,688,530</u>	<u>17</u>	<u>17,111,837</u>	<u>24</u>
1840	Deferred tax assets	818,600	1	711,133	1	736,689	1		<b>Non-current liabilities:</b>						
1900	Other non-current assets	16,170	-	11,597	-	16,185	-	2527	Non-current contract liabilities (note 6(o))	7,871,450	10	7,634,928	9	5,803,449	8
	<b>Total non-current assets</b>	<u>45,154,955</u>	<u>55</u>	<u>40,440,102</u>	<u>50</u>	<u>34,085,140</u>	<u>47</u>	2570	Deferred tax liabilities	3,308,627	4	3,005,723	4	2,421,170	4
	<b>Total assets</b>	<u>\$ 81,820,616</u>	<u>100</u>	<u>81,750,477</u>	<u>100</u>	<u>72,119,911</u>	<u>100</u>	2581	Non-current lease liabilities (note 6(j))	5,786	-	7,411	-	-	-
								2582	Non-current lease liabilities, related parties (notes 6(j) and 7)	1,558,842	2	1,660,156	2	1,536,572	2
								2640	Net defined benefit liability, non-current	1,575,435	2	1,902,087	2	2,163,106	3
								2645	Guarantee deposits received	134,718	-	129,075	-	119,606	-
									<b>Total non-current liabilities</b>	<u>14,454,858</u>	<u>18</u>	<u>14,339,380</u>	<u>17</u>	<u>12,043,903</u>	<u>17</u>
									<b>Total liabilities</b>	<u>36,278,137</u>	<u>43</u>	<u>28,027,910</u>	<u>34</u>	<u>29,155,740</u>	<u>41</u>
									<b>Equity (note 6(m)):</b>						
								3100	Ordinary shares	6,461,655	8	6,461,655	8	6,461,655	9
								3200	Capital surplus	18,125,576	22	18,125,608	22	18,125,600	25
								3310	Legal reserve	7,857,185	10	5,896,621	7	5,896,621	8
								3320	Special reserve	761,647	1	861,246	1	861,246	1
								3350	Unappropriated retained earnings	13,544,922	17	23,139,084	29	12,281,538	17
								3400	Other equity interest	(1,208,506)	(1)	(761,647)	(1)	(662,489)	(1)
									<b>Total equity</b>	<u>45,542,479</u>	<u>57</u>	<u>53,722,567</u>	<u>66</u>	<u>42,964,171</u>	<u>59</u>
									<b>Total liabilities and equity</b>	<u>\$ 81,820,616</u>	<u>100</u>	<u>81,750,477</u>	<u>100</u>	<u>72,119,911</u>	<u>100</u>

See accompanying notes to consolidated financial statements.

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

	For the three months ended June 30,				For the six months ended June 30,			
	2023		2022		2023		2022	
	Amount	%	Amount	%	Amount	%	Amount	%
4000	<b>Operating revenue (notes 6(o) and 7)</b>							
	\$ 10,133,643	100	15,185,715	100	22,714,300	100	29,747,370	100
5000	<b>Operating costs (notes 6(d), (f), (g), (j), (k), (p) and 7)</b>							
	<u>8,211,435</u>	<u>81</u>	<u>9,242,940</u>	<u>61</u>	<u>17,074,210</u>	<u>75</u>	<u>18,412,093</u>	<u>62</u>
	<b>Gross profit from operations</b>							
	<u>1,922,208</u>	<u>19</u>	<u>5,942,775</u>	<u>39</u>	<u>5,640,090</u>	<u>25</u>	<u>11,335,277</u>	<u>38</u>
	<b>Operating expenses (notes 6(b), (f), (g), (j), (k), (p) and 7):</b>							
6100	104,918	1	178,153	1	245,197	1	360,983	1
6200	373,168	4	382,351	3	785,616	4	806,033	3
6450	-	-	(3)	-	-	-	(487)	-
6000	<b>Total operating expenses</b>							
	<u>478,086</u>	<u>5</u>	<u>560,501</u>	<u>4</u>	<u>1,030,813</u>	<u>5</u>	<u>1,166,529</u>	<u>4</u>
6900	<b>Net operating income</b>							
	<u>1,444,122</u>	<u>14</u>	<u>5,382,274</u>	<u>35</u>	<u>4,609,277</u>	<u>20</u>	<u>10,168,748</u>	<u>34</u>
	<b>Non-operating income and expenses (notes 6(e), (f), (j), (q) and 7):</b>							
7100	119,848	1	28,792	-	185,411	1	38,328	-
7010	64,538	1	49,363	-	131,632	-	90,435	1
7020	342,559	3	602,798	5	190,846	1	971,887	3
7050	(4,950)	-	(6,964)	-	(9,976)	-	(11,523)	-
7060	6,791	-	20,973	-	14,078	-	33,948	-
	<b>Total non-operating income and expenses</b>							
	<u>528,786</u>	<u>5</u>	<u>694,962</u>	<u>5</u>	<u>511,991</u>	<u>2</u>	<u>1,123,075</u>	<u>4</u>
7900	<b>Profit before tax</b>							
	1,972,908	19	6,077,236	40	5,121,268	22	11,291,823	38
7950	Less: Tax expense (note 6(l))							
	<u>400,368</u>	<u>3</u>	<u>1,212,946</u>	<u>8</u>	<u>1,223,487</u>	<u>5</u>	<u>2,543,727</u>	<u>9</u>
8200	<b>Profit</b>							
	<u>1,572,540</u>	<u>16</u>	<u>4,864,290</u>	<u>32</u>	<u>3,897,781</u>	<u>17</u>	<u>8,748,096</u>	<u>29</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	(20,662)	-	-	-	(19,849)	-	-	-
8320	(1,464)	-	(8,295)	-	2,858	-	(9,854)	-
8349	Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss							
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Components of other comprehensive income that will not be reclassified to profit or loss</b>							
	<u>(22,126)</u>	<u>-</u>	<u>(8,295)</u>	<u>-</u>	<u>(16,991)</u>	<u>-</u>	<u>(9,854)</u>	<u>-</u>
8360	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>							
8361	(651,024)	(7)	(307,793)	(2)	(537,334)	(2)	260,763	1
8399	Less: income tax related to components of other comprehensive income that will be reclassified to profit or loss							
	<u>(130,204)</u>	<u>(1)</u>	<u>(61,558)</u>	<u>-</u>	<u>(107,466)</u>	<u>-</u>	<u>52,153</u>	<u>-</u>
	<b>Components of other comprehensive income that will be reclassified to profit or loss</b>							
	<u>(520,820)</u>	<u>(6)</u>	<u>(246,235)</u>	<u>(2)</u>	<u>(429,868)</u>	<u>(2)</u>	<u>208,610</u>	<u>1</u>
8300	<b>Other comprehensive income, net</b>							
	<u>(542,946)</u>	<u>(6)</u>	<u>(254,530)</u>	<u>(2)</u>	<u>(446,859)</u>	<u>(2)</u>	<u>198,756</u>	<u>1</u>
8500	<b>Total comprehensive income</b>							
	<u>\$ 1,029,594</u>	<u>10</u>	<u>4,609,760</u>	<u>30</u>	<u>3,450,922</u>	<u>15</u>	<u>8,946,852</u>	<u>30</u>
	<b>Earnings per share (note 6(n))</b>							
9750	<b>Basic earnings per share</b>							
	<u>\$ 2.43</u>		<u>7.53</u>		<u>6.03</u>		<u>13.54</u>	
9850	<b>Diluted earnings per share</b>							
	<u>\$ 2.43</u>		<u>7.53</u>		<u>6.03</u>		<u>13.54</u>	

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Changes in Equity**  
**For the six months ended June 30, 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 six months ended June 30, 2022	-	-	-	-	8,748,096	-	-	-	8,748,096
Other comprehensive income for the six months ended June 30, 2022	-	-	-	-	-	208,610	(9,854)	198,756	198,756
Total comprehensive income for the six months ended June 30, 2022	-	-	-	-	8,748,096	208,610	(9,854)	198,756	8,946,852
Appropriation and allocation of earnings:									
Legal reserve appropriated	-	-	1,036,981	-	(1,036,981)	-	-	-	-
Special reserve appropriated	-	-	-	269,086	(269,086)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(6,461,655)	-	-	-	(6,461,655)
<b>Balance at June 30, 2022</b>	<b>\$ 6,461,655</b>	<b>18,125,600</b>	<b>5,896,621</b>	<b>861,246</b>	<b>12,281,538</b>	<b>(651,438)</b>	<b>(11,051)</b>	<b>(662,489)</b>	<b>42,964,171</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 six months ended June 30, 2023	-	-	-	-	3,897,781	-	-	-	3,897,781
Other comprehensive income for the six months ended June 30, 2023	-	-	-	-	-	(429,868)	(16,991)	(446,859)	(446,859)
Total comprehensive income for the six months ended June 30, 2023	-	-	-	-	3,897,781	(429,868)	(16,991)	(446,859)	3,450,922
Appropriation and allocation of earnings:									
Legal reserve appropriated	-	-	1,960,564	-	(1,960,564)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(11,630,978)	-	-	-	(11,630,978)
Reversal of special reserve	-	-	-	(99,599)	99,599	-	-	-	-
Other changes in capital surplus:									
Other changes in capital surplus	-	(32)	-	-	-	-	-	-	(32)
<b>Balance at June 30, 2023</b>	<b>\$ 6,461,655</b>	<b>18,125,576</b>	<b>7,857,185</b>	<b>761,647</b>	<b>13,544,922</b>	<b>(1,174,412)</b>	<b>(34,094)</b>	<b>(1,208,506)</b>	<b>45,542,479</b>

See accompanying notes to consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
**Consolidated Statements of Cash Flows**  
**For the six months ended June 30, 2023 and 2022**  
**(Expressed in Thousands of New Taiwan Dollars)**

	<b>For the six months ended June 30</b>	
	<b>2023</b>	<b>2022</b>
<b>Cash flows from operating activities:</b>		
<b>Profit before tax</b>	\$ 5,121,268	11,291,823
<b>Adjustments:</b>		
<b>Adjustments to reconcile profit:</b>		
Depreciation expense	2,768,601	2,117,275
Gain on reversal of expected credit impairment	-	(487)
Interest expense	9,976	11,523
Interest income	(185,411)	(38,328)
Share of profit of associates accounted for using equity method	(14,078)	(33,948)
Loss on disposal of property, plant and equipment	38,988	3,077
Reversal of impairment loss on non-financial assets	(13)	-
Unrealized foreign exchange gain	(149,888)	(184,371)
<b>Total adjustments to reconcile profit</b>	<u>2,468,175</u>	<u>1,874,741</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)	6,418,351	(1,599,224)
Increase in other receivables (including related parties)	(65,619)	(43,228)
Decrease (increase) in inventories	1,029,656	(320,768)
Decrease (increase) in prepayments	148,778	(189,271)
<b>Total changes in operating assets</b>	<u>7,531,166</u>	<u>(2,152,491)</u>
<b>Changes in operating liabilities:</b>		
Increase in contract liabilities	1,144,462	5,293,988
(Decrease) increase in accounts payable (including related parties)	(919,394)	480,265
Decrease in other payables (including related parties)	(1,103,470)	(253,203)
Increase in other current liabilities	17,883	150,751
Decrease in net defined benefit liabilities	(326,652)	(26,474)
<b>Total changes in operating liabilities</b>	<u>(1,187,171)</u>	<u>5,645,327</u>
<b>Total changes in operating assets and liabilities</b>	<u>6,343,995</u>	<u>3,492,836</u>
<b>Total adjustments</b>	<u>8,812,170</u>	<u>5,367,577</u>
Cash inflow generated from operations	13,933,438	16,659,400
Interest received	171,240	36,284
Interest paid	(9,976)	(12,065)
Income taxes paid	(3,299,963)	(1,523,886)
<b>Net cash flows from operating activities</b>	<u>10,794,739</u>	<u>15,159,733</u>
<b>Cash flows used in investing activities:</b>		
Acquisition of financial assets at fair value through other comprehensive income	(276,606)	-
Acquisition of property, plant and equipment	(7,801,447)	(8,391,559)
Proceeds from disposal of property, plant and equipment	21,396	15,772
Increase in other non-current assets	(4,573)	(10,666)
<b>Net cash flows used in investing activities</b>	<u>(8,061,230)</u>	<u>(8,386,453)</u>
<b>Cash flows used in financing activities:</b>		
Increase in short-term loans	-	294,811
Decrease in short-term loans	-	(1,313,748)
Repayments of long-term debt	-	(235,227)
Increase (decrease) in guarantee deposits received	5,643	(9,922)
Payment of lease liabilities	(126,879)	(107,525)
<b>Net cash flows used in financing activities</b>	<u>(121,236)</u>	<u>(1,371,611)</u>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<u>(139,178)</u>	<u>144,959</u>
<b>Net increase in cash and cash equivalents</b>	2,473,095	5,546,628
<b>Cash and cash equivalents at beginning of period</b>	20,044,117	13,194,450
<b>Cash and cash equivalents at end of period</b>	<u>\$ 22,517,212</u>	<u>18,741,078</u>

See accompanying notes to consolidated financial statements.



(English Translation of Consolidated Financial Statements Originally Issued in Chinese)  
**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**  
**For the Six Months Ended June 30, 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 August 3, 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”

- (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

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**NAN YA PRINTED CIRCUIT BOARD CORPORATION AND SUBSIDIARIES**  
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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”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IAS12 “International Tax Reform – Pillar Two Model Rules”

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

**(a) Statement of compliance**

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.

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

(b) Basis of consolidation

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

Investor	Name of subsidiary	Business activity	Percentage of ownership (%)		
			June 30, 2023	December 31, 2022	June 30, 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”.

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.

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

**(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

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Cash on hand	\$ 1	23	24
Cash in banks	10,066,186	11,023,535	6,099,393
Time deposits	11,152,174	7,235,634	8,331,172
Cash equivalents	<u>1,298,851</u>	<u>1,784,925</u>	<u>4,310,489</u>
	<u><u>\$ 22,517,212</u></u>	<u><u>20,044,117</u></u>	<u><u>18,741,078</u></u>

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

(b) Notes and accounts receivables

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Notes receivable	\$ -	370	-
Accounts receivable – non-related parties- measured at amortized cost	8,539,725	14,838,504	12,614,308
Accounts receivable – related parties-measured at amortized cost	81,011	102,237	223,199
Less: Loss allowance	<u>(47,954)</u>	<u>(47,954)</u>	<u>(47,954)</u>
	<u><u>\$ 8,572,782</u></u>	<u><u>14,893,157</u></u>	<u><u>12,789,553</u></u>

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

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

	<b>June 30, 2023</b>		
	<b>Accounts receivables gross carrying amount</b>	<b>Weighted average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 8,387,840	0.393%	32,943
Past due within 3 months	212,139	1.559%	3,307
Past due 6 to 12 months	20,757	56.386%	11,704
	<b>\$ 8,620,736</b>		<b>47,954</b>

	<b>December 31, 2022</b>		
	<b>Notes and Accounts receivables gross carrying amount</b>	<b>Weighted average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 14,767,608	0.313%	46,174
Past due within 3 months	173,503	1.026%	1,780
	<b>\$ 14,941,111</b>		<b>47,954</b>

	<b>June 30, 2022</b>		
	<b>Notes and Accounts receivables gross carrying amount</b>	<b>Weighted average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 12,740,527	0.491%	47,355
Past due within 3 months	96,969	1.232%	597
Past due 3 to 6 months	11	23.994%	2
	<b>\$ 12,837,507</b>		<b>47,954</b>

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

	<b>For the six months ended June 30</b>	
	<b>2023</b>	<b>2022</b>
Balance as of January 1	\$ 47,954	48,431
Impairment losses reversed	-	(487)
Effect of exchange rate changes	-	10
Balance as of June 30	<b>\$ 47,954</b>	<b>47,954</b>

As of June 30, 2023, December 31 and June 30, 2022, the Group did not provide any notes and accounts receivable as collateral for its loans.

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

## (c) Other receivables

	<b>June 30, 2023</b>	<b>December 31, 2022</b>	<b>June 30, 2022</b>
Other receivables—related parties	\$ 59,962	5,349	3,832
Tax refund receivable	257,724	216,795	252,053
Others	48,367	20,465	54,277
	<b><u>\$ 366,053</u></b>	<b><u>242,609</u></b>	<b><u>310,162</u></b>

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

## (d) Inventories

	<b>June 30, 2023</b>	<b>December 31, 2022</b>	<b>June 30, 2022</b>
Finished goods	\$ 859,718	1,133,325	875,540
Work in process	2,395,090	3,033,291	2,875,057
Raw materials	882,357	1,123,455	1,260,473
Supplies	636,826	512,680	656,431
	<b><u>\$ 4,773,991</u></b>	<b><u>5,802,751</u></b>	<b><u>5,667,501</u></b>

The details of the cost of sales were as follows:

	<b>For the three months ended June 30,</b>		<b>For the six months ended June 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Inventory that has been sold	\$ 8,211,428	9,242,930	17,074,276	18,405,415
Write-down of inventories (Reversal of write-downs)	7	10	(66)	6,678
	<b><u>\$ 8,211,435</u></b>	<b><u>9,242,940</u></b>	<b><u>17,074,210</u></b>	<b><u>18,412,093</u></b>

For the six months ended June 30, 2023, net realizable value of inventories has increased due to the increase in market price, the reversal of write-downs amounted to \$66.

For the six months ended June 30, 2022, the write-down of inventories amounted to \$6,678.

As of June 30, 2023, December 31 and June 30, 2022, the Group did not provide any inventories as collateral for its loan.

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

(e) Investments accounted for using the equity method

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

	June 30, 2023	December 31, 2022	June 30, 2022
Associates	\$ <u>486,969</u>	<u>513,814</u>	<u>492,604</u>

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

	For the three months ended June 30,		For the six months ended June 30	
	2023	2022	2023	2022
Attributable to the Group:				
Net income	\$ 6,791	20,973	14,078	33,948
Other comprehensive income	<u>(1,464)</u>	<u>(8,295)</u>	<u>2,858</u>	<u>(9,854)</u>
Total comprehensive income	\$ <u>5,327</u>	<u>12,678</u>	<u>16,936</u>	<u>24,094</u>

As of June 30, 2023, December 31 and June 30, 2022, the Group did not provide any investments accounted for using the equity method as collateral for its loans.

(f) Property, plant and equipment

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

	Building	Machinery and equipment	Vehicles	Miscellaneous equipment	Unfinished construction and equipment pending acceptance	Total
<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	-	209,037	3,463	46,333	7,542,614	7,801,447
Disposals	-	(937,826)	-	(22,906)	-	(960,732)
Reclassification	41,826	12,730,002	720	1,399,147	(14,171,695)	-
Effect of exchange rate changes	<u>(53,154)</u>	<u>(668,046)</u>	<u>(84)</u>	<u>(4,891)</u>	<u>(7,212)</u>	<u>(733,387)</u>
Balance as of June 30, 2023	\$ <u>4,493,023</u>	<u>65,254,566</u>	<u>24,670</u>	<u>5,989,539</u>	<u>7,456,381</u>	<u>83,218,179</u>

(Continued)

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

	<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>
Balance as of January 1, 2022	\$ 4,469,304	50,517,957	18,803	4,953,237	2,107,969	62,067,270
Additions	-	158,340	656	41,362	8,191,201	8,391,559
Disposals	-	(611,440)	-	(439,279)	-	(1,050,719)
Reclassification	-	2,007,301	-	21,814	(2,029,115)	-
Effect of exchange rate changes	<u>45,800</u>	<u>443,953</u>	<u>78</u>	<u>4,009</u>	<u>11,845</u>	<u>505,685</u>
Balance as of June 30, 2022	<u>\$ 4,515,104</u>	<u>52,516,111</u>	<u>19,537</u>	<u>4,581,143</u>	<u>8,281,900</u>	<u>69,913,795</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	81,181	2,451,398	901	103,953	-	2,637,433
Reversal of impairment loss	-	(13)	-	-	-	(13)
Disposals	-	(878,444)	-	(21,904)	-	(900,348)
Reclassification	-	(174)	-	174	-	-
Effect of exchange rate changes	<u>(34,781)</u>	<u>(316,629)</u>	<u>(63)</u>	<u>(5,833)</u>	<u>-</u>	<u>(357,306)</u>
Balance as of June 30, 2023	<u>\$ 2,918,267</u>	<u>34,545,492</u>	<u>12,881</u>	<u>3,747,200</u>	<u>-</u>	<u>41,223,840</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	81,490	1,854,084	696	71,915	-	2,008,185
Disposals	-	(591,863)	-	(440,007)	-	(1,031,870)
Reclassification	-	131	-	(131)	-	-
Effect of exchange rate changes	<u>26,611</u>	<u>243,057</u>	<u>62</u>	<u>3,915</u>	<u>-</u>	<u>273,645</u>
Balance as of June 30, 2022	<u>\$ 2,797,998</u>	<u>32,335,100</u>	<u>12,375</u>	<u>3,700,754</u>	<u>-</u>	<u>38,846,227</u>
<b>Carrying amounts:</b>						
Balance as of June 30, 2023	<u>\$ 1,574,756</u>	<u>30,709,074</u>	<u>11,789</u>	<u>2,242,339</u>	<u>7,456,381</u>	<u>41,994,339</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 June 30, 2022	<u>\$ 1,717,106</u>	<u>20,181,011</u>	<u>7,162</u>	<u>880,389</u>	<u>8,281,900</u>	<u>31,067,568</u>

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

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

(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	(802)	-	(802)
Balance as of June 30, 2023	<u>\$ 419,190</u>	<u>2,135,615</u>	<u>2,554,805</u>
Balance as of January 1, 2022	\$ 301,748	457,327	759,075
Additions	60,652	1,394,306	1,454,958
Change in an index of lease payment	23,111	-	23,111
Effect of exchange rate changes	691	-	691
Balance as of June 30, 2022	<u>\$ 386,202</u>	<u>1,851,633</u>	<u>2,237,835</u>
<b>Accumulated depreciation:</b>			
Balance as of January 1, 2023	\$ 93,315	491,559	584,874
Depreciation for the period	34,676	96,492	131,168
Effect of exchange rate changes	(114)	-	(114)
Balance as of June 30, 2023	<u>\$ 127,877</u>	<u>588,051</u>	<u>715,928</u>
Balance as of January 1, 2022	\$ 31,636	324,951	356,587
Depreciation for the period	30,640	78,450	109,090
Effect of exchange rate changes	64	-	64
Balance as of June 30, 2022	<u>\$ 62,340</u>	<u>403,401</u>	<u>465,741</u>
<b>Carrying amount:</b>			
Balance as of June 30, 2023	<u>\$ 291,313</u>	<u>1,547,564</u>	<u>1,838,877</u>
Balance as of December 31, 2022	<u>\$ 292,725</u>	<u>1,644,056</u>	<u>1,936,781</u>
Balance as of June 30, 2022	<u>\$ 323,862</u>	<u>1,448,232</u>	<u>1,772,094</u>

(h) Current borrowings

Details of current borrowings of the Group were as follows:

	<b>June 30,</b>
	<b>2022</b>
Unsecured bank loans	<u>\$ 228,888</u>
Range of interest rates	<u>1.54%~1.63%</u>

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

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

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

	June 30, 2022			
	Currency	Interest rate range	Expiration	Amount
Unsecured long-term bank loans	USD	1.8157%-2.7416%	2023	487,800
Less: current portion				487,800
Total				\$ -
Unused quota				\$ -

As of June 30, 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:

	June 30, 2023	December 31, 2022	June 30, 2022
Current	\$ 256,834	246,822	208,249
Non-current	\$ 1,564,628	1,667,567	1,536,572

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

The amounts recognized in profit or loss were as follows:

	For the three months ended June 30,		For the six months ended June 30	
	2023	2022	2023	2022
Interest on lease liabilities	\$ 4,715	3,359	9,560	4,536
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	\$ 11,860	15,415	25,071	29,758

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

	For the six months ended June 30	
	2023	2022
Total cash outflow for leases	\$ 161,510	141,819

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

(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>For the six months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Operating costs	\$ 8,625	6,992	17,286	13,999
Selling expenses	328	225	637	441
Administrative expenses	1,347	933	2,675	1,860
	<b>\$ 10,300</b>	<b>8,150</b>	<b>20,598</b>	<b>16,300</b>

(ii) Defined contribution plan

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

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30,</b>		<b>June 30,</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Operating costs	\$ 119,708	125,705	242,651	249,543
Selling expenses	1,922	1,727	3,698	3,474
Administrative expenses	15,833	13,245	32,551	26,027
	<b>\$ 137,463</b>	<b>140,677</b>	<b>278,900</b>	<b>279,044</b>

(Continued)

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

(l) Income tax

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

	<b>For the three months ended June 30,</b>		<b>For the six months ended June 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Current income tax expense	\$ 341,000	913,312	964,495	1,999,333
Deferred income tax expense	<u>59,368</u>	<u>299,634</u>	<u>258,992</u>	<u>544,394</u>
Total income tax expense	<b><u>\$ 400,368</u></b>	<b><u>1,212,946</u></b>	<b><u>1,223,487</u></b>	<b><u>2,543,727</u></b>

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

	<b>For the three months ended June 30,</b>		<b>For the six months ended June 30</b>	
	<b>2023</b>	<b>2022</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><u>\$ 130,204</u></b>	<b><u>61,558</u></b>	<b><u>107,466</u></b>	<b><u>(52,153)</u></b>

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

(Continued)

**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 six months ended June 30, 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>June 30, 2023</b>	<b>December 31, 2022</b>	<b>June 30, 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>301</u>	<u>333</u>	<u>325</u>
	<b><u>\$ 18,125,576</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.

(Continued)

**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	(429,868)	-	(429,868)
Unrealized gains (losses) on financial assets at fair value through other comprehensive income	-	(19,849)	(19,849)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income, associates accounted for using equity method	-	<u>2,858</u>	<u>2,858</u>
Balances as of June 30, 2023	<u><u>\$ (1,174,412)</u></u>	<u><u>(34,094)</u></u>	<u><u>(1,208,506)</u></u>
Balances as of January 1, 2022	\$ (860,048)	(1,197)	(861,245)
Exchange differences on translation of foreign operations	208,610	-	208,610
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income, associates accounted for using equity method	-	<u>(9,854)</u>	<u>(9,854)</u>
Balances as of June 30, 2022	<u><u>\$ (651,438)</u></u>	<u><u>(11,051)</u></u>	<u><u>(662,489)</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 six months ended June 30, 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</b>		<b>For the six months ended</b>	
	<b>June 30,</b>		<b>June 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Net profit attributable to equity shareholders of the Company	\$ <u>1,572,540</u>	<u>4,864,290</u>	<u>3,897,781</u>	<u>8,748,096</u>

2) Weighted average number of ordinary shares outstanding

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30,</b>		<b>June 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Weighted average number of ordinary shares outstanding (in thousands of shares)	<u>646,166</u>	<u>646,166</u>	<u>646,166</u>	<u>646,166</u>

(ii) Diluted earnings per share

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

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30,</b>		<b>June 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Net profit attributable to equity shareholders of the Company (diluted)	\$ <u>1,572,540</u>	<u>4,864,290</u>	<u>3,897,781</u>	<u>8,748,096</u>

(Continued)

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

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

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30,</b>		<b>June 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Weighted average number of ordinary shares outstanding (basic) (in thousands of shares)	646,166	646,166	646,166	646,166
Effects of dilutive potential ordinary shares				
Effects of employee stock compensation (in thousands of shares)	37	49	96	103
Weighted average number of ordinary shares outstanding (diluted) (in thousands of shares)	<b><u>646,203</u></b>	<b><u>646,215</u></b>	<b><u>646,262</u></b>	<b><u>646,269</u></b>

(o) Revenue from contracts with customers

(i) Disaggregation of revenue

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30,</b>		<b>June 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Primary geographical markets:				
Taiwan	\$ 3,318,280	7,493,620	8,671,389	13,482,295
Mainland China	4,033,986	5,154,433	8,684,102	10,660,778
Korea	544,590	916,517	1,353,383	1,700,305
Other countries	<u>2,236,787</u>	<u>1,621,145</u>	<u>4,005,426</u>	<u>3,903,992</u>
	<b><u>\$ 10,133,643</u></b>	<b><u>15,185,715</u></b>	<b><u>22,714,300</u></b>	<b><u>29,747,370</u></b>
Major products:				
Printed circuit board	\$ 9,965,223	14,983,677	22,382,258	29,289,410
Others	<u>168,420</u>	<u>202,038</u>	<u>332,042</u>	<u>457,960</u>
	<b><u>\$ 10,133,643</u></b>	<b><u>15,185,715</u></b>	<b><u>22,714,300</u></b>	<b><u>29,747,370</u></b>

(Continued)



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

(ii) Contract balances

	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Notes receivable	\$ -	370	-
Accounts receivable— non-related parties	8,539,725	14,838,504	12,614,308
Accounts receivable— related parties	81,011	102,237	223,199
Less: Loss allowance	<u>(47,954)</u>	<u>(47,954)</u>	<u>(47,954)</u>
	<u><b>\$ 8,572,782</b></u>	<u><b>14,893,157</b></u>	<u><b>12,789,553</b></u>
	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Contract liabilities— unearned sales	<u><b>\$ 9,855,319</b></u>	<u><b>8,717,214</b></u>	<u><b>6,115,167</b></u>
	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Current	\$ 1,983,869	1,082,286	311,718
Non-current	<u>7,871,450</u>	<u>7,634,928</u>	<u>5,803,449</u>
	<u><b>\$ 9,855,319</b></u>	<u><b>8,717,214</b></u>	<u><b>6,115,167</b></u>

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 six months ended June 30, 2023 and 2022 that were included in the contract liability balance at the beginning of the period were \$370,765 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 estimated remunerations to employees amounted to \$3,939, \$12,157, \$9,728 and \$21,886 for the three months and six months ended June 30, 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.

(Continued)

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

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</b>		<b>For the six months ended</b>	
	<b>June 30</b>		<b>June 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Interest income from bank deposits	\$ 114,940	24,334	174,319	31,431
Other interest income	<u>4,908</u>	<u>4,458</u>	<u>11,092</u>	<u>6,897</u>
	<b><u>\$ 119,848</u></b>	<b><u>28,792</u></b>	<b><u>185,411</u></b>	<b><u>38,328</u></b>

(ii) Other income

The details of other income were as follows:

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30,</b>		<b>June 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Rental income	\$ 13,590	11,408	28,115	23,282
Dividend revenue	12,583	-	12,583	-
Government grants	16,412	7,673	41,998	8,098
Others	<u>21,953</u>	<u>30,282</u>	<u>48,936</u>	<u>59,055</u>
	<b><u>\$ 64,538</u></b>	<b><u>49,363</u></b>	<b><u>131,632</u></b>	<b><u>90,435</u></b>

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

(iii) Other gains and losses

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

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30,</b>		<b>June 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Loss on disposal of property, plant and equipment	\$ (17,384)	(682)	(38,988)	(3,077)
Net foreign exchange (loss) gain	336,308	597,024	195,105	952,238
Reversal of impairment loss on property, plant and equipment	4	-	13	-
Others	23,631	6,456	34,716	22,726
	<b>\$ 342,559</b>	<b>602,798</b>	<b>190,846</b>	<b>971,887</b>

(iv) Finance costs

The details of finance costs were as follows:

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30,</b>		<b>June 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Interest expense	<b>\$ 4,950</b>	<b>6,964</b>	<b>9,976</b>	<b>11,523</b>

(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.

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

(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>June 30, 2023</b>							
Non-derivative financial liabilities							
Accounts payable (including related parties)	\$ 4,380,751	4,380,751	4,380,751	-	-	-	-
Dividends payable	11,630,978	11,630,978	11,630,978	-	-	-	-
Other payables (including related parties)	2,508,544	2,508,544	2,508,544	-	-	-	-
Lease liabilities (including current portion)	<u>1,821,462</u>	<u>1,893,905</u>	<u>137,007</u>	<u>137,007</u>	<u>266,585</u>	<u>670,075</u>	<u>683,231</u>
	<b><u>\$ 20,341,735</u></b>	<b><u>20,414,178</u></b>	<b><u>18,657,280</u></b>	<b><u>137,007</u></b>	<b><u>266,585</u></b>	<b><u>670,075</u></b>	<b><u>683,231</u></b>
<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)	<u>1,914,389</u>	<u>1,995,477</u>	<u>132,476</u>	<u>132,476</u>	<u>262,477</u>	<u>689,599</u>	<u>778,449</u>
	<b><u>\$ 10,845,930</u></b>	<b><u>10,927,018</u></b>	<b><u>9,064,017</u></b>	<b><u>132,476</u></b>	<b><u>262,477</u></b>	<b><u>689,599</u></b>	<b><u>778,449</u></b>
<b>June 30, 2022</b>							
Non-derivative financial liabilities							
Unsecured short-term bank loans	\$ 228,888	229,723	229,723	-	-	-	-
Unsecured long-term bank loans(including current portion)	487,800	494,683	245,773	248,910	-	-	-
Accounts payable (including related parties)	4,119,652	4,119,652	4,119,652	-	-	-	-
Dividends payable	6,461,655	6,461,655	6,461,655	-	-	-	-
Other payables (including related parties)	2,848,461	2,848,461	2,848,461	-	-	-	-
Lease liabilities (including current portion)	<u>1,744,821</u>	<u>1,822,888</u>	<u>112,487</u>	<u>112,487</u>	<u>224,975</u>	<u>630,014</u>	<u>742,925</u>
	<b><u>\$ 15,891,277</u></b>	<b><u>15,977,062</u></b>	<b><u>14,017,751</u></b>	<b><u>361,397</u></b>	<b><u>224,975</u></b>	<b><u>630,014</u></b>	<b><u>742,925</u></b>

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>June 30, 2023</b>		
				<b>Foreign currency</b>	<b>Exchange rate</b>	<b>New Taiwan Dollars</b>
<u>Financial assets</u>						
<u>Monetary items</u>						
USD	\$	304,993		31.1350		9,495,949
EUR		417		33.7979		14,080
JPY		31,514		0.2149		6,772
CNY		13		4.3088		54
<u>Financial liabilities</u>						
<u>Monetary items</u>						
USD		21,700		31.1350		675,629
EUR		274		33.7979		9,273
JPY		2,516,867		0.2149		540,875
				<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>June 30, 2022</b>		
	<b>Foreign currency</b>	<b>Exchange rate</b>	<b>New Taiwan Dollars</b>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 435,355	29.7260	12,941,375
EUR	248	31.0393	7,713
JPY	8,468	0.2177	1,843
CNY	69	4.4291	303
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	53,813	29.7260	1,599,641
JPY	1,559,503	0.2177	339,504
EUR	651	31.0393	20,220

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 June 30, 2023 and 2022 would have increased or decreased the net income before tax by \$82,911 and \$109,919 for the six months ended June 30, 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 six months ended June 30, 2023 and 2022 were the net exchange gain of \$195,105 and \$952,238, 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**  
**Notes to Consolidated Financial Statements**

If the interest rates increase or decrease by 1%, (with all the other factors remain constant) for the six months ended June 30, 2022, the Group's net income before tax would decrease or increase by \$7,167, 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:

	June 30, 2023				
	Carrying Amount	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through other comprehensive income					
Domestic listed stocks	\$ 256,757	256,757	-	-	256,757
Financial assets measured by amortized cost					
Cash and cash equivalents	22,517,212	-	-	-	-
Accounts receivable, net (including related parties)	8,572,782	-	-	-	-
Other receivables (including related parties)	108,329	-	-	-	-
Subtotal	31,198,323	-	-	-	-
Total	<u>\$ 31,455,080</u>	<u>256,757</u>	<u>-</u>	<u>-</u>	<u>256,757</u>
Financial liabilities measured by amortized cost					
Accounts payable (including related parties)	\$ 4,380,751	-	-	-	-
Dividends payable	11,630,978	-	-	-	-
Other payables (including related parties)	2,508,544	-	-	-	-
Lease liabilities (including current portion)	1,821,462	-	-	-	-
Total	<u>\$ 20,341,735</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(Continued)

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

	<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>June 30, 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	\$ 18,741,078	-	-	-	-
Notes and accounts receivable, net (including related parties)	12,789,553	-	-	-	-
Other receivables (including related parties)	<u>58,109</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<b><u>\$ 31,588,740</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	\$ 228,888	-	-	-	-
Accounts payable (including related parties)	4,119,652	-	-	-	-
Dividends payable	6,461,655	-	-	-	-
Other payables (including related parties)	2,848,461	-	-	-	-
Lease liabilities (including current portion)	<u>1,744,821</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Long-term loans (including current portion)	<u>487,800</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<b><u>\$ 15,891,277</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

(Continued)



**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 six months ended June 30, 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		June 30, 2023
			Foreign exchange movement	Acquisition	
Lease liabilities(including current portion)	\$ 1,914,389	(126,879)	-	33,952	1,821,462
Total liabilities from financing activities	<u>\$ 1,914,389</u>	<u>(126,879)</u>	<u>-</u>	<u>33,952</u>	<u>1,821,462</u>

	January 1, 2022	Cash flows	Non-cash changes		June 30, 2022
			Foreign exchange movement	Acquisition	
Short-term loans	\$ 1,214,969	(1,018,937)	32,856	-	228,888
Long-term loans (including current portion)	681,592	(235,227)	41,435	-	487,800
Lease liabilities (including current portion)	374,277	(107,525)	-	1,478,069	1,744,821
Total liabilities from financing activities	<u>\$ 2,270,838</u>	<u>(1,361,689)</u>	<u>74,291</u>	<u>1,478,069</u>	<u>2,461,509</u>

(Continued)

**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</b>		<b>For the six months ended</b>	
	<b>June 30,</b>		<b>June 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Associates	\$ 149,027	302,148	335,980	530,361
Other related parties	238	357	476	625
	<b>\$ 149,265</b>	<b>302,505</b>	<b>336,456</b>	<b>530,986</b>

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.

(Continued)

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

(ii) Receivables from related parties

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

<u>Account</u>	<u>Relationship</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Accounts receivable due from related parties	Associates	\$ 80,917	102,050	223,105
Accounts receivable due from related parties	Other related parties	94	187	94
		<u>\$ 81,011</u>	<u>102,237</u>	<u>223,199</u>

(iii) Purchases from related parties

Significant purchases from related parties were as follows:

	<u>For the three months ended June 30,</u>		<u>For the six months ended June 30</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
The parent company	\$ 461,779	316,646	961,709	581,366
Other related parties				
NEMK	200,645	256,231	375,022	566,585
Others	116,786	90,128	182,700	174,785
	<u>\$ 779,210</u>	<u>663,005</u>	<u>1,519,431</u>	<u>1,322,736</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.

(iv) Payables to related parties

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

<u>Account</u>	<u>Relationship</u>	<u>June 30, 2023</u>	<u>December 31, 2022</u>	<u>June 30, 2022</u>
Accounts payable to related parties	The parent company	\$ 161,314	210,111	126,320
Accounts payable to related parties	Other related parties			
NEMK		82,793	77,206	102,591
Accounts payable to related parties	WTC	25,206	13,587	32,184
Accounts payable to related parties	Others	22,046	15,251	16,551
		<u>\$ 291,359</u>	<u>316,155</u>	<u>277,646</u>

(Continued)

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

## (v) Dividends

	<b>Other receivables due from related parties</b>		
	<b>June 30, 2023</b>	<b>December 31, 2022</b>	<b>June 30, 2022</b>
Associates – FATC	\$ 43,781	-	-
Other related parties	12,583	-	-
	<b>\$ 56,364</b>	-	-

## (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:

	<b>Lease revenue</b>			
	<b>For the three months ended June 30,</b>		<b>For the six months ended June 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
The parent company	\$ <b>3,109</b>	<b>2,843</b>	<b>6,218</b>	<b>5,687</b>

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 June 30, 2023, December 31 and June 30, 2022, the Group still had unreceived receivables of \$1,088, \$0 and \$0 accounted for as other receivables due from related parties, respectively.

- 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 and six months ended June 30, 2023 and 2022, the above rentals amounting to \$8,365, \$6,650, \$16,812 and \$13,388, respectively, were recognized as expenses. For the three months and six months ended June 30, 2023 and 2022, the amount of \$4,660, \$3,359, \$9,450 and \$4,536 was recognized as interest expense. As of June 30, 2023, December 31 and June 30, 2022 the balance of lease liabilities amounting to \$1,803,673, \$1,897,181 and \$1,744,821, respectively.

The Group added a right-of-use asset amounting to \$1,454,958 for the six months ended June 30, 2022.

(Continued)

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

(vii) Others

The Group bought utilities such as steam, water and electricity from other related parties-Nan Ya Electronic Materials (Kunshan) Co., Ltd. amounting to \$79,403, \$59,437, \$169,474 and \$147,091, for the three months and six months ended June 30, 2023 and 2022, respectively. As of June 30, 2023, December 31 and June 30, 2022, the Group still had unpaid payables accounted for as other payables to related parties amounting to \$30,713, \$36,960 and \$28,791, respectively.

For the three months and six months ended June 30, 2023 and 2022, the Group provides sewage treatment service to Nan Ya Electronic Materials (Kunshan) Co., Ltd. and receives \$7,038, \$8,472, \$13,290 and \$29,636, respectively. As of June 30, 2023, December 31 and June 30, 2022, the Group still had uncollected receivables accounted for as other receivables due from related parties amounting to \$2,510, \$5,349 and \$3,832, respectively.

(d) Key management personnel compensation

Key management personnel compensation comprised

	<b>For the three months ended</b>		<b>For the six months ended</b>	
	<b>June 30,</b>		<b>June 30</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Short-term employee benefits	\$ <u>9,410</u>	<u>9,940</u>	<u>18,456</u>	<u>18,382</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>June 30,</b>	<b>December 31,</b>	<b>June 30,</b>
	<b>2023</b>	<b>2022</b>	<b>2022</b>
Outstanding letters of credit for the importation of raw materials	\$ <u>1,496,340</u>	<u>1,319,143</u>	<u>365,890</u>

(b) The endorsements by the bank were as follows:

	<b>June 30,</b>	<b>December 31,</b>	<b>June 30,</b>
	<b>2023</b>	<b>2022</b>	<b>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.

(Continued)

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

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

**(11) Subsequent Events: None**

**(12) Other**

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

	For the three months ended June 30, 2023			For the three months ended June 30, 2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salaries	1,779,433	185,339	1,964,772	2,414,697	236,996	2,651,693
Labor and health insurance	173,868	19,899	193,767	166,898	17,906	184,804
Pension expenses	128,333	19,430	147,763	132,697	16,130	148,827
Remuneration of directors	-	1,775	1,775	-	1,650	1,650
Other personnel expenses	55,330	8,003	63,333	58,375	7,583	65,958
Depreciation expenses	1,485,103	5,348	1,490,451	1,061,913	4,440	1,066,353

	For the six months ended June 30, 2023			For the six months ended June 30, 2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits						
Salaries	3,910,923	390,532	4,301,455	4,678,312	502,257	5,180,569
Labor and health insurance	350,549	40,054	390,603	329,223	35,321	364,544
Pension expenses	259,937	39,561	299,498	263,542	31,802	295,344
Remuneration of directors	-	3,275	3,275	-	3,180	3,180
Other personnel expenses	111,855	16,423	128,278	116,300	15,188	131,488
Depreciation expenses	2,758,078	10,523	2,768,601	2,108,578	8,697	2,117,275

(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	-	11,385,620 (Note 2)	22,771,240 (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 June 30, 2023 (excluding investment in subsidiaries, associates and joint ventures):

(in thousands of shares and New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	FPC stock	Other related parties	Current financial assets at fair value through other comprehensive income	2,996	256,757	0.05 %	256,757	-

##### (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	NYPK	Parent company	Purchase	957,511	20.44 %	O/A 30 days	-	-	(159,034)	(5.32)%	-
The Company	NPKC	Subsidiary of the Company	Purchase	1,844,143	39.36 %	O/A 30 days	-	-	(349,346)	(11.68)%	Note
The Company	FATC	Associates	(sale)	(103,923)	(0.67)%	O/A 70 days	-	-	38,327	0.68%	-
NPKC	The Company	Parent company	(sale)	(1,844,143)	(20.42)%	O/A 30 days	-	-	349,346	10.54%	Note
NPKC	FATC	Associates	(sale)	(232,057)	(2.57)%	O/A 70 days	-	-	42,590	1.29%	-
NPKC	NEMK	Same chairman	Purchase	375,022	10.22 %	O/A 60 days	-	-	(82,793)	(4.75)%	-

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	349,346	10.20	-		349,346	-

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	1,844,143	O/A 30 days	8.12%
1	NPKC	The Company	2	Accounts receivable due from related parties	349,346	O/A 30 days	0.43%

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 six months ended June 30, 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 June 30, 2023			Net income (losses) of investee	Share of profits/(losses) of investee	Note
				June 30, 2023	December 31, 2022	Shares (in thousands)	Percentage of ownership	Carrying amount			
The Company	NPHK	HK	Business of electronic products	8,595,674	8,595,674	2,152,020	100.00 %	23,105,824	1,513,277	1,513,277	Note1
The Company	NPUC	USA	Customer sales promotion	3,479	3,479	1,000	100.00 %	19,808	1,244	1,244	Note1
The Company	FATC	TW	Assembling testing and producing modules for IC	472,968	472,968	13,267	3.00 %	486,969	462,501	14,078	Note2

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

Note2: Investee company accounted for using equity method.

(Continued)



## 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 June 30, 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	1,513,105	100.00%	1,513,105 (Note 2)	23,091,532	-

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 June 30, 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 six months ended June 30, 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 June 30, 2023</b>				
	<b>Domestic</b>	<b>American</b>	<b>Asian</b>	<b>Adjustments and elimination</b>	<b>Total</b>
Revenue:					
From external clients	\$ 6,817,471	-	3,316,172	-	10,133,643
Intersegments	<u>2,012</u>	<u>8,890</u>	<u>948,695</u>	<u>(959,597)</u>	<u>-</u>
Total revenue	<b><u>\$ 6,819,483</u></b>	<b><u>8,890</u></b>	<b><u>4,264,867</u></b>	<b><u>(959,597)</u></b>	<b><u>10,133,643</u></b>
Income/Loss of reportable segments	<b><u>\$ 1,965,600</u></b>	<b><u>2,280</u></b>	<b><u>781,514</u></b>	<b><u>(776,486)</u></b>	<b><u>1,972,908</u></b>
	<b>For the three months ended June 30, 2022</b>				
	<b>Domestic</b>	<b>American</b>	<b>Asian</b>	<b>Adjustments and elimination</b>	<b>Total</b>
Revenue:					
From external clients	\$ 11,208,248	-	3,977,467	-	15,185,715
Intersegments	<u>6,978</u>	<u>6,006</u>	<u>1,579,330</u>	<u>(1,592,314)</u>	<u>-</u>
Total revenue	<b><u>\$ 11,215,226</u></b>	<b><u>6,006</u></b>	<b><u>5,556,797</u></b>	<b><u>(1,592,314)</u></b>	<b><u>15,185,715</u></b>
Income/Loss of reportable segments	<b><u>\$ 6,066,500</u></b>	<b><u>132</u></b>	<b><u>1,719,021</u></b>	<b><u>(1,708,417)</u></b>	<b><u>6,077,236</u></b>
	<b>For the six months ended June 30, 2023</b>				
	<b>Domestic</b>	<b>American</b>	<b>Asian</b>	<b>Adjustments and elimination</b>	<b>Total</b>
Revenue:					
From external clients	\$ 15,526,590	-	7,187,710	-	22,714,300
Intersegments	<u>9,918</u>	<u>15,447</u>	<u>1,844,143</u>	<u>(1,869,508)</u>	<u>-</u>
Total revenue	<b><u>\$ 15,536,508</u></b>	<b><u>15,447</u></b>	<b><u>9,031,853</u></b>	<b><u>(1,869,508)</u></b>	<b><u>22,714,300</u></b>
Income/Loss of reportable segments	<b><u>\$ 4,854,098</u></b>	<b><u>1,904</u></b>	<b><u>1,779,787</u></b>	<b><u>(1,514,521)</u></b>	<b><u>5,121,268</u></b>
	<b>For the six months ended June 30, 2022</b>				
	<b>Domestic</b>	<b>American</b>	<b>Asian</b>	<b>Adjustments and elimination</b>	<b>Total</b>
Revenue:					
From external clients	\$ 22,205,484	-	7,541,886	-	29,747,370
Intersegments	<u>14,691</u>	<u>12,079</u>	<u>3,662,496</u>	<u>(3,689,266)</u>	<u>-</u>
Total revenue	<b><u>\$ 22,220,175</u></b>	<b><u>12,079</u></b>	<b><u>11,204,382</u></b>	<b><u>(3,689,266)</u></b>	<b><u>29,747,370</u></b>
Income/Loss of reportable segments	<b><u>\$ 10,921,257</u></b>	<b><u>452</u></b>	<b><u>3,094,534</u></b>	<b><u>(2,724,420)</u></b>	<b><u>11,291,823</u></b>

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	<u>Domestic</u>	<u>American</u>	<u>Asian</u>	<u>Adjustments and elimination</u>	<u>Total</u>
<b>Assets of reportable segments</b>					
June 30, 2023	\$ <u>79,319,617</u>	<u>19,979</u>	<u>26,069,182</u>	<u>(23,588,162)</u>	<u>81,820,616</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>
June 30, 2022	\$ <u>68,915,240</u>	<u>16,497</u>	<u>23,322,622</u>	<u>(20,134,448)</u>	<u>72,119,911</u>
<b>Liabilities of reportable segments</b>					
June 30, 2023	\$ <u>33,777,138</u>	<u>171</u>	<u>2,905,505</u>	<u>(404,677)</u>	<u>36,278,137</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>
June 30, 2022	\$ <u>25,951,069</u>	<u>-</u>	<u>3,899,884</u>	<u>(695,213)</u>	<u>29,155,740</u>