Stock Code:1303

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES

Consolidated Financial Statements

With Independent Auditors' Review Report
For the Three Months Ended March 31, 2019 and 2018

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

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Independent Auditors' Review Report

To the Board of Directors of NAN YA PLASTICS CORPORATION:

Introduction

We have reviewed the accompanying consolidated balance sheets of NAN YA PLASTICS CORPORATION and its subsidiaries (the "Consolidated Company") as of March 31, 2019 and 2018, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement of Auditing Standard 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". 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 generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4 (b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to $81,325,256 thousand and $67,722,040 thousand, constituting 14.10% and 11.82% of consolidated total assets as of March 31, 2019 and 2018, total liabilities amounting to $6,139,090 thousand and $6,607,748 thousand, constituting 3.48% and 3.79% of consolidated total liabilities as of March 31, 2019 and 2018, respectively, and total comprehensive income (loss) amounting to $508,295 thousand and $371,861 thousand, constituting 3.86% and 2.20% of consolidated total comprehensive income (loss) for the three months ended March 31, 2019 and 2018, respectively.

Furthermore, as stated in Note 6 (g), the other equity accounted investments of the Consolidated Company in its investee companies of $38,531,259 thousand and $36,457,715 thousand as of March 31, 2019 and 2018, respectively, and its equity in net earnings on these investee companies of $(63,562) thousand and $41,416 thousand for the three months ended March 31, 2019 and 2018, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Consolidated Company as of March 31, 2019 and 2018, and of its consolidated financial performance and its consolidated cash flows for the three months ended March 31, 2019 and 2018 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, " Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

We did not review the financial statements of certain subsidiaries of the Consolidated Company. Those financial statements were reviewed by other auditors, whose review reports have been furnished to us, and our conclusion, insofar as it relates to the amounts included for those subsidiaries, is based solely on the review reports of other auditors. The financial statements of those subsidiaries reflect the total assets amounting to $97,806,209 thousand and $108,348,138 thousand, constituting 16.96% and 18.91% of consolidated total assets as of March 31, 2019 and 2018, respectively, and total operating revenues amounting to $16,792,437 thousand and $19,094,207 thousand, constituting 23.68% and 23.22% of consolidated total operating revenues for the three months ended March 31, 2019 and 2018, respectively.

We did not review the financial statements of certain investee companies, which represented the investment in other entities accounted for using the equity method of the Consolidated Company. Those financial statements were reviewed by another auditor, whose review report has been furnished to us, and our conclusion, insofar as it relates to the amounts included for those investee companies, is based solely on the review report of another auditor. The aforementioned investments accounted for using the equity method amounted to $81,472,698 thousand and $86,025,468 thousand, constituting 14.13% and 15.01% of consolidated total assets as of March 31, 2019 and 2018, respectively, and the related shares of profit of associates and joint ventures accounted for using the equity method amounted to $2,130,497 thousand and $4,230,489 thousand, constituting 36.52% and 27.77% of consolidated total profit before tax for the three months ended March 31, 2019 and 2018, respectively.

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

Kuo, Hsin-Yi and Yu, Chi-Lung.

KPMG

Taipei, Taiwan (Republic of China)
May 10, 2019

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 the generally accepted auditing standards as of March 31, 2019 and 2018

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

March 31, 2019, December 31, 2018, and March 31, 2018

(Expressed in Thousands of New Taiwan Dollars)

	Assets	March 31, 2019 Amount	%	December 31, 2018 Amount	%	March 31, 2018 Amount	%
	Current assets:						
1100	Cash and cash equivalents (notes 6(a) and (x))	$ 43,108,568	8	45,288,421	8	45,350,124	8
1110	Current financial assets at fair value through profit or loss (notes 6(b) and (x))	4,057,856	1	4,017,249	1	5,389,845	1
1120	Current financial assets at fair value through other comprehensive income (notes 6(c) and (x))	48,018,046	8	44,528,667	8	45,904,865	8
1150	Notes receivable, net (notes 6(d) and (x))	12,361,561	2	13,601,549	2	12,970,299	2
1170	Accounts receivable, net (notes 6(d) and (x))	37,790,922	7	39,237,627	7	40,624,762	7
1180	Accounts receivable due from related parties (notes 6(d), (x) and 7)	2,171,610	-	2,484,349	-	2,554,148	-
1200	Other receivables (note 6(e))	1,514,526	-	1,869,037	-	2,235,485	-
1210	Other receivables due from related parties (notes 6(e) and 7)	7,111,680	1	6,117,870	1	14,822,549	3
130X	Inventories (note 6(f))	46,197,811	8	49,040,842	9	44,428,247	8
1470	Other current assets	3,748,355	1	4,088,930	1	4,710,788	1
	Total current assets	206,080,935	36	210,274,541	37	218,991,112	38
	Non-current assets:						
1510	Non-current financial assets at fair value through profit or loss (notes 6(b) and (x))	1,051,014	-	1,047,877	-	-	-
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(c) and (x))	29,066,167	5	28,011,349	5	30,783,630	6
1550	Investments accounted for using equity method (note 6(g))	174,643,821	30	169,871,136	30	169,545,645	30
1600	Property, plant and equipment (notes 6(h))	145,071,631	25	140,907,261	25	133,227,703	23
1755	Right-of-use assets (note 6(i) and 7)	1,356,123	-	-	-	-	-
1782	Intangible assets (note 6(j))	2,438,454	-	2,486,740	-	2,631,599	-
1812	Technology development expense	35,604	-	37,385	-	51,105	-
1840	Deferred tax assets	5,369,796	1	5,519,863	1	5,845,888	1
1915	Prepayments for purchase of equipment	3,117,256	1	2,710,252	-	2,561,933	-
1937	Overdue receivables (note 6(d))	-	-	-	-	-	-
1975	Net defined benefit asset-non-current	-	-	1,040	-	6,196	-
1990	Other non-current assets	8,378,295	2	9,381,900	2	9,370,383	2
	Total non-current assets	370,528,161	64	359,974,803	63	354,024,082	62
	Total assets	$ 576,609,096	100	570,249,344	100	573,015,194	100

	Liabilities and Equity	March 31, 2019 Amount	%	December 31, 2018 Amount	%	March 31, 2018 Amount	%
	Current liabilities:						
2100	Short-term borrowings (notes 6(l), (x), and (aa))	$ 18,240,049	3	21,253,381	4	10,848,985	2
2110	Short-term notes and bills payable (notes 6(k), (x) and (aa))	13,346,931	2	8,897,747	1	7,498,743	1
2170	Notes and accounts payable (note 6(x))	8,270,101	2	9,496,716	2	8,841,457	2
2180	Accounts payable to related parties (notes 6(x) and 7)	8,038,133	1	8,720,846	1	10,422,275	2
2200	Other payables	16,502,951	3	20,233,152	4	19,020,269	3
2220	Other payables to related parties (note 7)	-	-	-	-	50,939	-
2280	Current lease liabilities (notes 6(o), (aa), and 7)	208,044	-	-	-	-	-
2321	Current portion of bonds payable (notes 6(n), (x) and (aa))	5,947,501	1	5,946,931	1	9,043,572	2
2322	Current portion of long-term borrowings (note 6(m), (x) and (aa))	3,193,761	1	6,133,333	1	13,941,906	2
2399	Other current liabilities	1,582,596	-	1,109,441	-	1,476,484	-
	Total current liabilities	75,330,067	13	81,791,547	14	81,144,630	14
	Non-Current liabilities:						
2530	Bonds payable (notes 6(n), (x) and (aa))	51,387,758	9	52,584,524	9	46,840,540	8
2540	Long-term borrowings (notes 6(m), (x) and (aa))	8,567,757	2	6,137,472	1	7,002,807	1
2570	Deferred tax liabilities	12,826,175	2	12,639,024	3	11,509,642	2
2580	Non-current lease liabilities (notes 6(o), (aa) and 7)	369,394	-	-	-	-	-
2611	Long-term notes payable (notes 6(n), (x) and (aa))	5,096,387	1	7,096,550	1	4,999,137	1
2640	Net defined benefit liability-non-current	22,223,746	4	22,287,385	4	21,708,173	4
2645	Guarantee deposits	652,106	-	679,464	-	665,553	-
2670	Other non-current liabilities (note 6(g))	71,979	-	128,386	-	356,445	-
	Total non-current liabilities	101,195,302	18	101,552,805	18	93,082,297	16
	Total liabilities	176,525,369	31	183,344,352	32	174,226,927	30
	Equity attributable to owners of parent (notes 6(r)):						
3110	Common Stock	79,308,216	14	79,308,216	14	79,308,216	14
3200	Capital surplus	26,694,747	4	26,672,119	5	26,730,929	5
3300	Retained earnings	225,839,178	39	220,788,020	39	223,340,626	39
3400	Others	57,011,085	10	48,903,842	8	57,925,246	10
36XX	Non-controlling interests	11,230,501	2	11,232,795	2	11,483,250	2
	Total equity	400,083,727	69	386,904,992	68	398,788,267	70
	Total liabilities and equity	$ 576,609,096	100	570,249,344	100	573,015,194	100

See accompanying notes to Consolidated financial statements.

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

Reviewed only, not audited in accordance with generally accepted auditing standards

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the three months ended March 31, 2019 and 2018

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

		For the three months ended March 31			
		2019		2018	
		Amount	%	Amount	%
4000	**Operating revenue (notes 6(u) and 7)**	$ 70,920,119	100	82,219,991	100
5000	**Operating costs (notes 6(f), (p), (v), 7 and 12)**	64,404,802	91	68,463,037	83
5910	Less: Realized profit from affiliated companies (note 7)	(6,092)	-	(12,633)	-
	Gross profit from operation	6,521,409	9	13,769,587	17
	Operating expenses (notes 6(j), (p), (v), 7 and 12):				
6100	Selling expenses	2,281,713	3	2,512,893	3
6200	Administrative expenses	1,960,159	3	2,191,820	3
	Total operating expenses	4,241,872	6	4,704,713	6
	Net Operating income	2,279,537	3	9,064,874	11
	Non-operating income and expenses (notes 6(g), (w) and 7):				
7010	Other income	907,204	1	641,684	1
7020	Other gains and losses	103,456	-	(497,855)	(1)
7050	Finance costs	(547,145)	-	(415,037)	(1)
7060	Share of profit of associates and joint ventures accounted for using equity method	3,090,025	4	6,440,265	8
	Total non-operating income and expenses	3,553,540	5	6,169,057	7
	Profit before tax	5,833,077	8	15,233,931	18
7950	Less: Income tax expenses (note 6(q))	847,937	1	1,966,634	2
	Profit	4,985,140	7	13,267,297	16
8300	**Other comprehensive income (loss) (note 6(g) and (r)):**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	4,489,429	6	2,379,583	3
8320	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	1,303,679	2	1,659,063	2
8349	Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	(171,261)	-
		5,793,108	8	4,209,907	5
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation	2,362,218	4	(457,040)	(1)
8370	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	11,475	-	(1,023)	-
8399	Less: income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	135,016	-
		2,373,693	4	(593,079)	(1)
8300	**Other comprehensive income**	8,166,801	12	3,616,828	4
8500	**Total comprehensive income**	$ 13,151,941	19	16,884,125	20
	Profit, attributable to:				
8610	Owners of parent	$ 5,051,158	7	13,464,659	16
8620	Non-controlling interests	(66,018)	-	(197,362)	-
		$ 4,985,140	7	13,267,297	16
	Comprehensive income attributable to:				
8710	Owners of parent	$ 13,158,401	19	17,003,460	20
8720	Non-controlling interests	(6,460)	-	(119,335)	-
		$ 13,151,941	19	16,884,125	20

		Before Tax	After Tax	Before Tax	After Tax
	Basic earnings per share (note 6(t)):				
9710	Income from continuing operations	$ 0.74	0.63	1.92	1.67
	Income from non-controlling equity	(0.05)	0.01	(0.11)	0.03
9750	Income attributable to shareholders of the parent	$ 0.69	0.64	1.81	1.70

See accompanying notes to Consolidated financial statements.

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

Reviewed only, not audited in accordance with generally accepted auditing standards

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the three months ended March 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent												
			Retained earnings			Items of other equity interest							
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unrealized gains (losses) on available-for-sale financial assets	Gains (losses) on effective portion of cash flow hedges	Gains (losses) on hedging instruments	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2018	$ 79,308,216	26,158,472	57,873,852	86,932,416	63,674,176	(6,026,197)	-	47,691,196	7,729	-	355,619,860	11,599,899	367,219,759
Effects of retrospective application	-	-	-	-	1,206,363	-	60,594,455	(47,691,196)	(7,729)	7,729	14,109,622	(1,172)	14,108,450
Balance at January 1, 2018 after adjustment	79,308,216	26,158,472	57,873,852	86,932,416	64,880,539	(6,026,197)	60,594,455	-	-	7,729	369,729,482	11,598,727	381,328,209
Other changes in capital surplus:													
Other changes in capital surplus	-	572,457	-	-	-	-	-	-	-	-	572,457	-	572,457
Profit for the three months ended March 31, 2018	-	-	-	-	13,464,659	-	-	-	-	-	13,464,659	(197,362)	13,267,297
Other comprehensive income for the three months ended March 31, 2018	-	-	-	-	189,542	(668,497)	4,018,779	-	-	(1,023)	3,538,801	78,027	3,616,828
Total comprehensive income for the three months ended March 31, 2018	-	-	-	-	13,654,201	(668,497)	4,018,779	-	-	(1,023)	17,003,460	(119,335)	16,884,125
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	3,858	3,858
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(382)	-	-	-	-	-	(382)	-	(382)
Balance at March 31, 2018	$ 79,308,216	26,730,929	57,873,852	86,932,416	78,534,358	(6,694,694)	64,613,234	-	-	6,706	387,305,017	11,483,250	398,788,267
Balance at January 1, 2019	$ 79,308,216	26,672,119	63,325,953	93,737,091	63,724,976	(5,705,296)	54,624,319	-	-	(15,181)	375,672,197	11,232,795	386,904,992
Reversal of special reserve	-	-	-	(379)	379	-	-	-	-	-	-	-	-
Other changes in capital surplus:													
Other changes in capital surplus	-	22,628	-	-	-	-	-	-	-	-	22,628	-	22,628
Profit for the three months ended March 31, 2019	-	-	-	-	5,051,158	-	-	-	-	-	5,051,158	(66,018)	4,985,140
Other comprehensive income for the three months ended March 31, 2019	-	-	-	-	-	2,302,660	5,793,108	-	-	11,475	8,107,243	59,558	8,166,801
Total comprehensive income for the three months ended March 31, 2019	-	-	-	-	5,051,158	2,302,660	5,793,108	-	-	11,475	13,158,401	(6,460)	13,151,941
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	4,166	4,166
Balance at March 31, 2019	$ 79,308,216	26,694,747	63,325,953	93,736,712	68,776,513	(3,402,636)	60,417,427	-	-	(3,706)	388,853,226	11,230,501	400,083,727

See accompanying notes to Consolidated financial statements.

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

Reviewed only, not audited in accordance with generally accepted auditing standards

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the three months ended March 31, 2019 and 2018

(Expressed in Thousands of New Taiwan Dollars)

	For the three months ended March 31 2019	For the three months ended March 31 2018
Cash flows from (used in) operating activities:		
Profit before tax	$ 5,833,077	15,233,931
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	3,875,605	4,101,070
Amortization expense	340,212	522,844
Net profit on financial assets or liabilities at fair value through profit or loss	(40,607)	87,972
Interest expense	547,145	415,037
Interest income	(418,134)	(204,814)
Share of profit of associates and joint ventures accounted for using equity method	(3,090,025)	(6,440,265)
Loss on disposal of property, plant and equipment	5,836	5,862
Property, plant and equipment transferred to expenses	-	7,370
Realized profit from affiliated companies	(6,092)	(12,633)
Unrealized foreign exchange profit or loss	(47,386)	155,226
Other revenue, overdue dividends and compensation of board and directors	120	666
Gain on reversal of impairment loss of property, plant and equipment	(4)	(5,142)
Total adjustments to reconcile profit (loss)	1,166,670	(1,366,807)
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable	1,239,988	(841,948)
Decrease in accounts receivable (including related parties)	1,779,926	669,729
Decrease (increase) in other receivable	506,096	(149,709)
Decrease (increase) in inventories	2,962,298	(3,999,913)
Decrease in other current assets	313,749	636,640
Total changes in operating assets	6,802,057	(3,685,201)
Decrease in notes and accounts payable	(1,911,899)	(689,583)
Decrease in other payable	(3,598,620)	(1,763,181)
Increase in other current liabilities	275,320	264,711
Decrease in net defined benefit liability	(62,599)	(83,940)
Total changes in operating liabilities	(5,297,798)	(2,271,993)
Total changes in operating assets and liabilities	1,504,259	(5,957,194)
Total adjustments	2,670,929	(7,324,001)
Cash inflow generated from operations	8,504,006	7,909,930
Interest received	266,549	288,025
Interest paid	(295,793)	(358,241)
Income taxes paid	(881,044)	(1,064,562)
Net cash flows from operating activities	7,593,718	6,775,152
Cash flows from (used in) investing activities:		
Acquisition of investments accounted for using equity method	(231,570)	-
Acquisition of property, plant and equipment	(5,856,740)	(3,008,855)
Proceeds from disposal of property, plant and equipment	20,441	14,531
Decrease (increase) in refundable deposits	6,096	(1,453)
Increase in other receivables due from related parties	(993,810)	(474,808)
Increase in other non-current assets	(1,467,284)	(986,338)
Net cash flows used in investing activities	(8,522,867)	(4,456,923)
Cash flows from (used in) financing activities:		
(Decrease) increase in short-term loans	(3,021,210)	1,553,402
Increase (decrease) in short-term notes and bills payable	4,449,184	(500,035)
Repayments of bonds	(1,200,000)	-
Proceeds from long-term debt	2,500,000	1,200,000
Repayments of long-term debt	(3,000,000)	(3,406,720)
(Decrease) increase in other borrowings (long-term notes payables)	(2,000,163)	719
Decrease in guarantee deposits received	(27,358)	(39,123)
Increase in other payables to related parties	-	50,939
Payment of lease liabilities	(56,027)	-
Increase in other non-current liabilities	141,417	5,226
Cash dividends paid	(7,972)	(1,319)
Change in non-controlling interests	4,166	2,686
Net cash flows used in financing activities	(2,217,963)	(1,134,225)
Effect of exchange rate changes on cash and cash equivalents	967,259	(137,959)
Net (decrease) increase in cash and cash equivalents	(2,179,853)	1,046,045
Cash and cash equivalents at beginning of period	45,288,421	44,304,079
Cash and cash equivalents at end of period	$ 43,108,568	45,350,124

See accompanying notes to Consolidated financial statements.

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

March 31, 2019 and 2018

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

(1) Company history

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

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

The accompanying consolidated financial statements were approved and authorized for issue by the Board of Directors on May 10, 2019.

(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 following new standards, interpretations and amendments have been endorsed by the FSC and are effective for annual periods beginning on or after January 1, 2019.

New, Revised or Amended Standards and Interpretations	Effective date per IASB
IFRS 16 "Leases"	January 1, 2019
IFRIC 23 "Uncertainty over Income Tax Treatments"	January 1, 2019
Amendments to IFRS 9 "Prepayment features with negative compensation"	January 1, 2019
Amendments to IAS 19 "Plan Amendment, Curtailment or Settlement"	January 1, 2019
Amendments to IAS 28 "Long-term interests in associates and joint ventures"	January 1, 2019
Annual Improvements to IFRS Standards 2015–2017 Cycle	January 1, 2019

Except for the following items, the Consolidated Company believes that the adoption of the above IFRSs would not have any material impact on its consolidated financial statements. The extent and impact of signification changes are as follows:

(i) IFRS 16"Leases"

IFRS 16 replaces the existing leases guidance, including IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases – Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease.

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The Consolidated Company applied IFRS 16 using the modified retrospective approach, under which the cumulative effect of initial application is recognized in retained earnings on January 1, 2019. The details of the changes in accounting policies are disclosed below,

1) Definition of a lease

Previously, the Consolidated Company determined at contract inception whether an arrangement is or contains a lease under IFRIC 4. Under IFRS 16, the Consolidated Company assesses whether a contract is or contains a lease based on the definition of a lease, as explained in Note 4(c).

On transition to IFRS 16, the Consolidated Company elected to apply the practical expedient to grandfather the assessment of which transactions are leases. The Consolidated Company applied IFRS 16 only to contracts that were previously identified as leases. Contracts that were not identified as leases under IAS 17 and IFRIC 4 were not reassessed for whether there is a lease. Therefore, the definition of a lease under IFRS 16 was applied only to contracts entered into or changed on or after January 1, 2019.

2) As a lessee

As a lessee, the Consolidated Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred significantly all of the risks and rewards incidental to ownership of the underlying asset to the Consolidated Company. Under IFRS 16, the Consolidated Company recognizes right-of-use assets and lease liabilities for most leases – i.e. these leases are on-balance sheet.

The Consolidated Company decided to apply recognition exemptions to short-term leases of buildings that have a lease term of 12 months or less.

- Leases classified as operating leases under IAS 17

  At transition, lease liabilities were measured at the present value of the remaining lease payments, discounted at the Consolidated Company's incremental borrowing rate as at January 1, 2019. Right-of-use assets are measured at either:

  - their carrying amount as if IFRS 16 had been applied since the commencement date, discounted using the lessee's incremental borrowing rate at the date of initial application – the Consolidated Company applied this approach to its largest property leases; or

  - an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments – the Consolidated Company applied this approach to all other lease.

(Continued)

In addition, the Consolidated Company used the following practical expedients when applying IFRS 16 to leases.

— Applied a single discount rate to a portfolio of leases with similar characteristics.

— Adjusted the right-of-use assets by the amount of IAS 37 onerous contract provision immediately before the date of initial application, as an alternative to an impairment review.

— Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term.

— Excluded initial direct costs from measuring the right-of-use asset at the date of initial application.

— Used hindsight when determining the lease term if the contract contains options to extend or terminate the lease.

3) Impacts on financial statements

On transition to IFRS 16, the Consolidated Company recognized additional $1,397,516 of right-of-use assets and $626,994 of lease liabilities, recognizing the difference in retained earnings. When measuring lease liabilities, the Consolidated Company discounted lease payments using its incremental borrowing rate at January 1, 2019. The weighted-average rate applied is 3.10%.

	January 1, 2019
Operating lease commitment at December 31, 2018 as disclosed in the Consolidated Company's consolidated financial statements	$ 668,234
Discounted using the incremental borrowing rate at January 1, 2019	$ 626,994
Lease liabilities recognized at January 1, 2019	$ 626,994

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

As of the date, the following IFRSs that have been issued by the International Accounting Standards Board (IASB), but have yet to be endorsed by the FSC:

New, Revised or Amended Standards and Interpretations	Effective date per IASB
Amendments to IFRS 3 "Definition of a Business"	January 1, 2020
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	Effective date to be determined by IASB

(Continued)

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New, Revised or Amended Standards and Interpretations	Effective date per IASB
IFRS 17 "Insurance Contracts"	January 1, 2021
Amendments to IAS 1 and IAS 8 "Definition of Material"	January 1, 2020

Those which may be relevant to the Consolidated Company are set out below:

Issuance / Release Dates	Standards or Interpretations	Content of amendment
September 11, 2014	Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"	The amendments address an acknowledged inconsistency between the requirements in IFRS 10 and those in IAS 28 (2011) in dealing with the sale or contribution of assets between an investor and its associate or joint venture. The main consequence of the amendments is that a full gain or loss is recognized when a transaction involves a business (whether it is housed in a subsidiary or not). A partial gain or loss is recognized when a transaction involves assets that do not constitute a business, even if these assets are housed in a subsidiary.
October 22, 2018	Amendments to IFRS 3 "Definition of a Business"	The IASB has issued narrow-scope amendments to IFRS 3 to improve the definition of a business. The amendments will help companies determine whether an acquisition made is of a business or a group of assets. The amended definition emphasizes that the output of a business is to provide goods and services to customers, whereas the previous definition focused on returns in the form of dividends, lower costs or other economic benefits to investors and others. In addition to amending the wording of the definition, the IASB has provided supplementary guidance.

The Consolidated Company 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 Consolidated Company completes its evaluation.

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(4) Summary of significant accounting policies:

(a) Statement of compliance

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

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2018. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2018.

(b) Basis of consolidation

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

			Shareholding			
Investor	**The name of subsidiaries**	**Business activity**	**March 31, 2019**	**December 31, 2018**	**March 31, 2018**	**Note**
The Company	Nan Ya Plastics Corporation U.S.A.	production of plastic products	100.00 %	100.00 %	100.00 %	Note 3
The Company	Nan Ya Plastics Corporation America	production of plastic, polyester and chemical products	100.00 %	100.00 %	100.00 %	Note 3
The Company	Formosa Plastics Group Investment Corp	investment	100.00 %	100.00 %	100.00 %	Note 3
The Company	Nan Ya Plastics (Hong Kong) Co., Ltd.	plastics and electronic products trading, investment	100.00 %	100.00 %	100.00 %	
The Company	Superior World Wide Trading Co., Ltd.	plastics trading, investment	100.00 %	100.00 %	100.00 %	Note 3
The Company	Nan Ya PCB Corporation	production of printed circuit board	66.97 %	66.97 %	66.97 %	
The Company	Wen Fung Industrial Co., Ltd.	production of electronic components	100.00 %	100.00 %	100.00 %	Note 3
The Company	Nan Chung Petrochemical Corporation	production of chemical products	50.00 %	50.00 %	50.00 %	Note 3
The Company	Nan Ya Plastics International (Cayman) Limited	investment	100.00 %	100.00 %	100.00 %	Note 3
The Company	PFG Fiber Glass Corporation	production of glass fiber	100.00 %	100.00 %	100.00 %	Note 3
The Company	PFG Fiber Glass (Hong Kong) Corporation Limited	investment	100.00 %	100.00 %	100.00 %	
Nan Ya PCB Corporation	Nan Ya PCB (U.S.A.) Corporation	retargeting	100.00 %	100.00 %	100.00 %	
Nan Ya PCB Corporation	Nan Ya PCB (HK) Corporation	electronic materials trading, investment	100.00 %	100.00 %	100.00 %	

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Investor	The name of subsidiaries	Business activity	Shareholding March 31, 2019	Shareholding December 31, 2018	Shareholding March 31, 2018	Note
Nan Ya PCB (HK) Corporation	Nan Ya PCB (Kunshan) Corporation	production of printed circuit board	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Plastics (Nantong) Co., Ltd.	production of plastic products, steam and electricity	100.00 %	100.00 %	100.00 %	Note 1
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Electric (Nantong) Co., Ltd.	production of switch gear and control panel	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Plastics Film (Nantong) Co., Ltd.	production of plastic products	- %	- %	100.00 %	Note 1
Nan Ya Plastics (Hong Kong) Co., Ltd.	China Nantong Huafeng Co., Ltd.	trading	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nantong Huafu Plastics Co., Ltd.	trading	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	production of electronic materials, polyester products, steam and electricity	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	production of fiber	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Plastics (Guangzhou) Co., Ltd.	production of polyester products	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Plastics (Huizhou) Co., Ltd.	production of polyester products	100.00 %	100.00 %	100.00 %	Note 2
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Plastics Film (Huizhou) Co., Ltd.	production of plastic film products	- %	- %	100.00 %	Note 2
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.	production of electronic materials	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Trading (Huizhou) Co., Ltd.	trading	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Plastics (Xiamen) Co., Ltd.	production of plastic products	85.00 %	85.00 %	85.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Plastics (Ningbo) Co., Ltd.	production of plastic products and plasticizer	100.00 %	100.00 %	100.00 %	
Wen Fung Industrial Co., Ltd.	Wellink Technology Corporation	production of electronic components	100.00 %	100.00 %	100.00 %	Note 3
Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation Texas	production of chemical products	100.00 %	100.00 %	100.00 %	Note 3
PFG Fiber Glass (Hong Kong) Corporation Limited	PFG Fiber Glass (Kunshan) Co., Ltd.	production of glass fiber	100.00 %	100.00 %	100.00 %	

Note 1 : On October 1, 2018, Nan Ya Plastics (Nantong) Co., Ltd and Nan Ya Plastics Film (Nantong) Co., Ltd merged into Nan Ya Plastics (Nantong) Co., Ltd.

Note 2 : On October 1, 2018, Nan Ya Plastics (Huizhou) Co., Ltd and Nan Ya Plastics Film (Huizhou) Co., Ltd merged into Nan Ya Plastics (Huizhou) Co., Ltd.

Note 3 : The aforementioned companies are non-significant subsidiaries, their financial statements have not been reviewed.

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

(c) Lease (applicable from January 1, 2019)

(i) Identifying a lease

At inception of a contract, the Consolidated Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Consolidated Company assesses whether:

– the contract involves the use of an identified asset – this may be specified explicitly or implicitly, and should be physically distinct or represent substantially all of the capacity of a physically distinct asset. If the supplier has a substantive substitution right, then the asset is not identified; and

– the Consolidated Company has the right to obtain substantially all of the economic benefits from use of the asset throughout the period of use; and

– the Consolidated Company has the right to direct the use of the asset. The Consolidated Company has the right to direct the use of the asset when it has the decision-making rights that are most relevant to changing how and for what purpose the asset is used. In rare cases where the decision about how and for what purpose the asset is used is predetermined, the Consolidated Company has the right to direct the use of an asset if either:

- the Consolidated Company has the right to operate the asset; or

- the Consolidated Company designed the asset in a way that predetermines how and for what purpose it will be used.

At inception or on reassessment of a contract that contains a lease component, the Consolidated Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Consolidated Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

(ii) As a lessee

The Consolidated Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

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The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Consolidated Company's incremental borrowing rate. Generally, the Consolidated Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

- fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Consolidated Company's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change of its assessment on whether it will exercise a purchase, extension or termination option; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Consolidated Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Consolidated Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

The Consolidated Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of buildings that have a lease term of 12 months or less and leases of low-value assets. The Consolidated Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(iii) As a lessor

When the Consolidated Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Consolidated Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Consolidated Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Consolidated Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Consolidated Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Consolidated Company applies IFRS15 to allocate the consideration in the contract.

The lessor recognizes a finance lease receivable at an amount equal to its net investment in the lease. Initial direct costs, such as lessors to negotiate and arrange a lease, are included in the measurement of the net investment. The lessor recognizes the interest income over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor' s net investment in the lease. The Consolidated Company recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other income'.

(d) Income taxes

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

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period by the effective annual tax rate as forecasted by the management. This should be recognized fully as tax expense for the current period (and allocated to current and deferred taxes based on its proportionate size).

For a change in tax rate that is substantively enacted in an interim period, the effect of the change should immediately be recognized in the interim period in which the change occurs.

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

(e) Employee benefits

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

(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, 2018. For the related information, please refer to Note 5 of the consolidated financial statements for the year ended December 31, 2018.

(6) Explanation of significant accounts:

Except for the following disclosures, there is no significant difference as compared with those disclosed in the consolidated financial statements for the year ended December 31, 2018. Please refer to Note 6 of the 2018 annual consolidated financial statements.

(a) Cash and Cash Equivalents

	March 31, 2019	December 31, 2018	March 31, 2018
Cash on hand	$ 1,320	1,454	1,462
Cash in banks	8,884,355	10,533,271	5,423,441
Time deposits	32,892,990	33,242,563	33,806,476
Cash equivalents	1,329,903	1,511,133	6,118,745
Cash and cash equivalents	$ 43,108,568	45,288,421	45,350,124

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

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

	March 31, 2019	December 31, 2018	March 31, 2018
Current financial assets designated as at fair value through profit or loss：			
Funds	$ 4,057,856	4,017,249	5,389,845

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		March 31, 2019	December 31, 2018	March 31, 2018
Non-current financial assets designated as at fair value through profit or loss：				
Foreign Bonds	$	717,431	715,289	-
Foreign Stocks		333,583	332,588	-
Total	$	**1,051,014**	**1,047,877**	-

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

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

Current financial assets at fair value through other comprehensive income

		March 31, 2019	December 31, 2018	March 31, 2018
Equity instruments at fair value through other comprehensive income :				
Stocks	$	48,018,046	44,528,667	45,904,865

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

		March 31, 2019	December 31, 2018	March 31, 2018
Debt instruments at fair value through other comprehensive income:				
Foreign bonds	$	-	-	650,038
Subtotal		-	-	650,038
Equity instruments at fair value through other comprehensive income：				
Stocks	$	29,066,167	28,011,349	29,703,313
Others		-	-	430,279
Subtotal		29,066,167	28,011,349	30,133,592
Total	$	**29,066,167**	**28,011,349**	**30,783,630**

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

The Consolidated Company has assessed that the following securities were held within a business model whose objective was achieved by both collecting the contractual cash flows and by selling securities. Therefore, they have been classified as debt investments at fair value through other comprehensive income.

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

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

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of March 31, 2019 and 2018.

(iii) For credit risk and market risk; please refer to note 6(x).

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

(d) Notes receivable and accounts receivable

	March 31, 2019	December 31, 2018	March 31, 2018
Notes receivable from operating activities	$ 12,373,838	13,659,329	13,027,164
Accounts receivable	40,266,714	42,029,583	43,481,817
Overdue receivables	34,152	34,567	37,939
Less: Loss allowance	(350,611)	(399,954)	(397,711)
	$ 52,324,093	55,323,525	56,149,209

The Consolidated Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables on March 31, 2019, December 31, 2018, and March 31, 2018. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provision as of March 31, 2019, December 31, 2018, and March 31, 2018 amounted to $350,611, $399,954, and $397,711, respectively, expected loss rate less than 1%.

The Consolidated Company applies the expected credit losses to analysis of notes and trade receivable as of March 31, 2019 and 2018, and December 31, 2018, as follows:

	March 31, 2019	December 31, 2018	March 31, 2018
Past due 1 to 90 days	$ 308,405	356,122	491,745
Past due 90 to 180 days	46,665	85,466	105,393
Past due 180 to 360 days	139,466	83,682	86,476
Past due over 360 days	76,980	76,580	162,097
	$ 571,516	601,850	845,711

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

	For the three months ended March 31	
	2019	**2018**
Balance at January 1, 2019 and 2018	399,954	418,824
Impairment losses reversed	(53,928)	(22,360)
Foreign exchange gains/(losses)	4,585	1,247
Balance at March 31, 2019 and 2018	$ 350,611	397,711

As of March 31, 2019, December 31, 2018, and March 31, 2018, notes and accounts receivable which were overdue or under legal proceedings amounted to $34,152, $34,567, and $37,939. Such receivables were reclassified to overdue receivables under other assets and provided with a full impairment loss provision.

The Consolidated Company signed without-recourse factoring and financing contracts with financial institutions. According to these contracts, the net accounts receivable that have matured but are still uncollected will be paid by the financial institutions, except for those affected by trade disputes. As of March 31, 2019 and 2018, and December 31, 2018, the outstanding accounts receivable factoring transactions between the Consolidated Company and the financial institutions were as follows:

	March 31, 2019			
	Purchaser	**Factoring Balance**	**Advanced Amount**	**Factoring Line**
Gold Circuit Electronics, Ltd	E. Sun Bank	$ 34,812	-	100,000

	December 31, 2018			
	Purchaser	**Factoring Balance**	**Advanced Amount**	**Factoring Line**
Gold Circuit Electronics, Ltd	E. Sun Bank	$ 33,704	-	100,000

	March 31, 2018			
	Purchaser	**Factoring Balance**	**Advanced Amount**	**Factoring Line**
Gold Circuit Electronics, Ltd	E. Sun Bank	$ 39,778	-	100,000

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(e) Other receivables

	March 31, 2019	December 31, 2018	March 31, 2018
Other accounts receivable—other	$ 1,514,526	1,869,037	2,235,485
Other accounts receivable—loans to associates	7,111,680	6,117,870	14,822,549
Less: Loss allowance	-	-	-
Total	$ 8,626,206	7,986,907	17,058,034

(f) Inventories

The components of inventories were as follows:

	March 31, 2019	December 31, 2018	March 31, 2018
Finished goods	$ 16,067,624	15,454,895	13,947,465
Work in process	11,474,690	12,788,826	10,234,373
Machinery and accessories in process	3,742,075	4,011,249	4,255,581
Raw materials	12,231,543	13,234,237	12,309,916
Supplies	965,723	832,700	810,492
Consigned-out raw materials	229,278	219,347	1,263,529
Consigned-out finished goods	10,259	9,612	243,283
Goods in transit	1,476,619	2,489,976	1,363,608
Inventories, net	$ 46,197,811	49,040,842	44,428,247

For the three months ended March 31, 2019 and 2018, cost of sales recognized in consolidated statement of comprehensive income amounted to $64,713,512 and $68,470,493, respectively.

During the three months ended March 31, 2019 and 2018, because the factor that caused the inventory devaluation in the prior period were no longer present, the reversal of write-downs amounted to $308,710 and $7,456, respectively.

As of March 31, 2019 and 2018, the Consolidated Company did not provide any inventory as collateral for its loans.

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

(g) Investments accounted for using equity method

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

	March 31, 2019	December 31, 2018	March 31, 2018
Associates	$ 174,194,450	169,446,506	169,058,158
Joint ventures	449,371	424,630	487,487
	$ 174,643,821	169,871,136	169,545,645

(i) Associates

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

	For the three months ended March 31	
	2019	2018
The Consolidated Company's share of net income of associates	$ 3,070,858	6,427,728

1) The unrealized translation gain or loss arising from the investment in foreign entities, which was determined on exchange rates as of March 31, 2019 and 2018, and December 31, 2018, were recognized in comprehensive income.

2) The unrealized sales profits from downstream transactions with investees under the equity method are treated as deductions from gross income. The realized sales profits from downstream sales are added to gross income. Details of these transactions are disclosed in note 7.

3) The Consolidated Company, which invested in "Formosa Automobile Sales Corporation" (originally was Formosa Automobile Corporation), an investee accounted for using the equity method, recognized gains of $12,417 from this investment for the three months ended March 31, 2018. As of March 31, 2018, the Consolidated Company's cumulative loss from this investment had already exceeded the book value of the investment by $16,893. As the Consolidated Company intends to support this investee companies, the investments in this investees were reclassified to non-current other liabilities.

4) In March, 2019, the Consolidated Company participated in the capital increase by cash of FG Inc., with total investment amounting to USD7,500 thousand (equivalent to $231,570).

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

	March 31, 2019	December 31, 2018	March 31, 2018
Carrying amount of individually insignificant associates' equity	$ 174,194,450	169,446,506	169,058,158

	For the three months ended March 31	
	2019	2018
Attributable to the Consolidated Company:		
Net Income	$ 3,070,858	6,427,728
Other comprehensive income	1,404,466	1,210,984
Total comprehensive income	$ 4,475,324	7,638,712

(ii) Joint ventures

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

	For the three months ended March 31	
	2019	2018
The Consolidated Company's share of net income of joint ventures	$ 19,167	12,537

Aggregate information of joint ventures that were not individually material:

	March 31, 2019	December 31, 2018	March 31, 2018
The carrying value of joint ventures that were not individually material	$ 449,371	424,630	487,487

	For the three months ended March 31	
	2019	2018
Attributable to the Consolidated Company:		
Net income	$ 19,167	12,537
Other comprehensive income	-	-
Total comprehensive income	$ 19,167	12,537

(iii) Collateral

Please refer to note 8 for investments accounted for using equity method which were pledged to banks or courts as collateral to secure the Consolidated Company's bank loans and lawsuits as of March 31, 2019 and 2018.

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

(h) Property, Plant and Equipment

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

		Land	Building and construction	Machinery and equipment	Transportation equipment	Other facilities	Construction in progress	Total
Cost or deemed cost:								
Balance on January 1, 2019	$	13,494,231	62,744,023	344,851,726	1,547,158	12,480,222	22,470,349	457,587,709
Additions		-	-	364,842	1,840	114,400	5,375,658	5,856,740
Disposals		-	-	(583,103)	(14,243)	(60,354)	-	(657,700)
Reclassification		-	40,652	1,798,704	3,741	171,098	(1,103,844)	910,351
Effect of movements in exchange rates		194	500,904	2,444,988	7,061	89,421	75,440	3,118,008
Balance on March 31, 2019	$	13,494,425	63,285,579	348,877,157	1,545,557	12,794,787	26,817,603	466,815,108
Balance on January 1, 2018	$	9,870,462	61,875,380	339,296,466	1,555,915	12,091,506	13,476,233	438,165,962
Additions		-	-	272,602	2,969	62,662	2,670,622	3,008,855
Disposals		-	(46,214)	(779,659)	(15,293)	(74,491)	(7,370)	(923,027)
Reclassification		-	77,730	2,570,622	2,634	133,140	(1,901,417)	882,709
Effect of movements in exchange rates		(1,341)	143,673	642,019	(406)	45,183	(132,427)	696,701
Balance on March 31, 2018	$	9,869,121	62,050,569	342,002,050	1,545,819	12,258,000	14,105,641	441,831,200
Depreciation and impairment loss:								
Balance on January 1, 2019	$	-	34,982,056	270,655,062	1,357,620	9,685,710	-	316,680,448
Depreciation for the period		-	504,531	3,148,095	12,688	149,989	-	3,815,303
Reversal of impairment		-	-	(4)	-	-	-	(4)
Disposals		-	-	(556,872)	(14,113)	(60,438)	-	(631,423)
Reclassification		-	-	(215)	-	13	-	(202)
Effect of movements in exchange rates		-	234,369	1,572,824	5,508	66,654	-	1,879,355
Balance on March 31, 2019	$	-	35,720,956	274,818,890	1,361,703	9,841,928	-	321,743,477
Balance on January 1, 2018	$	-	33,094,723	261,429,163	1,372,432	9,367,746	-	305,264,064
Depreciation for the period		-	518,576	3,432,354	11,563	138,577	-	4,101,070
Reversal of impairment		-	-	(5,142)	-	-	-	(5,142)
Disposals		-	(42,468)	(764,382)	(14,060)	(74,354)	-	(895,264)
Reclassification		-	-	(60)	-	60	-	-
Effect of movements in exchange rates		-	32,690	74,948	(559)	31,690	-	138,769
Balance on March 31, 2018	$	-	33,603,521	264,166,881	1,369,376	9,463,719	-	308,603,497
Carrying amounts:								
Balance on March 31, 2019	$	13,494,425	27,564,623	74,058,267	183,854	2,952,859	26,817,603	145,071,631
Balance on January 1, 2019	$	13,494,231	27,761,967	74,196,664	189,538	2,794,512	22,470,349	140,907,261
Balance on March 31, 2018	$	9,869,121	28,447,048	77,835,169	176,443	2,794,281	14,105,641	133,227,703

(Continued)

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

(i) Please refer to note 8 for the property, plant and equipment pledged to secure bank loans as of March 31, 2019 and 2018, and December 31, 2018.

(ii) For the three months ended March 31, 2019 and 2018, the capitalized interest on borrowings for the purchase of the property, plant and equipment of the Consolidated Company amounted to $14,283 and $16,655, respectively. The capitalized interest rate ranged from 1.396% to 1.400% and 1.4980% to 2.2793% for the three months ended March 31, 2019 and 2018, respectively.

(i) Right-of-use assets

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

	Land	Building and construction	Machinery and equipment	Transportation equipment	Total
Cost：					
Balance at January 1, 2019	$ -	-	-	-	-
Effects of retrospective application	777,198	123,725	29,296	467,297	1,397,516
Balance at January 1, 2019 after adjustments	777,198	123,725	29,296	467,297	1,397,516
Effect of changes in foreign exchange rates	28,261	97	213	1,399	29,970
Balance at March 31, 2019	$ 805,459	123,822	29,509	468,696	1,427,486
Accumulated depreciation and impairment losses:					
Balance at January 1, 2019	$ -	-	-	-	-
Depreciation for the period	7,342	15,002	2,348	35,610	60,302
Effect of changes in foreign exchange rates	11,072	-	1	(12)	11,061
Balance at March 31, 2019	$ 18,414	15,002	2,349	35,598	71,363
Carrying amount:					
Balance at January 1, 2019	$ -	-	-	-	-
Balance at March 31, 2019	$ 787,045	108,820	27,160	433,098	1,356,123

(Continued)

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

(j) Intangible assets

The cost, amortization and impairment of the intangible assets of the Consolidated Company for the three months ended March 31, 2019 and 2018, were as follows:

		Trademark
Costs :		
Balance at March 31, 2019 (as same as balance at January 1, 2019)	$	2,897,172
Balance at March 31, 2018 (as same as balance at January 1, 2018)	$	2,897,172
Accumulated amortization and impairment losses :		
Balance at January 1, 2019	$	410,432
Amortization for the period		48,286
Balance at March 31, 2019	$	458,718
Balance at January 1, 2018	$	217,287
Amortization for the period		48,286
Balance at March 31, 2018	$	265,573
Carrying value：		
Balance at March 31, 2019	$	2,438,454
Balance at January 1, 2019	$	2,486,740
Balance at March 31, 2018	$	2,631,599

The amortization expense relating to the intangible assets of the Consolidated Company for the three months ended March 31, 2019 and 2018 was recognized in the administrative expenses in the statements of comprehensive income.

(k) Short-term notes and bills payable

	March 31, 2019	December 31, 2018	March 31, 2018
Short-term notes and bills payable	$ 13,350,000	8,900,000	7,500,000
Discount on short-term notes and bills payable	(3,069)	(2,253)	(1,257)
Total	$ 13,346,931	8,897,747	7,498,743
Interest rate	0.53%~0.755%	0.36%~0.75%	0.40%~0.45%

(l) Short-term borrowings

	March 31, 2019	December 31, 2018	March 31, 2018
Unsecured short-term borrowings	$ 18,240,049	21,253,381	10,848,985
Interest rate	0.74%~4.35%	0.74%~4.35%	0.69%~4.35%

For the three months ended March 31, 2019, the repayment amounted to $3,021,210, and there were no significant issues. For the three months ended March 31, 2018, the Consolidated Company proceeded from short-term borrowings amounting to $1,553,402, but there were no significant repurchases and repayments of short-term borrowings. For information concerning interest expense, please refer to note 6(w).

(m) Long-term debts

Long-term debts consisted of the following:

	March 31, 2019			
	Currency	**Interest rate**	**Expiration**	**Amount**
Secured long-term debts	TWD	1.6316%	2019~2021	$ 5,333,333
Unsecured long-term debts	TWD	0.9800%~1.2325%	2019~2021	5,500,000
Unsecured long-term debts	CNY	4.75%	2020	928,185
Long-term notes payable	TWD	0.570%~0.842%	2020	5,096,387
Less: current portion				(3,193,761)
Total				$ 13,664,144

	December 31, 2018			
	Currency	**Interest rate**	**Expiration**	**Amount**
Secured long-term debts	TWD	1.6316%	2018~2021	$ 3,333,333
Unsecured long-term debts	TWD	0.98%~1.09%	2019~2020	8,000,000
Unsecured long-term debts	CNY	4.75%	2020	937,472
Long-term notes payable	TWD	0.44%~0.84%	2019~2020	7,096,550
Less: current portion				(6,133,333)
Total				$ 13,234,022

	March 31, 2018			
	Currency	**Interest rate**	**Expiration**	**Amount**
Secured long-term debts	TWD	1.218%~1.6316%	2020~2021	$ 4,666,666
Unsecured long-term debts	TWD	0.95%~1.11%	2018~2019	6,000,000
Unsecured long-term debts	USD	1.43%~2.89%	2018	9,308,573
Unsecured long-term debts	CNY	4.75%	2020	969,474
Long-term notes payable	TWD	0.58%~0.89%	2019~2020	4,999,137
Less: current portion				(13,941,906)
Total				$ 12,001,944

Please refer to note 6(x) for information on the Consolidated Company's exposure to liquidity risk, and risk of changes in interest rates and liquidation risk.

(i) The Consolidated Company issued the amounts of $2,500,000 and $1,200,000 on long term loans for the three months ended March 31, 2019 and 2018, respectively. The amounts of $3,000,000 and $3,406,720 were redeemed for the three months ended March 31, 2019 and 2018, respectively. For information on interest expenses, please refer to note 6(w)

(ii) Pledged assets for bank loans

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

(iii) Secured debts

In order to raise funds to repay debts and for reinvestments, new factory construction plans, and foreign and domestic equipment acquisitions, the Consolidated Company signed a syndicated long-term mortgage loan agreement with Bank of Taiwan, the lead bank of the syndicated loan, and other banks on November 14, 2013. The key terms and conditions of the loan agreement are as follows:

1) Credit line: TWD6,000,000

2) Interest rate: as settled with each participating bank.

3) Period: 7 years (including a 3-year grace period)

4) Collateral: the acquired land financed by the loan.

5) The financial covenants under this loan agreement include the requirement to maintain certain financial ratios based on the audited annual financial reports. Failure to comply with these financial covenants may cause the syndicated banks to terminate the credit line or declare the unpaid principal and interest under the loan agreement to be immediately due and payable. These financial ratios are as follows:

   a) Current Ratio (total current assets divided by total current liabilities): not less than 100%

   b) Leverage Ratio (total liabilities plus contingent liabilities to tangible net worth): not higher than 150%

   As of March 31, 2019, TWD6,000,000 of the credit line had been drawn.

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(n) Bonds payable

	March 31, 2019	December 31, 2018	March 31, 2018
Domestic unsecured nonconvertible corporate bonds	$ 57,400,000	58,600,000	54,200,000
Foreign unsecured nonconvertible corporate bonds	-	-	1,747,534
Costs of issuing bonds	(64,741)	(68,545)	(63,422)
Current portion	(5,947,501)	(5,946,931)	(9,043,572)
Total	$ 51,387,758	52,584,524	46,840,540

The terms of domestic corporate bonds as of March 31, 2019 were as follows:

	The first domestic unsecured nonconvertible corporate bond in 2012	The second domestic unsecured nonconvertible corporate bond in 2012	The third domestic unsecured nonconvertible corporate bond in 2012	The first domestic unsecured nonconvertible corporate bond in 2013	The second domestic unsecured nonconvertible corporate bond in 2013
Issued amount	TWD6,800,000	TWD5,200,000	TWD6,000,000	TWD9,600,000	TWD10,400,000
Balance, end of year	649,882	1,399,574	4,798,174	1,899,084	10,386,793
Current portion	649,882	1,399,574	1,199,544	949,542	-
Issuance date	July 4, 2012	September 7, 2012	February 25, 2013	August 5, 2013	December 18, 2013
Issuance period	5 years and 7 years	5 years and 7 years	7 years and 10 years	4 years, 5 years and 7 years	10 years and 12 years
Coupon rate	1.36% and 1.45%	1.25% and 1.37%	1.36% and 1.50%	1.40%, 1.45% and 1.55%	1.98% and 2.08%
Interest payment date	July 4	September 7	February 25	August 5	December 18
Repayment method	Payable in 2 equal installments for each coupon rate in 2016~2017 and 2018~2019, respectively.	Payable in 2 equal installments for each coupon rate in 2016~2017 and 2018~2019, respectively.	Payable in 2 equal installments for each coupon rate in 2018~2019 and 2021~2022, respectively	Payable in 2 equal installments for each coupon rate in 2016~2017, 2017~2018 and 2019~2020, respectively	Payable in 2 equal installments for each coupon rate in 2022~2023 and 2024~2025, respectively

	The first domestic unsecured nonconvertible corporate bond in 2014	The second domestic unsecured nonconvertible corporate bond in 2014	The first domestic unsecured nonconvertible corporate bond in 2016	The first domestic unsecured nonconvertible corporate bond in 2017	The first domestic unsecured nonconvertible corporate bond in 2018
Issued amount	TWD10,000,000	TWD5,000,000	TWD5,000,000	TWD9,500,000	TWD10,500,000
Balance, end of year	9,982,729	3,248,067	4,996,001	9,489,806	10,485,149
Current portion	-	1,748,959	-	-	-
Issuance date	June 24, 2014	November 11, 2014	August 16, 2016	July 10, 2017	September 6, 2018
Issuance period	14 years and 15 years	5 years and 10 years	5 years	5 years and 7 years	5 years, 7 years and 10 years
Coupon rate	2.04%	1.45% and 1.93%	0.68%	1.03% and 1.25%	0.83%, 0.91%, and 1.07%
Interest payment date	June 24	November 11	August 16	July 10	September 6
Repayment method	Payable in 2 equal installments for each coupon rate in 2028 and 2029, respectively.	Payable in 2 equal installments for each coupon rate in 2018~2019 and 2023~2024, respectively	Payable in 2 equal installments for each coupon rate in 2020 and 2021, respectively	Payable in 2 equal installments for each coupon rate in 2021~2022 and 2023~2024, respectively	Payable in 2 equal installments for each coupon rate in 2022~2023, 2024~2025, and 2027~2028 respectively

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The details of Nan Ya Plastics (Hong Kong) Co., Ltd's overseas corporate bond were as follows:

	Issued in 2013
Issued amount	USD 180,000 thousand
Issuance date	August 5, 2013
Issuance period	5 years
Coupon rate	3 month LIBOR+1.1%
Interest payment date	February 5, May 5, August 5, and November 5
Bondholders with a put option	The bondholders bear no right to request the Consolidated Company to redeem the bond.
Issuer with a redemption option	The bond issuer bears the right to request the holders to redeem all outstanding bonds if the issuer needs to pay extra tax due to change in laws and regulations.

(o) Lease liabilities

	March 31, 2019		
	Future minimum lease payments	Interest	Present value of minimum lease payments
Less than one year	$ 223,278	15,234	208,044
Between one and five years	383,992	19,391	364,601
More than five years	4,937	144	4,793
	$ 612,207	34,769	577,438

There were no significant issues, repurchases and repayments of lease liabilities for the three months ended March 31, 2019.

The amounts recognized in profit or loss were as follows:

	For the three months ended March 31, 2019
Interest on lease liabilities	$ 4,756

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

	For the three months ended March 31, 2019
Total cash outflow for leases	$ 56,027

(i) Real estate leases

As of March 31, 2019, the Consolidated Company leases land and buildings for its office space and plants. The leases of land typically run for a period of 4 to 20 years, of office space for 2 to 3 years, and of plants for 3 years. Besides, the rights-of-use for land in mainland China typically run for 50 years. Some leases include an option to renew the lease for an additional period of the same duration after the end of the contract term.

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

(ii) Other leases

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

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

(p) Employee Benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim consolidated financial statements was measured and disclosed according to the actuarial report as of December 31, 2018 and 2017.

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

	For the three months ended March 31	
	2019	2018
Operating costs	$ 130,174	129,364
Selling expenses	5,853	5,972
Administrative expenses	28,519	29,130
	$ 164,546	164,466

(Continued)

(ii) Defined contribution plan

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

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

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

The Consolidated Company's expenses under the pension plan cost to the Bureau of Labor Insurance for the three months ended March 31, 2019 and 2018 were as follows:

	For the three months ended March 31	
	2019	**2018**
Operating costs	$ 300,862	298,961
Selling expenses	16,357	17,624
Administrative expenses	38,592	39,649
	$ 355,811	356,234

(q) Income Tax

(i) Income tax expense

The components of income tax expense were as follows:

	For the three months ended March 31	
	2019	**2018**
Current income tax expense		
Current period	$ 555,799	1,055,913
Deferred tax expense		
Origination and reversal of temporary differences	292,138	1,483,519
Effect of tax rate changes	-	(572,798)
Total income tax expense	$ 847,937	1,966,634

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(i) Assessment of tax

The Corporation' s income tax return for the year 2017 had been examined by the tax authorities.

(r) Capital and other equity

As of March 31, 2019 and 2018, the Consolidated Company' s government registered total authorized capital and issued capital stock both amounted to $79,308,216, divided into 7,930,822 thousand shares of stock with $10 par value per share.

(i) Capital surplus

The components of capital surplus as of March 31, 2019 and 2018, and December 31, 2018 were as follows:

	March 31, 2019	December 31, 2018	March 31, 2018
Paid-in capital from conversion of corporate bond to common stock in excess of par value	$ 8,997,136	8,997,136	8,997,136
Gains on acquisition of Taiwan Plasticizer Corporation	74,474	74,474	74,474
Other	17,623,137	17,600,509	17,659,319
Total	$ **26,694,747**	**26,672,119**	**26,730,929**

(ii) Retained earnings

1) Special reserve

As the Company opted to avail of the exemptions allowed under IFRS 1" First-time Adoption of International Financial Reporting Standards" during the Company' s first-time adoption of the IFRSs as endorsed by the FSC, unrealized revaluation increments and cumulative translation adjustments (gains) of $6,277,052, which were previously recognized in shareholders' equity were reclassified to retained earnings. In accordance with Regulatory Permit No. 1010012865 as issued by the FSC on April 6, 2012, a special reserve is appropriated from retained earnings for aforementioned reclassification. In addition, during the use, disposal or reclassifications of relevant assets, these special reserves can be reverted to distributable earnings proportionately. As the amount appropriated exceeds the increase in retained earnings arising from the adoption of IFRSs, only $6,243,060 is appropriated in compliance to the IFRSs as endorsed by the FSC. The balance of special reserve amounted to $6,129,505, $6,129,884, and $6,145,034 as of March 31, 2019, December 31, 2018, and March 31, 2018.

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Pursuant to the Regulatory Permit mentioned above, the Company is also required to set aside an additional special reserve, as part of the distribution of its annual earnings, equal to the difference between the amount of above-mentioned special reserve and net debit balance of the other components of stockholders' equity.

2) Earnings distribution

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 plan, which are initially proposed by the Board of Directors and adopted by the shareholders in the Annual Stockholders' Meeting.

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

Based on the resolutions approved by stockholders during meetings held on March 20, 2019 and June 19, 2018, the distribution of the Company's earnings in 2018 and 2017, respectively, were as follows:

	2018	2017
Dividends per share:		
Cash dividends	$ 5.00	5.10
Stock dividends	-	-
	$ 5.00	**5.10**

The earnings of 2018 have not been distributed. The related information can be obtained from the Market Observation Post System website. The aforementioned earnings distributions did not differ from those proposed by the board of directors and those estimated and accrued amount in the financial statements in 2017.

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(iii) Other equity accounts (net of tax)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Gains (losses) on hedging instruments	Total
Balance at January 1, 2019	$ (5,705,296)	54,624,319	(15,181)	48,903,842
Exchange differences arising on translation of foreign operations	2,213,348	-	-	2,213,348
Exchange differences on associates / joint ventures accounts for using equity method	89,312	-	-	89,312
Unrealized gains (losses) from financial assets at fair value through other comprehensive income	-	4,489,429	-	4,489,429
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income, associates and joint ventures accounted for using equity method	-	1,303,679	-	1,303,679
Share of cash flow hedge of associates / joint ventures	-	-	11,475	11,475
Balance at March 31, 2019	$ (3,402,636)	60,417,427	(3,706)	57,011,085

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Available-for-sale investment	Cash flow hedge	Gains (losses) on hedging instruments	Total
Balance at January 1, 2018	$ (6,026,197)	-	47,691,196	7,729	-	41,672,728
Effects of retrospective application	-	60,594,455	(47,691,196)	(7,729)	7,729	12,903,259
Balance at January 1, 2018 after adjustments	(6,026,197)	60,594,455	-	-	7,729	54,575,987
Exchange differences arising on translation of foreign operations	(221,441)	-	-	-	-	(221,441)
Exchange differences on subsidiaries accounted for using equity method	(447,056)	-	-	-	-	(447,056)
Unrealized gains (losses) from financial assets at fair value through other comprehensive income	-	2,379,583	-	-	-	2,379,583
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income, associates and joint ventures accounted for using equity method	-	1,639,196	-	-	-	1,639,196
Share of cash flow hedge of associates / joint ventures	-	-	-	-	(1,023)	(1,023)
Balance at March 31, 2018	$ (6,694,694)	64,613,234	-	-	6,706	57,925,246

(s) Share-based payment

There were no significant changes for share-based payment during the periods from January 1 to March 31, 2019 and 2018. For the related information, please refer to note 6(r) of the consolidated financial statements for the year ended December 31, 2018.

Among all other stock options issued by Nan Ya PCB Corporation, those issued on March 25, 2010 were already expired on March 24, 2018.

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(t) Earnings Per Share

The basic earnings per share for the three months ended March 31, 2019 and 2018 were calculated on profit attributable to ordinary shareholders of the Company of $5,051,158 and $13,464,659, respectively, and weighted average number of outstanding shares of stock were 7,930,822 ordinary shares.

For the three months ended March 31, 2019 and 2018, the Company's earnings per share were calculated as follows:

(i) Profit attributable to ordinary shareholders

	For the three months ended March 31, 2019	For the three months ended March 31, 2018
Profit attributable to ordinary shareholders	$ 5,051,158	13,464,659

(ii) Weighted-average number of outstanding ordinary shares

	For the three months ended March 31, 2019	For the three months ended March 31, 2018
Shares outstanding as of January 1 is the same as weighted average number of common stock outstanding as of March 31	$ 7,930,822	7,930,822

(u) Revenue from contracts with customers

	For the three months ended March 31, 2019					
	Plastics industry	Chemical industry	Electronic industry	Polyester industry	Other industries	Total
Main Products						
PVC sheet	$ 1,683,626	-	-	-	-	1,683,626
Rigid sheet	1,935,446	-	-	-	-	1,935,446
Pipes	1,355,838	-	-	-	-	1,355,838
Phthalate Plasticizers	-	3,471,354	-	-	-	3,471,354
BPA	-	4,136,135	-	-	-	4,136,135
EG	-	8,626,253	-	-	-	8,626,253
CCL	-	-	6,059,266	-	-	6,059,266
Epoxy	-	-	6,066,500	-	-	6,066,500
PCB	-	-	6,279,102	-	-	6,279,102
Polyester Staple Fiber	-	-	-	3,135,749	-	3,135,749
PET Resin	-	-	-	5,126,268	-	5,126,268
DTY	-	-	-	4,472,494	-	4,472,494
Machinery and Switchgear	-	-	-	-	1,177,461	1,177,461
Others	5,276,502	4,176,969	6,313,404	1,532,801	94,951	17,394,627
	$ 10,251,412	20,410,711	24,718,272	14,267,312	1,272,412	70,920,119

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	For the three months ended March 31, 2018					
	Plastics industry	Chemical industry	Electronic industry	Polyester industry	Other industries	Total
Main Products						
PVC sheet	$ 1,893,465	-	-	-	-	1,893,465
Rigid sheet	2,038,694	-	-	-	-	2,038,694
Pipes	1,366,781	-	-	-	-	1,366,781
Phthalate Plasticizers	-	2,840,819	-	-	-	2,840,819
BPA	-	5,077,264	-	-	-	5,077,264
EG	-	11,743,882	-	-	-	11,743,882
CCL	-	-	7,622,110	-	-	7,622,110
Epoxy	-	-	5,970,648	-	-	5,970,648
PCB	-	-	6,175,605	-	-	6,175,605
Polyester Staple Fiber	-	-	-	3,128,365	-	3,128,365
PET Resin	-	-	-	7,204,124	-	7,204,124
DTY	-	-	-	4,689,469	-	4,689,469
Machinery and Switchgear	-	-	-	-	1,196,871	1,196,871
Others	5,724,018	5,423,309	8,525,156	1,523,878	75,533	21,271,894
	$ 11,022,958	25,085,274	28,293,519	16,545,836	1,272,404	82,219,991

(v) Employee compensation

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

The remunerations to employees amounted to $5,462 and $14,354, respectively, for the three months ended March 31, 2019 and 2018. These amounts were calculated using the Company's net income before tax without the remunerations to employees for each period, multiplied by the proposed percentage which is stated under the Company's proposed Article of Incorporation. These remunerations were expensed under operating costs or expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholder' meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

For the year ended December 31, 2018 and 2017, the remunerations to employees amounted to $57,879 and $58,908, respectively, which were paid in cash. There was no difference from the actual distribution. The information is available on the Market Observation Post System website.

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(w) Non-operating income and expenses

(i) Other income

The details of other income were as follows:

	For the three months ended March 31,	
	2019	**2018**
Interest income	$ 418,134	204,814
Other income	489,070	436,870
	$ **907,204**	**641,684**

(ii) Other gains and losses

The details of other gains and losses were as follows:

	For the three months ended March 31,	
	2019	**2018**
Loss on disposal of property, plant and equipment	$ (5,836)	(5,862)
Foreign currency exchange gain (loss)	113,290	(371,232)
Gain on financial assets and liabilities at fair value through profit or loss	40,607	(87,972)
Reversal of impairment loss on plant, property, and equipment and non-financial assets	4	5,142
Others	(44,609)	(37,931)
	$ **103,456**	**(497,855)**

(iii) Finance costs

The details of finance costs were as follows:

	For the three months ended March 31,	
	2019	**2018**
Interest expense	$ 561,428	431,692
Less: interest capitalized	(14,283)	(16,655)
	$ **547,145**	**415,037**

(x) Financial Instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Consolidated Company' s financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to note 6(x) of the consolidated financial statements for the year ended December 31, 2018.

(Continued)

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(i) Currency risk

1) Exposure to foreign currency risk

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

	March 31, 2019		
	Foreign Currency	**Exchange Rate**	**TWD**
Financial assets			
Monetary items			
USD	$ 800,311	30.8250	24,669,587
JPY	496,007	0.2789	138,336
EUR	1,399	34.6432	48,466
HKD	4,721	3.9519	18,657
CNY	32,366	4.5779	148,168
Non-monetary items			
USD	631,351	30.8250	19,461,395
CNY	50,408	4.5779	230,763
IDR	102,440,168	0.0021	215,124
VND	6,215,549,233	0.0013	8,080,214
Financial liabilities			
Monetary items			
USD	74,945	30.8250	2,310,180
JPY	607,216	0.2789	169,353
EUR	1,195	34.6432	41,399
CNY	64	4.5779	293

	December 31, 2018		
	Foreign Currency	**Exchange Rate**	**TWD**
Financial assets			
Monetary items			
USD	$ 984,912	30.7330	30,269,300
JPY	146,226	0.2772	40,534
EUR	1,865	35.1670	65,586
HKD	1,926	3.9401	7,589
CNY	2,003	4.4779	8,969

(Continued)

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

	December 31, 2018		
	Foreign Currency	**Exchange Rate**	**TWD**
Non-monetary items			
USD	$ 637,933	30.7330	19,605,595
CNY	49,723	4.4779	222,655
IDR	115,654,799	0.0020	231,310
VND	6,171,469,405	0.0013	8,022,910
Financial liabilities			
Monetary items			
USD	74,665	30.7330	2,294,679
JPY	1,266,777	0.2772	351,151
EUR	1,079	35.1670	37,945
CNY	1	4.4779	4

	March 31, 2018		
	Foreign Currency	**Exchange Rate**	**TWD**
Financial assets			
Monetary items			
USD	$ 1,148,107	29.1200	33,432,876
JPY	262,997	0.2735	71,930
EUR	2,444	35.8233	87,552
HKD	6,502	3.7333	24,274
CNY	1,083	4.6308	5,015
Non-monetary items			
USD	583,124	29.1200	16,980,571
CNY	50,710	4.6308	234,828
IDR	118,755,941	0.0021	249,387
VND	6,092,362,971	0.0013	7,920,072
Financial liabilities			
Monetary items			
USD	424,054	29.1200	12,348,452
JPY	858,696	0.2735	234,853
EUR	2,061	35.8233	73,832
CNY	375	4.6308	1,737

(Continued)

2) Sensitivity analysis

The Consolidated Company' s exposure to exchange rate risk arises from the foreign currency exchange fluctuations on cash and cash equivalents, accounts receivable, other receivables, loans and borrowings, accounts payable and other payables that are dominated in foreign currency. The overall effects to net income before tax for the three months ended March 31, 2019 and 2018 assuming the TWD depreciated or appreciated by 1% against the USD, JPY, EUR, HKD and CNY as of March 31, 2019 and 2018 were as follows:

	For the three months ended March 31,	
	2019	2018
Appreciation in value of 1%	$ (225,055)	(209,648)
Depreciation in value of 1%	225,055	209,648

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

3) Foreign exchange gain and loss on monetary items

Since the Consolidated Company has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the three months ended March 31, 2019 and 2018, foreign exchange gain (loss) (including realized and unrealized portions) amounted to $113,290 and $(371,232), respectively.

(ii) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss and financial assets at fair value though other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Consolidated Company' s financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and for equity investments that has no quoted prices in the active markets and whose fair value cannot be reliably measured, disclosure of fair value information is not required :

	March 31, 2019				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Designated at fair value through profit or loss	$ 5,108,870	-	4,057,856	1,051,014	5,108,870

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	March 31, 2019				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Stocks in listed companies	$ 48,018,046	48,018,046	-	-	48,018,046
Unquoted equity instruments	29,066,167	-	-	29,066,167	29,066,167
Subtotal	$ 77,084,213	48,018,046	-	29,066,167	77,084,213
Financial assets measured at amortized cost					
Cash and cash equivalent	$ 43,108,568	-	-	-	-
Notes and accounts receivable (including related parties)	52,324,093	-	-	-	-
Subtotal	$ 95,432,661	-	-	-	-
Financial liabilities at amortized cost					
Short-term borrowings	$ 18,240,049	18,240,049	-	-	18,240,049
Short-term notes and bills payable	13,346,931	13,346,931	-	-	13,346,931
Notes and accounts payable (including related parties)	16,308,234	-	-	-	-
Bonds payable	57,335,259	57,335,259	-	-	57,335,259
Long-term borrowings	11,761,518	11,761,518	-	-	11,761,518
Long-term notes payable	5,096,387	5,096,387	-	-	5,096,387
Subtotal	$ 122,088,378	105,780,144	-	-	105,780,144

	December 31, 2018				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Designated at fair value through profit or loss	$ 5,065,126	-	4,017,249	1,047,877	5,065,126
Financial assets at fair value through other comprehensive income					
Stocks in listed companies	$ 44,528,667	44,528,667	-	-	44,528,667
Bond investments and others	28,011,349	-	-	28,011,349	28,011,349
Subtotal	$ 72,540,016	44,528,667	-	28,011,349	72,540,016
Financial assets measured at amortized cost					
Cash and cash equivalent	$ 45,288,421	-	-	-	-
Notes and accounts receivable (including related parties)	55,323,525	-	-	-	-
Subtotal	$ 100,611,946	-	-	-	-

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	December 31, 2018				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial liabilities at amortized cost					
Short-term borrowings	$ 21,253,381	21,253,381	-	-	21,253,381
Short-term notes and bills payable	8,897,747	8,897,747	-	-	8,897,747
Notes and accounts payable (including related parties)	18,217,562	-	-	-	-
Bonds payable	58,531,455	58,531,455	-	-	58,531,455
Long-term borrowings	12,270,805	12,270,805	-	-	12,270,805
Long-term notes payable	7,096,550	7,096,550	-	-	7,096,550
Subtotal	$ 126,267,500	108,049,938	-	-	108,049,938

	March 31, 2018				
		Fair Value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Designated at fair value through profit or loss	$ 5,389,845	904,506	4,485,339	-	5,389,845
Financial assets at fair value through other comprehensive income					
Stocks in listed companies	$ 75,608,178	45,904,865	-	29,703,313	75,608,178
Bond investments and others	1,080,317	-	-	1,080,317	1,080,317
Subtotal	$ 76,688,495	45,904,865	-	30,783,630	76,688,495
Financial assets measured at amortized cost					
Cash and cash equivalent	$ 45,350,124	-	-	-	-
Notes and accounts receivable (including related parties)	56,149,209	-	-	-	-
Subtotal	$ 101,499,333	-	-	-	-
Financial liabilities at amortized cost					
Short-term borrowing	$ 10,848,985	10,848,985	-	-	10,848,985
Short-term notes and bills payable	7,498,743	7,498,743	-	-	7,498,743
Notes and accounts payable (including related parties)	19,263,732	-	-	-	-
Bonds payable	55,884,112	55,884,112	-	-	55,884,112
Long-term borrowing	20,944,713	20,944,713	-	-	20,944,713
Long-term notes payable	4,999,137	4,999,137	-	-	4,999,137
Subtotal	$ 119,439,422	100,175,690	-	-	100,175,690

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

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

a) Financial assets measured at amortized cost

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

b) Financial liabilities measured at amortized cost

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

3) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

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

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

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

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

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

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

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

4) Transfers between levels of the fair value hierarchy

There were no transfers between levels of the fair value hierarchy for the three months ended March 31, 2019 and 2018.

5) Reconciliation of Level 3 fair value

	Fair value through profit and loss	Fair value through other comprehensive income	
	Bond investment and others	Unquoted equity instruments	Bond investment and others
Balance at January 1, 2019	$ 1,047,877	28,011,349	-
Total gains and losses recognized:			
In other comprehensive income	-	1,000,050	-
Effect of exchange rate changes	3,137	54,768	-
Balance at March 31, 2019	$ 1,051,014	29,066,167	-
Balance at January 1, 2018	$ -	30,050,756	1,107,325
Total gains and losses recognized:			
In other comprehensive income	-	44,321	-
Effect of exchange rate changes	-	(391,764)	(27,008)
Balance at March 31, 2018	$ -	29,703,313	1,080,317

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

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7) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Consolidated Company's financial instruments that use Level 3 inputs to measure fair value include "financial assets measured at fair value through profit or loss – debt investments" and "fair value through other comprehensive income – equity investments".

Quantified information of significant unobservable inputs were as follows:

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

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

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

	Input	Change	Recognized in other comprehensive income Favorable change	Unfavorable change
March 31, 2019				
Financial assets at fair value through other comprehensive income – unquoted equity instruments	Price to earnings ratio multiple, price to book ratio multiple, enterprise value to operating income ratio multiple, enterprise value to EBITA multiple, discount for lack of marketability	± 1%	$ 249,121	(249,121)
December 31, 2018				

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	Input	Change	Recognized in other comprehensive income: Favorable change	Unfavorable change
Financial assets at fair value through other comprehensive income – unquoted equity instruments	Price to earnings ratio multiple, price to book ratio multiple, enterprise value to operating income ratio multiple, enterprise value to EBITA multiple, discount for lack of marketability	± 1%	$ 239,952	(239,952)
March 31, 2018				
Financial assets at fair value through other comprehensive income – unquoted equity instruments	Price to earnings ratio multiple, price to book ratio multiple, enterprise value to operating income ratio multiple, enterprise value to EBITA multiple, discount for lack of marketability	± 1%	$ 249,383	(249,383)

(y) Financial risk management

There were no significant changes in the Consolidated Company's financial risk management and policies as disclosed in note 6(y) of the consolidated financial statements for the year ended December 31, 2018.

(z) Capital Management

Management believes that the objectives, policies and processes of capital management of the Consolidated Company has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2018. Also, management believes that there were no significant changes in the Consolidated Company's capital management information as disclosed for the year ended December 31, 2018. Please refer to note 6(z) of the consolidated financial statements for the year ended December 31, 2018 for further details.

(aa) Movements in liabilities arising from financing activities

	Short-term borrowings	Short-term notes payable	Long-term notes payable	Long-term borrowings (including current portion)	Bonds payable (including current portion)	Lease liabilities (including current portion)	Total liabilities arising from financing activities
Balance as of January 1, 2019	$ 21,253,381	8,897,747	7,096,550	12,270,805	58,531,455	626,994	108,676,932
Change in cash from financing activities	(3,021,210)	4,450,000	(2,000,000)	(500,000)	(1,200,000)	(56,027)	(2,327,237)
Non-cash changes	-	(816)	(163)	-	3,804	4,756	7,581
Influence due to fluctuation of exchange rate	7,878	-	-	(9,287)	-	1,715	306
Balance as of March 31, 2019	$ 18,240,049	13,346,931	5,096,387	11,761,518	57,335,259	577,438	106,357,582

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		Short-term borrowings	Short-term notes payable	Long-term notes payable	Long-term borrowings (including current portion)	Bonds payable (including current portion)	Total liabilities arising from financing activities
Balance as of January 1, 2018	$	9,295,583	7,998,778	4,998,418	23,151,433	55,923,701	101,367,913
Change in cash from financing activities		1,545,968	(500,000)	-	(1,974,811)	-	(928,843)
Non-cash changes		-	(35)	719	-	4,131	4,815
Influence due to fluctuation of exchange rate		7,434	-	-	(231,909)	(43,720)	(268,195)
Balance as of March 31, 2018	$	10,848,985	7,498,743	4,999,137	20,944,713	55,884,112	100,175,690

(7) Related-party transactions:

(a) Parent company and ultimate controlling party

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

(b) Names and relationship with related parties

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

Name of related party	Relationship with the Consolidated Company
Formosa Petrochemical Corporation	Associates
Nanya Technology Corporation	Associates
Formosa Resources Corporation	Associates
Formosa Plastics Construction Corporation	Associates
Formosa Heavy Industries Corporation	Associates
Formosa Heavy Industries (Ningbo) Co., Ltd.	Associates
Formosa Heavy Industries Corp. (GZ) Ltd.	Associates
Formosa Synthetic Rubber (Hong Kong) Corporation Limited	Associates
Formosa Synthetic Rubber (Ningbo) Co., Ltd.	Associates
Formosa Industries Corporation	Associates
Formosa Group (Cayman) Limited	Associates
Formosa Utility Venture, Ltd.	Associates
Formosa Environmental Technology Corporation	Associates
Formosa Plastics Transport Corporation	Associates
FG Inc.	Associates
Nan Ya Plastics (Zhengzhou) Co., Ltd.	Joint ventures
Nanya Kyowa Plastics (Nantong) Co., Ltd.	Joint ventures

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
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Name of related party	Relationship with the Consolidated Company
P.T. Indonesia Nanya Indah Plastics Co.	Joint ventures
Formosa Plastics Corporation	Other related parties
Formosa Chemicals and Fiber Corporation	Other related parties
Hwa Ya Power Corporation	Other related parties
Formosa Taffeta Co., Ltd.	Other related parties
Formosa Advanced Technology Corporation	Other related parties
Formosa Ha Tinh (Cayman) Ltd.	Other related parties
Formosa Ha Tinh Steel Corporation	Other related parties
Formosa Ha Tinh (Cayman) Limited Taiwan Branch	Other related parties
China Man-made Fiber Corporation	Other related parties
Mai Liao Harbor Administration Corp.	Other related parties
Formosa Industries (Ningbo) Co., Ltd.	Other related parties
Formosa Power (Ningbo) Limited Company	Other related parties
Formosa Chemicals and Fiber (Ningbo) Corporation	Other related parties
Xiamen Haicang Investment Group Co., Ltd.	Other related parties
Formosa Plastics Marine Corporation	Other related parties
Formosa Plastics Corporation U.S.A.	Other related parties
FG LA LLC	Other related parties

(c) Significant related-party transactions

(i) Sales to related parties

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

	For the three months ended March 31	
	2019	**2018**
Associates and joint ventures	$ 1,235,249	1,750,903
Other related parties	4,081,966	4,437,637
	$ **5,317,215**	**6,188,540**

The receivables from related parties were as follows:

	March 31, 2019	December 31, 2018	March 31, 2018
Associates and joint ventures	$ 595,085	975,340	845,409
Other related parties	1,576,525	1,509,009	1,708,739
	$ **2,171,610**	**2,484,349**	**2,554,148**

(Continued)

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

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

(ii) Purchase from related parties

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

	For the three months ended March 31 2019	For the three months ended March 31 2018
Associates and joint ventures		
Formosa Petrochemical Corporation	$ 10,403,990	12,341,964
Other associates and joint ventures	3,991	9,807
Other related parties		
Formosa Chemicals and Fiber Corporation	6,308,341	8,459,141
Other related parties	5,429,675	6,414,472
	$ 22,145,997	27,225,384

The payables to related parties were as follows:

	March 31, 2019	December 31, 2018	March 31, 2018
Associates and joint ventures			
Formosa Petrochemical Corporation	$ 3,896,877	3,376,770	4,610,864
Other associates and joint ventures	1,720	72	1,385
Other related parties			
Formosa Chemicals and Fiber Corporation	1,878,957	2,763,341	2,964,200
Other related parties	2,260,579	2,165,767	2,447,563
	$ 8,038,133	8,305,950	10,024,012

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

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
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(iii) Unrealized sales profit

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

Investee	For the three months ended March 31, 2019 Unrealized sales profit at beginning of period	(Realized) Unrealized sales profits	Unrealized sales profit at end of period	For the three months ended March 31, 2018 Unrealized sales profit at beginning of period	(Realized) Unrealized sales profits	Unrealized sales profit at end of period
Associates and joint ventures	$ 45,959	(6,092)	39,867	102,249	(12,633)	89,616

(iv) Construction

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

	For the three months ended March 31 2019	2018
Associates and joint ventures		
Formosa Heavy Industries Corporation	$ 38,479	435,898

The payables to related parties were as follows:

	March 31, 2019	December 31, 2018	March 31, 2018
Associates and joint ventures			
Formosa Heavy Industries Corporation	$ -	414,896	398,263

(v) Utility expenses

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

	For the three months ended March 31 2019	2018
Associates and joint ventures		
Formosa Petrochemical Corporation	$ 1,941,240	1,916,455
Other related parties		
Formosa Plastics Corporation	23,463	24,450
	$ 1,964,703	1,940,905

(Continued)

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

(vi) Loans to related parties

The loans to related parties were as follows:

	Other receivables from related parties		
	March 31, 2019	December 31, 2018	March 31, 2018
Associates and joint ventures			
Formosa Group (Cayman) Limited	$ -	-	4,259,500
Other associates and joint ventures	394,804	221,205	1,725,140
Other related parties			
Formosa Plastics Marine Corporation	6,625,318	5,807,107	4,704,793
Formosa Ha Tinh (Cayman) Ltd.	-	-	3,040,500
Other related parties	91,558	89,558	1,092,616
	$ 7,111,680	6,117,870	14,822,549

(vii) Property transaction

1) Acquisitions of financial assets

	Account	Number of Shares (in thousands)	Purpose	For the three months ended March 31, 2019
Associate –FG. Inc.	Investments accounted for using equity method	-	Shares of stock of FG. Inc.	$ 231,570

(viii) Borrowing from related parties:

The borrowing from related parties were as follows:

	Other payables to related parties		
	March 31, 2019	December 31, 2018	March 31, 2018
Associates and joint ventures			
Formosa Heavy Industries Corp. (GZ) Ltd.	$ -	-	50,939

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

(ix) Endorsements and guarantees

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

	March 31, 2019	December 31, 2018	March 31, 2018
Associates and joint ventures			
Formosa Group (Cayman) Limited	$ 19,265,625	19,208,125	18,200,000
Formosa Industries Corporation	2,928,375	5,043,547	4,778,840
Other associates and joint ventures	3,313,688	3,303,798	3,796,000
Other related parties			
Formosa Ha Tinh (Cayman) Ltd.	21,249,201	15,915,686	15,080,363
	$ 46,756,889	43,471,156	41,855,203

(x) Leases

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

	For the three months ended March 31	
	2019	2018
Associates and joint ventures		
Nan Ya Technology Corporation	$ 61,737	57,847

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

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

The Consolidated Company rented an office building and a piece of land from Formosa Plastics Corporation. The rentals charged to related parties are determined based on the local market prices. Rental expenses for the three months ended March 31, 2018 amounted to $6,369. The Consolidated Company applied IFRS 16, with a date of initial application on January 1, 2019. This lease transaction recognized the additional amounts of $51,295 and $51,295 of right-of-use assets and lease liabilities, respectively. For the three months ended March 31, 2019, the Consolidated Company recognized the amount of $174 as interest expense. As of March 31, 2019, the balance of lease liabilities amounted to $45,101, consisting of current and noncurrent portion amounting to $24,998 and $20,103, respectively.

(Continued)

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

The Consolidated Company rented an office building from Formosa Chemicals and Fiber Corporation. The rentals charged to related parties are determined based on the local market prices. Rental expenses for the three months ended March 31, 2018 amounted to $6,782. The Consolidated Company applied IFRS 16, with a date of initial application on January 1, 2019. This lease transaction recognized the additional amounts of $53,458 and $53,458 of right-of-use assets and lease liabilities, respectively. For the three months ended March 31, 2019, the Consolidated Company recognized the amount of $181 as interest expense. As of March 31, 2019, the balance of lease liabilities amounted to $46,858, consisting of current and noncurrent portion amounting to $26,634 and $20,224, respectively.

(d) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended March 31	
	2019	2018
Short-term employee benefits	$ 30,764	26,151

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	Usage	March 31, 2019	December 31, 2018	March 31, 2018
Current Financial asset at fair value through other comprehensive income — stock of Formosa Plastics Corporation	Others	The collateral to provisional execution in litigation	$ 1,394,592	1,286,336	1,324,544
Investment accounted for using equity method — stock of Formosa Petrochemical Corporation	Bank loans	Bank loans	-	-	9,930,086
Land (include idle land)	Bank loans	Bank loans	7,529,494	7,529,494	7,529,494
Machinery and equipment	Bank loans	Bank loans	11,681	11,681	165,139
Total			$ 8,935,767	8,827,511	18,949,263

(9) Significant commitment and contingencies:

	March 31, 2019	December 31, 2018	March 31, 2018
(1) Outstanding standby letter of credit	$ 2,058,211	1,359,423	1,818,063
(2) Endorsements and guarantees	46,756,889	43,471,156	41,855,203
(3) Bonding guarantees by banks	22,000	22,000	25,000
(4) Letters of credit guarantees by banks	20,000	20,000	22,275

(Continued)

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

(5) Formosa Ha Tinh (Cayman) Ltd., a Company' s investee, signed a syndicated line of credit with a group of financial institutions amounting to USD2,220,000 thousand for its operational needs. According to the requirement of the consortium, the Company has to offer a letter of undertaking based on its ownership of 11.432% and commit to monitor the operations of Formosa Ha Tinh (Cayman) Ltd. to ensure that it completes its financial obligation.

(6) Litigation between the Company and DBTEL Incorporated

The Company's client, DBTEL Inc. (DBTEL), placed several orders from the Company concerning LCD monitors since May 2003. However, in June 2004, it decided to cancel some of them, even demanding the Company to postpone its delivery; and in some cases, it went to a certain extent as to refuse accepting the goods delivered by the Company, resulting in a stock up of both raw materials and finished products in the Company's warehouse amounting to USD 5,409,815 and TWD 100,846,141. In light of this matter, the Company filed a lawsuit against DBTEL to the Taiwan High Court on April 6, 2006, demanding for compensation for the damage caused by DBTEL. In reply, the Court authorized the Company to hold certain properties of DBTEL as its collateral. However, DBTEL was not satisfied with the decision made by the Court; therefore, it filed an appeal against the Company. On April 18, 2017, the Court decided that the compensation demanded by the Company should not exceed the amounts of USD 1,246,118 and TWD 27,229,161 (both including principal and interest). Plus, the said properties that were held by the Company for collateral should also be returned to DBTEL. On August 8, 2018, the Supreme Court rejected the verdict handed down by the High Court about the dismissal of the Company' s appeal in the first instance, the appeal of DBTEL, other declaration of provisional execution, and the related legal expenses. Therefore, the High Court will have to decide on this matter. Currently, this case is still in progress.

(10) Losses Due to Major Disasters:None

(11) Subsequent Events:None

(12) Other:

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

	For the three months ended March 31,							
by function	2019				2018			
by item	Operating Costs	Operating expenses	Non-Operating expenses	Total	Operating Costs	Operating expenses	Non-Operating expenses	Total
Employee benefit								
Salaries	5,456,774	1,408,837	-	6,865,611	5,424,256	1,480,006	-	6,904,262
Labor and health insurance	535,575	90,470	-	626,045	524,539	90,074	-	614,613
Pension expenses	431,036	89,321	-	520,357	428,325	92,375	-	520,700
Remuneration of directors	-	8,153	-	8,153	-	7,669	-	7,669
Others personnel expenses	320,077	53,022	-	373,099	336,714	57,892	-	394,606
Depreciation expenses	3,781,670	84,938	8,997	3,875,605	3,962,781	133,236	5,053	4,101,070
Amortization expenses	275,797	64,415	-	340,212	451,269	71,575	-	522,844

(Continued)

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

(13) Other disclosures:

(a) Information on significant transactions:

(i) Lending to other parties: Please see attached Table 1.

(ii) Guarantees and endorsements for other parties: Please see attached Table 2.

(iii) Information regarding securities held at the reporting date (subsidiaries, associates and joint ventures not included): Please see attached Table 3.

(iv) Information regarding purchase or sale of securities for the period exceeding 300 million or 20% of the Company's paid-in capital: None.

(v) Information on acquisition of real estate with purchase amount exceeding 300 million or 20% of the Company's paid-in capital: None.

(vi) Information regarding receivables from disposal of real estate exceeding 300 million or 20% of the Company's paid-in capital: None

(vii) Information regarding related-parties purchases and/or sales exceeding 100 million or 20% of the Company's paid-in capital: Please see attached Table 4.

(viii) Information regarding receivables from related-parties exceeding 100 million or 20% of the Company's paid-in capital: Please see attached Table 5.

(ix) Information regarding trading in derivative financial instruments: None.

(x) Significant transactions and business relationship between the parent company and its subsidiaries for the three months ended March 31, 2019: Please see attached Table 6.

(b) Information on investees: Please see attached Table 7.

(c) Information on investment in mainland China: Please see attached Table 8.

(14) Segment information:

	For the three months ended March 31, 2019						
	Plastics Product	Plastics Material	Electronic Materials	Polyester Product	Other Department	Reconciliations	Total
Revenue：							
Revenue from external customers	$ 10,251,412	20,410,711	24,718,272	14,267,312	1,272,412	-	70,920,119
Intersegment revenues	304,692	2,323,914	4,195,860	215,040	770,075	(7,809,581)	-
Total revenue	$ 10,556,104	22,734,625	28,914,132	14,482,352	2,042,487	(7,809,581)	70,920,119
Reportable segment profit or loss	$ 648,125	136,213	976,395	287,876	4,872,154	(1,087,686)	5,833,077

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

	For the three months ended March 31, 2018						
	Plastics Product	Plastics Material	Electronic Materials	Polyester Product	Other Department	Reconciliations	Total
Revenue：							
Revenue from external customers	$ 11,022,958	25,085,274	28,293,519	16,545,836	1,272,404	-	82,219,991
Intersegment revenues	230,227	2,429,527	5,793,748	218,205	901,901	(9,573,608)	-
Total revenue	$ 11,253,185	27,514,801	34,087,267	16,764,041	2,174,305	(9,573,608)	82,219,991
Reportable segment profit or loss	$ 1,152,235	5,297,350	4,280,643	848,389	6,588,437	(2,933,123)	15,233,931

	Plastics Product	Plastics Material	Electronic Materials	Polyester Product	Other Department	Reconciliations	Total
Reportable segment assets							
March 31, 2019	$ 31,334,772	75,403,250	129,204,822	34,526,923	493,177,832	(187,038,503)	576,609,096
December 31, 2018	$ 33,571,790	81,947,557	133,224,420	35,866,701	471,499,730	(185,860,854)	570,249,344
March 31, 2018	$ 30,419,855	66,033,082	137,754,378	33,932,108	478,263,222	(173,387,451)	573,015,194

	Plastics Product	Plastics Material	Electronic Materials	Polyester Product	Other Department	Reconciliations	Total
Reportable segment liabilities							
March 31, 2019	$ 9,411,151	19,451,270	23,551,285	9,824,160	127,031,732	(12,744,229)	176,525,369
December 31, 2018	$ 10,551,184	13,929,371	27,416,068	10,561,594	135,233,689	(14,347,554)	183,344,352
March 31, 2018	$ 9,518,797	18,117,661	31,251,347	10,594,100	114,105,824	(9,360,802)	174,226,927

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
LENDING TO OTHER PARTIES
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(Expressed in thousands of New Taiwan Dollars)

TABLE1

No.	Name of Lenders	Name of Borrowers	Account Name	Related Party	Highest Balance of Financing to Other Parties during the Period	Ending Balance	Actual Usage during the Period	Range of Interest Rates during the Period.	Purposes of Fund Financing for the Borrowers (Note 1)	Transaction Amount for Business Between Two Parties (Note 2)	Reasons for Short-term Financing	Allowance for Bad Debt	Collateral		Individual Funding Loan Limits (Note 3)	Maximum Limitation on Fund Financing (Note 4)
													Item	Value		
0	The Company	Formosa Plastics Group Investment Corp. (Note 6)	Other receivables from related parties	YES	70,000	70,000	-	-	2	-	Operating capital	-	-	-	97,213,307	194,426,613
0	The Company	Wellink Technology Corporation (Note 6)	Other receivables from related parties	YES	100,000	100,000	-	-	2	-	Operating capital	-	-	-	97,213,307	194,426,613
0	The Company	Nan Ya Plastics (Hong Kong) Co., Ltd. (Note 6)	Other receivables from related parties	YES	500,000	500,000	-	-	2	-	Operating capital	-	-	-	97,213,307	194,426,613
0	The Company	Nan Ya Plastics Corporation Texas (Note 6)	Other receivables from related parties	YES	12,898,000	12,898,000	7,398,000	3.211%~3.3572%	2	-	Operating capital	-	-	-	97,213,307	194,426,613
0	The Company	Nan Chung Petrochemical Corporation (Note 6)	Other receivables from related parties	YES	500,000	500,000	-	1.4142%~1.4154%	2	-	Operating capital	-	-	-	97,213,307	194,426,613
0	The Company	Formosa Heavy Industries Corporation	Other receivables from related parties	YES	7,730,000	7,730,000	230,000	1.4138%~1.4138%	2	-	Operating capital	-	-	-	97,213,307	194,426,613
0	The Company	Formosa Petrochemical Corporation	Other receivables from related parties	YES	6,000,000	6,000,000	-	-	2	-	Operating capital	-	-	-	97,213,307	194,426,613
0	The Company	Formosa Plastics Corporation	Other receivables from related parties	YES	6,000,000	6,000,000	-	-	2	-	Operating capital	-	-	-	97,213,307	194,426,613
0	The Company	Formosa Chemicals and Fiber Corporation	Other receivables from related parties	YES	6,000,000	6,000,000	-	-	2	-	Operating capital	-	-	-	97,213,307	194,426,613
0	The Company	Formosa Plastics Marine Corporation	Other receivables from related parties	YES	9,385,318	9,385,318	6,125,318	1.4138%~1.4154%	2	-	Operating capital	-	-	-	97,213,307	194,426,613
1	Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation Texas (Note 6)	Other receivables from related parties	YES	13,563,000	11,097,000	7,398,000	3.037%~3.606%	2	-	Operating capital	-	-	-	20,817,387	41,634,773
1	Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation U.S.A. (Note 6)	Other receivables from related parties	YES	924,750	924,750	512,337	3.606%~3.618%	2	-	Operating capital	-	-	-	20,817,387	41,634,773
2	Nan Ya PCB Corporation	Nan Ya PCB (HK) Corporation (Note 6)	Other receivables from related parties	YES	50,000	50,000	-	-	2	-	Operating capital	-	-	-	7,408,127	14,816,254
2	Nan Ya PCB Corporation	Nan Ya PCB (Kunshan) Corporation (Note 6)	Other receivables from related parties	YES	1,849,500	1,849,500	924,750	3.471%~3.471%	2	-	Operating capital	-	-	-	7,408,127	14,816,254
2	Nan Ya PCB Corporation	Formosa Plastics Marine Corporation	Other receivables from related parties	YES	500,000	500,000	500,000	1.414%~1.415%	2	-	Operating capital	-	-	-	7,408,127	14,816,254

No.	Name of Lenders	Name of Borrowers	Account Name	Related Party	Highest Balance of Financing to Other Parties during the Period	Ending Balance	Actual Usage during the Period	Range of Interest Rates during the Period.	Purposes of Fund Financing for the Borrowers (Note 1)	Transaction Amount for Business Between Two Parties (Note 2)	Reasons for Short-term Financing	Allowance for Bad Debt	Collateral		Individual Funding Loan Limits (Note 3)	Maximum Limitation on Fund Financing (Note 4)
													Item	Value		
2	Nan Ya PCB Corporation	Formosa Heavy Industries Corporation	Other receivables from related parties	YES	1,000,000	1,000,000	-	-	2	-	Operating capital	-	-	-	7,408,127	14,816,254
3	Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	371,441	-	-	4.12%	2	-	Operating capital	-	-	-	40,960,979	81,921,959
4	Wen Fung Industrial Co., Ltd.	Wellink Technology Corporation (Note 6)	Other receivables from related parties	YES	23,000	23,000	-	-	2	-	Operating capital	-	-	-	24,174	241,735
4	Wen Fung Industrial Co., Ltd.	Formosa Environmental Technology Corporation	Other receivables from related parties	YES	60,000	-	-	1.414%~1.415%	2	-	Operating capital	-	-	-	120,868	241,735
5	Nan Ya Plastics (Guangzhou) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	206,005	206,005	206,005	3.48%~3.48%	2	-	Operating capital	-	-	-	1,351,767	2,703,536
5	Nan Ya Plastics (Guangzhou) Co., Ltd.	Nan Ya Plastics (Ningbo) Co., Ltd. (Note 6)	Other receivables from related parties	YES	819,441	787,396	787,396	3.48%~3.48%	2	-	Operating capital	-	-	-	1,351,767	2,703,536
6	Nan Ya Plastics (Huizhou) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	535,612	535,612	535,612	3.48%~3.48%	2	-	Operating capital	-	-	-	1,724,559	3,449,117
6	Nan Ya Plastics (Huizhou) Co., Ltd.	Nan Ya Plastics (Ningbo) Co., Ltd. (Note 6)	Other receivables from related parties	YES	625,339	622,592	622,592	3.48%~3.48%	2	-	Operating capital	-	-	-	1,724,559	3,449,117
7	Nan Ya Trading (Huizhou) Co., Ltd.	PFG Fiber Glass (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	25,178	25,178	25,178	3.48%~3.48%	2	-	Operating capital	-	-	-	30,367	60,735
8	Nan Ya Plastics (Xiamen) Co., Ltd.	Xiamen Haicang Investment Group Co., Ltd.	Other receivables from related parties	YES	91,558	91,558	91,558	3.48%~3.48%	2	-	Operating capital	-	-	-	714,653	714,653
8	Nan Ya Plastics (Xiamen) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	91,558	91,558	91,558	3.48%~3.48%	2	-	Operating capital	-	-	-	714,653	714,653
8	Nan Ya Plastics (Xiamen) Co., Ltd.	Nan Ya Plastics (Ningbo) Co., Ltd. (Note 6)	Other receivables from related parties	YES	279,251	137,336	137,336	3.48%~3.48%	2	-	Operating capital	-	-	-	714,653	714,653
8	Nan Ya Plastics (Xiamen) Co., Ltd.	PFG Fiber Glass (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	137,336	137,336	137,336	3.48%~3.48%	2	-	Operating capital	-	-	-	714,653	714,653
9	Nan Ya Plastics (Nantong) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	915,576	915,576	915,576	3.48%~3.48%	2	-	Operating capital	-	-	-	3,950,515	7,901,029
9	Nan Ya Plastics (Nantong) Co., Ltd.	Nan Ya Plastics (Ningbo) Co., Ltd. (Note 6)	Other receivables from related parties	YES	2,963,262	2,940,373	2,940,373	3.48%~3.48%	2	-	Operating capital	-	-	-	3,950,515	7,901,029
10	China Nantong Huafeng Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	143,745	141,457	141,457	3.48%~3.48%	2	-	Operating capital	-	-	-	170,423	340,846
10	China Nantong Huafeng Co., Ltd.	Nan Ya Plastics (Ningbo) Co., Ltd. (Note 6)	Other receivables from related parties	YES	164,804	164,804	164,804	3.48%~3.48%	2	-	Operating capital	-	-	-	170,423	340,846

No.	Name of Lenders	Name of Borrowers	Account Name	Related Party	Highest Balance of Financing to Other Parties during the Period	Ending Balance	Actual Usage during the Period	Range of Interest Rates during the Period.	Purposes of Fund Financing for the Borrowers (Note 1)	Transaction Amount for Business Between Two Parties (Note 2)	Reasons for Short-term Financing	Allowance for Bad Debt	Collateral		Individual Funding Loan Limits (Note 3)	Maximum Limitation on Fund Financing (Note 4)
													Item	Value		
11	Nantong Huafu Plastics Co., Ltd.	PFG Fiber Glass (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	32,045	32,045	32,045	3.48%~3.48%	2	-	Operating capital	-	-	-	47,580	95,160
11	Nantong Huafu Plastics Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	45,779	45,779	45,779	3.48%~3.48%	2	-	Operating capital	-	-	-	47,580	95,160
12	Nan Ya Electric (Nantong) Co., Ltd.	PFG Fiber Glass (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	45,779	45,779	45,779	3.48%~3.48%	2	-	Operating capital	-	-	-	586,481	1,172,963
12	Nan Ya Electric (Nantong) Co., Ltd.	Nan Ya Plastics (Ningbo) Co., Ltd. (Note 6)	Other receivables from related parties	YES	363,942	363,942	363,942	3.48%~3.48%	2	-	Operating capital	-	-	-	586,481	1,172,963
13	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Plastics (Zhengzhou) Co., Ltd.	Other receivables from related parties	YES	164,804	164,804	164,804	3.48%~3.48%	2	-	Operating capital	-	-	-	27,649,893	55,299,786
13	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd. (Note 6)	Other receivables from related parties	YES	2,971,045	2,595,659	2,595,659	3.48%~3.48%	2	-	Operating capital	-	-	-	27,649,893	55,299,786
13	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Plastics (Ningbo) Co., Ltd. (Note 6)	Other receivables from related parties	YES	281,540	281,540	281,540	3.48%~3.48%	2	-	Operating capital	-	-	-	27,649,893	55,299,786
13	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	PFG Fiber Glass (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	1,002,556	759,928	759,928	3.48%~3.48%	2	-	Operating capital	-	-	-	27,649,893	55,299,786
13	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	5,017,358	4,779,308	4,779,308	3.48%~3.48%	2	-	Operating capital	-	-	-	27,649,893	55,299,786

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

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

Note 3 : Capital loaned to other parties should not exceed 50% of the lender's net worth, of which the sum loaned to non interested parties for capital requirements should not exceed 40% of the net worth of borrower.
The cap amount of loans to associates and interested parties should not exceed 25% of the equity of the lenders. Other parties should not exceed 20% of the lender's net worth.

Note 4 : Subsidiaries' capital loaned to associates and interested parties should not exceed 50% of the equity of the lenders. Other parties should not exceed 40% of the lender's net worth.
The subsidiaries' cap amount of loans to other parties should not exceed 100% of its equity. Non-interested parties should not exceed 40% of its net worth. However, subsidiaries' capital loaned to the parties located in non-Taiwan and directly or indirectly held by the company 100% of the shares are not be limited.

Note 5 : Nan Ya Plastics corporation, America and Nan Ya Plastics corporation USA s'reporting currency are denominated in USD, and the exchange rate of TWD to USD as of March 31, 2019 (in average) is 30.825(30.836) : 1.
Nan Ya Plastics (Hong Kong) Co., Ltd and Superior World Wide Trading Co., Ltd. s'reporting currency are denominated in HKD, and the exchange rate of TWD to HKD as of March 31, 2019 (in average) is 3.9519(3.9533) : 1.

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

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
GUARANTEES AND ENDORSEMENTS FOR OTHER PARTIES
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(Expressed in thousands of New Taiwan Dollars)

TABLE 2

No	Endorsement Guarantee Provider	Counterparty of Guarantee and Endorsement		Limitation Amount of Guarantees and Endorsements for a Specific Enterprise	Highest Balance for Guarantee and Endorsements during the Period	Balance of Guarantees and Endorsements as of March 31, 2019	Amount Secured by Guaranteed and Endorsed Property	Amount of Endorsement /Guarantee Collateralized by Properties	Ratio of Accumulated Amounts of Guarantees and Endorsements to Net Worth of the Latest Financial Statements	Maximum Amounts for Guarantees and Endorsements	Parent Company Endorses /Guarantees to Third Parties on Behalf of Subsidiary	Subsidiary Endorses /Guarantees to Third Parties on Behalf of Parent Company	Endorsements /Guarantees to the Third Parties on Behalf of the Companies in Mainland China
		Name	Relationship with The Company (Note)										
0	The Company	Formosa Industries Corporation	1	9,758,702	5,058,645	2,928,375	2,928,375	-	0.75%	505,509,194	N	N	N
0	The Company	Formosa Group (Cayman) Ltd.	6	252,754,597	19,265,625	19,265,625	19,265,625	-	4.95%	505,509,194	N	N	N
0	The Company	Formosa Ha Tinh (Cayman) Ltd.	6	252,754,597	21,249,201	21,249,201	15,963,330	-	5.46%	505,509,194	N	N	N
0	The Company	Formosa Resources Corporation	6	252,754,597	3,313,688	3,313,688	3,313,688	-	0.85%	505,509,194	N	N	N
1	Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation Texas	2	27,062,602	127,939	127,939	127,939	-	0.31%	54,125,205	Y	N	N

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

(1)The Company has business relationship.

(2)The Company holds directly and indirectly more than 50% of the voting shares of the subsidiaries.

(3)In aggregate, the Company holds directly or its subsidiaries hold indirectly more than 50% of the investee.

(4)Subsidiaries in which the Company holds directly or indirectly more than 90% of the voting shares make endoresement and guarantees for each other.

(5)The Company is required to provide guarantees or endorsements for the construction project based on the construction contract.

(6)The stockholders of the Company provide guarantees or endorsements for the investee in proportion to their stockholding percentage.

(7)According to Consumer Protection Act, companies are required to provide guarantees and endorsements for joint and several libility if take part in business of preconstruction real estate.

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
INFORMATION REGARDING SECURITIES HELD AT THE REPORTING DATE
(SECURITIES, ASSOCIATED AND JOINT VENTURES NOT INCLUDED)
MARCH 31, 2019
(Expressed in thousands of New Taiwan Dollars)

TABLE 3

Security Holder	Category and Name of Security	Relationship Between Issuer of Security and the Company which Holds Securities	Account Name	March 31, 2019				Notes
				Number of Shares (in thousands)	Carrying Value	Shareholding Percentage	Market Value or Net Asset Value	
The Company	Mega Internaitonal Private USD Money Market	-	Financial assets valued at FVTPL −current	12,479	4,057,856	-	4,057,856	
The Company	Formosa Plastics Corporation	Other related parties	Financial assets valued at FVTOCI −current	294,793	32,279,845	4.63%	32,279,845	Note 1
The Company	Formosa Chemicals and Fiber Corporation	Other related parties	Financial assets valued at FVTOCI −current	140,520	15,738,201	2.40%	15,738,201	
The Company	Formosa Group Ocean Marine Investment Corporation	Other related parties	Financial assets valued at FVTOCI −non current	3	6,053,330	19.00%	6,053,330	
The Company	Formosa Plastics Corporation U.S.A.	Other related parties	Financial assets valued at FVTOCI −non current	2	1,440,868	0.51%	1,440,868	
The Company	Ostendo Technologies Inc.	-	Financial assets valued at FVTOCI −non current	150	-	0.12%	-	
The Company	Formosa Plastics Maritime Corp.	Other related parties	Financial assets valued at FVTOCI −non current	352	230,319	18.00%	230,319	
The Company	Formosa International Development Co., Ltd.	Other related parties	Financial assets valued at FVTOCI −non current	15,246	277,289	18.00%	277,289	
The Company	Mai Liao Harbor Administration Corp.	Other related parties	Financial assets valued at FVTOCI −non current	39,562	931,702	17.98%	931,702	
The Company	Formosa Plastics Marine Corporation	Other related parties	Financial assets valued at FVTOCI −non current	2,429	759,823	15.00%	759,823	
The Company	ASIA Pacific Investment Co.	Other related parties	Financial assets valued at FVTOCI −non current	63,717	2,646,997	14.99%	2,646,997	
The Company	Formosa Technologies Corporation	Other related parties	Financial assets valued at FVTOCI −non current	2,925	109,806	12.50%	109,806	
The Company	WK Technology Fund Ltd.	-	Financial assets valued at FVTOCI −non current	326	4,969	1.63%	4,969	
The Company	WK Technology Fund IV Ltd.	-	Financial assets valued at FVTOCI −non current	460	3,426	1.08%	3,426	
The Company	Central Leasing Corp.	-	Financial assets valued at FVTOCI −non current	1,779	-	1.07%	-	
The Company	Chinese Television System Inc.	-	Financial assets valued at FVTOCI −non current	1,769	33,768	1.04%	33,768	
The Company	China Investment & Development Company, Limited	-	Financial assets valued at FVTOCI −non current	1,287	9,129	0.80%	9,129	

Security Holder	Category and Name of Security	Relationship Between Issuer of Security and the Company which Holds Securities	Account Name	March 31, 2019				Notes
				Number of Shares (in thousands)	Carrying Value	Shareholding Percentage	Market Value or Net Asset Value	
The Company	Taiwan Aerospace Corp.	-	Financial assets valued at FVTOCI －non current	1,070	21,431	0.79%	21,431	
The Company	Guang Yuan Securities Investment Consulting Corporation	-	Financial assets valued at FVTOCI －non current	5,000	25,909	3.91%	25,909	
The Company	Nan Ya Photonics Inc.	Other related parties	Financial assets valued at FVTOCI －non current	6,446	84,377	14.42%	84,377	
The Company	Mega Growth Capital Venture	-	Financial assets valued at FVTOCI －non current	2,500	19,125	1.97%	19,125	
Nan Ya Plastics Corporation America	Double Oak (Bonds)	-	Financial assets valued at FVTPL －non current	-	204,645	-	204,645	
Nan Ya Plastics Corporation America	Ballantyne Re plc (Bonds)	-	Financial assets valued at FVTPL －non current	-	153,444	-	153,444	
Nan Ya Plastics Corporation America	Sutton (Bonds)	-	Financial assets valued at FVTPL －non current	-	359,342	-	359,342	
Nan Ya Plastics Corporation America	American Overseas Reinsurance Co., Ltd. (Preferred Stock)	-	Financial assets valued at FVTPL －non current	-	111,498	-	111,498	
Nan Ya Plastics Corporation America	MBIA Insurance Corp. (Preferred Stock)	-	Financial assets valued at FVTPL －non current	-	222,085	-	222,085	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Hua Ya (Dong Ying) Plastics Corp.	-	Financial assets valued at FVTOCI －non current	-	131,322	15.00%	131,322	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Hua Ya (Wu Hu) Plastics Corp.	-	Financial assets valued at FVTOCI －non current	-	179,620	15.00%	179,620	
Formosa Plastics Group Investment Corp.	WK Technology Fund Ltd.	-	Financial assets valued at FVTOCI －non current	484	7,370	2.42%	7,370	
Formosa Plastics Group Investment Corp.	WK Technology Fund IV Ltd.	-	Financial assets valued at FVTOCI －non current	1,534	11,419	3.60%	11,419	
Nan Ya International (Cayman) Limited	Formosa Ha Tinh (Cayman) Ltd.	Other related parties	Financial assets valued at FVTOCI －non current	621,178	16,084,168	11.43%	16,084,168	

Note 1 : The Company pledged its shares of Formosa Plastics Corporation of 12,736 thousand common shares amounting to $1,394,592.

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
INFORMATION REGARDING RELATED-PARTIES PURCHASES AND/OR SALES EXCEEDING 100 MILLION OR 20% OF THE COMPANY'S PAID-IN-CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(Expressed in thousands of New Taiwan Dollars)

TABLE 4

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts (Payable) Receivable		Notes
			Purchases / (Sales)	Amount	% to total purchase/(sales)	Credit Period	Unit Price	Payment Term	Ending Balance	% to Total	
The Company	Formosa Plastics Corporation	Other related parties	(Sales)	(303,085)	(0.76)%	30 days	-	-	135,380	0.74%	
The Company	Formosa Chemicals and Fiber Corporation	Other related parties	(Sales)	(2,321,832)	(5.84)%	30 days	-	-	909,255	4.98%	
The Company	Nan Ya PCB Corporation	Subsidiaries	(Sales)	(198,825)	(0.50)%	30 days	-	-	76,278	0.42%	Note
The Company	Formosa Petrochemical Corporation	Associates	(Sales)	(409,037)	(1.03)%	30 days	-	-	179,113	0.98%	
The Company	Formosa Taffeta Co., Ltd.	Other related parties	(Sales)	(283,151)	(0.71)%	30 days	-	-	103,907	0.57%	
The Company	Nan Ya Plastics Corporation U.S.A.	Subsidiaries	(Sales)	(125,186)	(0.32)%	O/A105 days	-	-	235,595	1.29%	Note
The Company	Nan Ya Plastics Corporation America	Subsidiaries	(Sales)	(103,732)	(0.26)%	O/A105 days	-	-	117,785	0.65%	Note
The Company	Nan Ya Electronic Materials (Huizhou) Co., Ltd.	Subsidiaries	(Sales)	(740,933)	(1.87)%	O/A180 days	-	-	597,280	3.27%	Note
The Company	Nan Ya Plastics (Nantong) Co., Ltd.	Subsidiaries	(Sales)	(124,796)	(0.31)%	O/A150 days	-	-	106,804	0.59%	Note
The Company	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Subsidiaries	(Sales)	(895,999)	(2.26)%	O/A150 days	-	-	1,002,030	5.49%	Note
The Company	Formosa Industries Corporation	Associates	(Sales)	(665,367)	(1.67)%	O/A150 days	-	-	338,235	1.85%	
The Company	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	Subsidiaries	(Sales)	(141,137)	(0.36)%	O/A150 days	-	-	160,866	0.88%	Note
The Company	Formosa Plastics Corporation	Other related parties	Purchases	2,814,836	10.76%	30 days	-	-	(1,100,085)	(9.69)%	
The Company	Formosa Chemicals and Fiber Corporation	Other related parties	Purchases	6,170,004	23.58%	30 days	-	-	(1,840,510)	(16.21)%	
The Company	Formosa Petrochemical Corporation	Associates	Purchases	8,788,184	33.59%	30 days	-	-	(3,297,161)	(29.04)%	
The Company	PFG Fiber Glass Corporation	Subsidiaries	Purchases	649,877	2.48%	30 days	-	-	(231,809)	(2.04)%	Note
The Company	Nan Chung Petrochemical Corporation	Subsidiaries	Purchases	1,017,557	3.89%	30 days	-	-	(375,754)	(3.31)%	Note

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts (Payable) Receivable		Notes
			Purchases / (Sales)	Amount	% to total purchase/(sales)	Credit Period	Unit Price	Payment Term	Ending Balance	% to Total	
Nan Ya PCB Corporation	The Company	Parent	Purchases	198,825	5.90%	30 days	-	-	(76,278)	(4.47)%	Note
Nan Ya PCB (Kunshan) Corporation	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Same chairman	Purchases	447,428	26.14%	60 days	-	-	(169,365)	(21.73)%	Note
Nan Chung Petrochemical Corporation	The Company	Parent	(Sales)	(1,017,557)	(49.96)%	30 days	-	-	375,754	50.13%	Note
Nan Chung Petrochemical Corporation	China Man-made Fiber Corporation	Other related parties	(Sales)	(1,017,557)	(49.96)%	15th day of next month	-	-	365,873	48.81%	
Nan Chung Petrochemical Corporation	Formosa Petrochemical Corporation	Associates	Purchases	1,550,102	96.03%	15th day of next month	-	-	(577,369)	(97.10)%	
PFG Fiber Glass Corporation	The Company	Parent	(Sales)	(649,877)	(66.00)%	30 days	-	-	231,809	63.34%	Note
PFG Fiber Glass Corporation	Formosa Chemicals and Fiber Corporation	Other related parties	Purchases	103,122	20.80%	30 days	-	-	(38,448)	(24.18)%	
Nan Ya Plastics Corporation U.S.A.	Formosa Plastics Corporation U.S.A.	Other related parties	Purchases	181,380	23.79%	payment within one month	-	-	(60,963)	(17.91)%	
Nan Ya Plastics Corporation U.S.A.	The Company	Parent	Purchases	125,186	16.42%	O/A 105 days	-	-	(235,595)	(69.21)%	Note
Nan Ya Plastics Corporation America	The Company	Parent	Purchases	103,732	1.49%	O/A 105 days	-	-	(117,785)	(39.82)%	Note
PFG Fiber Glass (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Subsidiaries	(Sales)	(674,463)	(78.81)%	60 days	-	-	270,060	36.76%	Note
Nan Ya Plastics (Guangzhou) Co., Ltd.	Formosa Industries (Ningbo) Co., Ltd.	Other related parties	Purchases	114,653	22.03%	60 days	-	-	(60,226)	(22.38)%	
Nan Ya Electronic Materials (Huizhou) Co., Ltd.	The Company	Parent	Purchases	740,933	43.63%	O/A180 days	-	-	(597,280)	(19.51)%	Note
Nan Ya Electronic Materials (Huizhou) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Subsidiaries	Purchases	779,462	45.90%	180 days	-	-	(2,425,601)	(79.23)%	Note
Nan Ya Plastics (Nantong) Co., Ltd.	The Company	Parent	Purchases	124,796	9.75%	O/A150 days	-	-	(106,804)	(21.34)%	Note
Nan Ya Plastics (Nantong) Co., Ltd.	Formosa Industries (Ningbo) Co., Ltd.	Other related parties	Purchases	227,748	17.79%	60 days	-	-	(76,343)	(15.25)%	
Nan Ya Plastics (Ningbo) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Subsidiaries	(Sales)	(1,095,581)	(36.36)%	60 days	-	-	99,742	11.30%	Note
Nan Ya Plastics (Ningbo) Co., Ltd.	Formosa Chemicals and Fiber (Ningbo) Corporation	Other related parties	Purchases	1,754,537	74.52%	60 days	-	-	(745,718)	(96.47)%	
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.	Subsidiaries	(Sales)	(779,462)	(7.39)%	180 days	-	-	2,425,601	12.59%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya PCB (Kunshan) Corporation	Same chairman	(Sales)	(447,428)	(4.24)%	60 days	-	-	169,365	0.88%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	The Company	Parent	Purchases	895,999	11.22%	O/A 150 days	-	-	(1,002,030)	(37.12)%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	PFG Fiber Glass (Kunshan) Co., Ltd.	Subsidiaries	Purchases	674,463	8.45%	60 days	-	-	(270,060)	(10.00)%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Plastics (Ningbo) Co., Ltd.	Subsidiaries	Purchases	1,095,581	13.72%	60 days	-	-	(99,742)	(3.69)%	Note
Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	The Company	Parent	Purchases	141,137	23.70%	O/A 150 days	-	-	(160,866)	(55.84)%	Note

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

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
INFORMATION REARDING RECEIVABLES FROM RELATED-PARTIES EXCEEDING 100 MILLION OR 20% OF THE COMPANY'S PAID-IN-CAPITAL
MARCH 31, 2019
(Expressed in thousands of New Taiwan Dollars)

TABLE 5

Company Name	Related Party	Relationship	Ending Balance		Turnover Rate	Overdue		Amounts Received in Subsequent Periods	Allowance for Bad Debts
						Amount	Action Taken		
The Company	Formosa Plastics Corporation	Other related parties	Receivables from related parties :	135,380	6.98	-	-	96,958	-
The Company	Formosa Chemicals and Fiber Corporation	Other related parties	Receivables from related parties :	909,255	11.08	-	-	884,246	-
The Company	Formosa Petrochemical Corporation	Assosiates	Receivables from related parties :	179,113	12.94	-	-	166,733	-
The Company	Formosa Taffeta Co., Ltd.	Other related parties	Receivables from related parties :	103,907	12.86	-	-	103,907	-
The Company	Nan Ya Plastics Corporation U.S.A. (Note 1)	Subsidiaries	Receivables from related parties :	235,595	1.85	-	-	78,837	-
The Company	Nan Ya Plastics Corporation America (Note 1)	Subsidiaries	Receivables from related parties :	117,785	5.08	-	-	-	-
The Company	Nan Ya Electronic Materials (Huizhou) Co., Ltd. (Note 1)	Subsidiaries	Receivables from related parties :	597,280	2.16	-	-	269,481	-
The Company	Nan Ya Plastics (Nantong) Co., Ltd. (Note 1)	Subsidiaries	Receivables from related parties :	106,804	3.34	-	-	17,853	-
The Company	Nan Ya Electronic Materials (Kunshan) Co., Ltd. (Note 1)	Subsidiaries	Receivables from related parties :	1,002,030	3.23	-	-	344,239	-
The Company	Formosa Industries Corporation	Assosiates	Receivables from related parties :	338,235	4.84	-	-	125,242	-
The Company	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 1)	Subsidiaries	Receivables from related parties :	160,866	2.92	-	-	26,115	-
Nan Chung Petrochemical Corporation	The Company (Note 1)	Parent	Receivables from related parties :	375,754	11.61	-	-	375,754	-
Nan Chung Petrochemical Corporation	China Man-made Fiber Corporation	Other related parties	Receivables from related parties :	365,873	11.47	-	-	365,873	-
PFG Fiber Glass Corporation	The Company (Note 1)	Parent	Receivables from related parties :	231,809	10.57	-	-	215,300	-
PFG Fiber Glass (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd. (Note 1)	Subsidiaries	Receivables from related parties :	270,060	9.21	-	-	270,060	-
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd. (Note 1)	Subsidiaries	Receivables from related parties :	2,425,601	1.22	-	-	376,481	-
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya PCB (Kunshan) Corporation (Note 1)	Same chairman	Receivables from related parties :	169,365	10.18	-	-	169,365	-
The Company	Nan Ya Plastics Corporation Texas (Note 1)	Subsidiaries	Other receivables from related parties :	7,398,000	Note	-	-	-	-
The Company	Formosa Plastics Marine Corporation	Other related parties	Other receivables from related parties :	6,125,318	Note	-	-	-	-
The Company	Formosa Heavy Industries Corporation	Assosiates	Other receivables from related parties :	230,000	Note	-	-	-	-
Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation Texas (Note 1)	Subsidiaries	Other receivables from related parties :	7,398,000	Note	-	-	-	-
Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation U.S.A. (Note 1)	Subsidiaries	Other receivables from related parties :	512,337	Note	-	-	-	-
Nan Ya PCB Corporation	Nan Ya PCB (Kunshan) Corporation (Note 1)	Subsidiaries	Other receivables from related parties :	924,750	Note	-	-	-	-
Nan Ya PCB Corporation	Formosa Plastics Marine Corporation	Other related parties	Other receivables from related parties :	500,000	Note	-	-	-	-
Nan Ya Plastics (Nantong) Co., Ltd.	Nan Ya Plastics (Ningbo) Co., Ltd. (Note 1)	Subsidiaries	Other receivables from related parties :	2,940,373	Note	-	-	-	-
Nan Ya Plastics (Nantong) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 1)	Subsidiaries	Other receivables from related parties :	915,576	Note	-	-	-	-
Nan Ya Plastics (Huizhou) Co., Ltd.	Nan Ya Plastics (Ningbo) Co., Ltd. (Note 1)	Subsidiaries	Other receivables from related parties :	622,592	Note	-	-	-	-

Company Name	Related Party	Relationship	Ending Balance		Turnover Rate	Overdue		Amounts Received in Subsequent Periods	Allowance for Bad Debts
						Amount	Action Taken		
Nan Ya Plastics (Huizhou) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 1)	Subsidiaries	Other receivables from related parties：	535,612	Note	-	-	-	-
Nan Ya Plastics (Xiamen) Co., Ltd.	Nan Ya Plastics (Ningbo) Co., Ltd. (Note 1)	Subsidiaries	Other receivables from related parties：	137,336	Note	-	-	-	-
Nan Ya Plastics (Xiamen) Co., Ltd.	PFG Fiber Glass (Kunshan) Co., Ltd. (Note 1)	Subsidiaries	Other receivables from related parties：	137,336	Note	-	-	-	-
Nan Ya Plastics (Guangzhou) Co., Ltd.	Nan Ya Plastics (Ningbo) Co., Ltd. (Note 1)	Subsidiaries	Other receivables from related parties：	787,396	Note	-	-	-	-
Nan Ya Plastics (Guangzhou) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 1)	Subsidiaries	Other receivables from related parties：	206,005	Note	-	-	-	-
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 1)	Subsidiaries	Other receivables from related parties：	4,779,308	Note	-	-	-	-
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd. (Note 1)	Subsidiaries	Other receivables from related parties：	2,595,659	Note	-	-	-	-
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	PFG Fiber Glass (Kunshan) Co., Ltd. (Note 1)	Subsidiaries	Other receivables from related parties：	759,928	Note	-	-	-	-
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Plastics (Ningbo) Co., Ltd. (Note 1)	Subsidiaries	Other receivables from related parties：	281,540	Note	-	-	-	-
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Plastics (Zhengzhou) Co., Ltd.	Joint ventures	Other receivables from related parties：	164,804	Note	-	-	-	-
Nan Ya Electric (Nantong) Co., Ltd.	Nan Ya Plastics (Ningbo) Co., Ltd. (Note 1)	Subsidiaries	Other receivables from related parties：	363,942	Note	-	-	-	-
China Nantong Huafeng Co., Ltd.	Nan Ya Plastics (Ningbo) Co., Ltd. (Note 1)	Subsidiaries	Other receivables from related parties：	164,804	Note	-	-	-	-
China Nantong Huafeng Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 1)	Subsidiaries	Other receivables from related parties：	141,457	Note	-	-	-	-

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

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

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
SIGNIFICANT TRANSACTIONS AND BUSINESS RELATIONSHIP BETWEEN THE PARENT AND ITS SUBSIDIARIES
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(Expressed in thousands of New Taiwan Dollars)

TABLE 6

No. (Note 1)	Company Name	Counter-party	Relationship (Note 2)	Intercompany Transactions			
				Financial Statement Item	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets
0	The Company	Nan Ya PCB Corporation and its subsidiaries	1	Sales	210,495	30-150 days	0.30%
0	The Company	Nan Chung Petrochemical Corporation	1	Sales	59,862	30 days	0.08%
0	The Company	PFG Fiber Glass Corporation	1	Sales	34,199	30 days	0.05%
0	The Company	Nan Ya Plastics Corporation U.S.A	1	Sales	125,186	O/A 105 days	0.18%
0	The Company	Nan Ya Plastics Corporation America	1	Sales	103,732	O/A 105 days	0.15%
0	The Company	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	1	Sales	1,990,019	O/A 150-180 days	2.81%
0	The Company	Superior World Wide Trading Co., Ltd.	1	Sales	3,877	O/A 150 days	0.01%
0	The Company	PFG Fiber Glass (Hong Kong) Corporation Limited and its subsidiaries	1	Sales	3,756	O/A 150 days	0.01%
1	Nan Chung Petrochemical Corporation	The Company	2	Sales	1,017,557	30 days	1.43%
2	Wen Fung Industrials Co., Ltd. and its subsidiaries	Nan Ya PCB Corporation and its subsidiaries	3	Sales	30,505	30 days	0.04%
3	PFG Fiber Glass Corporation	The Company	2	Sales	649,877	30 days	0.92%
4	Nan Ya Plastics Corporation U.S.A.	The Company	2	Sales	15,824	O/A 105 days	0.02%
5	Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation U.S.A	3	Sales	46,139	payment within one month	0.07%
6	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	The Company	2	Sales	23,419	60 days	0.03%
6	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	Nan Ya PCB Corporation and its subsidiaries	3	Sales	591,444	60 days	0.83%
6	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	PFG Fiber Glass (Hong Kong) Corporation Limited and its subsidiaries	3	Sales	108,234	60 days	0.15%
7	PFG Fiber Glass (Hong Kong) Corporation Limited and its subsidiaries	The Company	2	Sales	4,814	O/A 150 days	0.01%
7	PFG Fiber Glass (Hong Kong) Corporation Limited and its subsidiaries	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	3	Sales	677,160	60 days	0.95%
8	Superior World Wide Trading Co., Ltd.	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	3	Sales	3,920	O/A 60 days	0.01%
0	The Company	Nan Ya PCB Corporation and its subsidiaries	1	Accounts receivable	86,979	30-150 days	0.02%
0	The Company	Nan Ya Plastics Corporation U.S.A	1	Accounts receivable	235,595	O/A 105 days	0.04%
0	The Company	Nan Ya Plastics Corporation America	1	Accounts receivable	117,785	O/A 105 days	0.02%
0	The Company	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	1	Accounts receivable	1,937,627	O/A 150-180 days	0.34%

No. (Note 1)	Company Name	Counter-party	Relationship (Note 2)	Intercompany Transactions			
				Financial Statement Item	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets
1	Nan Chung Petrochemical Corporation	The Company	2	Accounts receivable	375,754	30 days	0.07%
3	PFG Fiber Glass Corporation	The Company	2	Accounts receivable	231,809	30 days	0.04%
6	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	Nan Ya PCB Corporation and its subsidiaries	3	Accounts receivable	224,912	60 days	0.04%
6	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	PFG Fiber Glass (Hong Kong) Corporation Limited and its subsidiaries	3	Accounts receivable	50,715	60 days	0.01%
7	PFG Fiber Glass (Hong Kong) Corporation Limited and its subsidiaries	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	3	Accounts receivable	273,194	60 days	0.05%
0	The Company	Nan Ya PCB Corporation and its subsidiaries	1	Rent revenue	49,657	30-150 days	0.07%

Note 1: The appointed numbers represent:

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

Note 2: Transactions are categorized as follows:

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

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

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
INFORMATION ON INVESTEES (EXCLUDING THOSE IN MAINLAND CHINA)
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(Expressed in thousands of New Taiwan Dollars)

TABLE 7

Investor Company	Investee Company	Location	Major Operations	Original Investment Amount		Balance as of March 31, 2019			Net Income of Investee	Investment Income (Loss) Recognized by the Investor Company	Notes
				March 31, 2019	December 31, 2018	Shares (in thousands)	%	Carrying Value			
The Company	Nan Ya Plastics Corporation U.S.A. (Note)	U.S.A.	production of plastic products	313,920	313,920	2	100.00%	1,909,569	18,691	18,691	Note 3.4
The Company	Nan Ya Plastics Corporation America (Note)	U.S.A.	production of plastic, polyester and chemical products	7,853,605	7,853,605	60	100.00%	41,634,773	507,606	507,606	Note 3.4
The Company	Nan Ya Plastics (Hong Kong) Co., Ltd. (Note 1)	Hong Kong	plastics and electronic products trading, investment holding	34,858,082	34,858,082	844,053	100.00%	81,873,144	574,629	574,629	Note 3.4
The Company	Superior World Wide Trading Co., Ltd. (Note 1)	Hong Kong	plastics trading and investment	33,677	33,677	14	100.00%	714,579	19,540	19,540	Note 3.4
The Company	Formosa Synthetic Rubber (Hong Kong) Corporation Limited (Note)	Hong Kong	production of synthetic rubber products	4,162,010	4,162,010	135,000	32.53%	2,476,008	(150,430)	(48,935)	Note 3
The Company	PFG Fiber Glass (Hong Kong) Corporation Limited (Note 1)	Hong Kong	investment	4,495,987	4,495,987	76	100.00%	8,170,483	48,692	43,686	Note 3.4
The Company	Formosa Industries Corporation (Note 2)	Vietnam	chemical fiber, dying and finishing and electric power	8,435,875	8,435,875	-	42.50%	8,256,748	137,837	58,581	Note 3
The Company	Nan Ya PCB Corporation	Taiwan	production of printed circuit board	4,480,417	4,480,417	432,745	66.97%	19,822,548	(278,594)	(186,295)	Note 3.4
The Company	Formosa Plastics Group Investment Corp.	Taiwan	investment	76,859	76,859	5,000	100.00%	87,653	86	86	Note 3.4
The Company	Nanya Technology Corporation	Taiwan	semiconductor production and marketing	52,438,472	52,438,472	907,304	29.91%	50,140,527	3,586,006	1,072,573	Note 3
The Company	Formosa Environmental Technology Corporation	Taiwan	environmental protection	672,370	672,370	46,257	26.99%	250,393	(131)	(35)	Note 3
The Company	Formosa Petrochemical Corporation	Taiwan	production of chemical products	24,647,480	24,647,480	2,201,306	23.11%	81,472,698	9,226,048	2,130,497	Note 3
The Company	PFG Fiber Glass Corporation	Taiwan	production of glass fiber	2,648,131	2,648,131	100,000	100.00%	4,865,626	81,090	37,875	Note 3.4
The Company	Nan Chung Petrochemical Corporation	Taiwan	production of chemical products	1,000,002	1,000,002	100,000	50.00%	1,252,615	47,760	24,067	Note 3.4
The Company	Wen Fung Industrial Co., Ltd.	Taiwan	production of electronic components	214,236	214,236	18,738	100.00%	245,413	236	239	Note 3.4

Investor Company	Investee Company	Location	Major Operations	Original Investment Amount		Balance as of March 31, 2019			Net Income of Investee	Investment Income (Loss) Recognized by the Investor Company	Notes
				March 31, 2019	December 31, 2018	Shares (in thousands)	%	Carrying Value			
The Company	Formosa Automobile Sales Corporation	Taiwan	production of automobile	945,028	945,028	27,046	45.00%	127,628	48,581	21,862	Note 3
The Company	Ya Tai Development Corporation	Taiwan	development industry	53,941	53,941	1,304	44.96%	18,256	(1,330)	(598)	Note 3
The Company	Formosa Heavy Industries Corporation	Taiwan	machinery industry	2,497,721	2,497,721	651,706	32.91%	7,847,124	(72,678)	(23,919)	Note 3
The Company	Formosa Fairway Corporation	Taiwan	transportation business	33,340	33,340	4,699	33.34%	96,982	(5,015)	(1,672)	Note 3
The Company	Formosa Plastics Transport Corporation	Taiwan	transportation business	67,254	67,254	6,566	33.33%	1,058,548	10,098	3,366	Note 3
The Company	Hwa Ya Science Park Management Consulting Co., Ltd.	Taiwan	service business	359	359	34	34.00%	1,598	147	50	Note 3
The Company	Yi Jih Development Corporation	Taiwan	construction business	58,000	58,000	5,800	29.22%	64,491	256	75	Note 3
The Company	Mai Liao Power Corporation	Taiwan	electricity generation business	5,985,465	5,985,465	547,025	24.94%	11,122,823	(162,717)	(40,585)	Note 3
The Company	Formosa Synthetic Rubber Corporation	Taiwan	production of synthetic rubber products	400,000	400,000	40,000	33.33%	253,778	(489)	(163)	Note 3
The Company	Formosa Resources Corporation	Taiwan	mining industry	5,845,940	5,845,940	584,594	25.00%	5,320,467	(198,320)	(49,580)	Note 3
The Company	Formosa Group (Cayman) Limited (Note)	Cayman Islands	investment	377	377	13	25.00%	654,637	86,786	21,696	Note 3
The Company	Formosa Plastics Construction Corporation	Taiwan	construction business	100,000	100,000	10,000	33.33%	80,813	(4,460)	(1,487)	Note 3
The Company	Nan Ya International (Cayman) Limited (Note)	Cayman Islands	investment	18,784,619	18,784,619	52	100.00%	16,084,420	-	-	Note 3.4
The Company	FG Inc. (Note)	U.S.A.	investment	891,746	660,176	2	10.00%	900,965	(22,184)	(2,218)	Note 3
Nan Ya Plastics Corporation America (Note)	Formosa Utility Venture, Ltd.(Note)	U.S.A.	electricity generation and trading	246,600	246,600	-	12.10%	2,362,812	200,460	24,679	Note 3
Nan Ya Plastics Corporation America (Note)	Nan Ya Plastics Corporation Texas (Note)	U.S.A.	production of chemical products	10,172,250	10,172,250	3	100.00%	9,306,177	(206,686)	(206,686)	Note 3.4
Nan Ya Plastics Corporation Texas (Note)	Formosa Olefins, L.L.C. (Note)	U.S.A.	chemical business	2,119,989	2,119,989	-	21.00%	1,687,154	(444,424)	(93,329)	Note 3

Investor Company	Investee Company	Location	Major Operations	Original Investment Amount		Balance as of March 31, 2019			Net Income of Investee	Investment Income (Loss) Recognized by the Investor Company	Notes
				March 31, 2019	December 31, 2018	Shares (in thousands)	%	Carrying Value			
Nan Ya PCB Corporation	Nan Ya PCB (HK) Corporation	Hong Kong	production of electronic products and investment	5,020,900	5,020,900	1,223,820	100.00%	10,049,596	(218,217)	(218,217)	Note 3.4
Nan Ya PCB Corporation	Nan Ya PCB (U.S.A.) Corporation	U.S.A.	retargeting	3,479	3,479	1,000	100.00%	13,356	(37)	(37)	Note 3.4
Nan Ya PCB (HK) Corporation	Nan Ya PCB (Kunshan) Corporation	China	production of printed circuit board	5,017,721	5,017,721	-	100.00%	10,035,897	(218,199)	(218,199)	Note 3.4
Wen Fung Industrial Co., Ltd.	Wellink Technology Corporation	Taiwan	production of electronic components	212,017	212,017	12,739	100.00%	134,137	81	81	Note 3.4
Superior World Wide Trading Co., Ltd. (Note 1)	P.T.Indonesia Nanya Indah Plastics Co.	Indonesia	production of plastic products	124,746	124,746	5	50.00%	218,607	32,064	16,032	Note 3

Note：The reporting currency of Nan Ya Plastics Corporation USA, Nan Ya Plastics Corporation America, Formosa Synthetic Rubber (Hong Kong) Corporation Limited, Formosa Group (Cayman) Limited, Nan Ya Internaitonal (Cayman) Limited, , FG Inc., Formosa Utility Venture, Ltd, Nan Ya Plastics Corporation Texas, and Formosa Olefins, L.L.C is denominated in USD, and the exchange rate of TWD to USD as of March 31, 2019 (in average) is 30.825(30.836)：1.

Note 1：The reporting currency of Nan Ya Plastics (Hong Kong) Co., Ltd., Superior World Wide Trading Co., Ltd. and PFG Fiber Glass (Hong Kong) Corporation Limited is denominated in HKD, and the exchange rate of TWD to HKD as of March 31, 2019 (in average) is 3.9519(3.9533)：1.

Note 2：The reporting currency of Formosa Industries Corporation is denominated in VND, and the exchange rate of TWD to VND as of March 31, 2019 (in average) is 1：0.001328(0.001329).

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

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

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
INFORMATON ON INVESTMENT IN MAINLAND CHINA
FOR THE THREE MONTHS ENDED MARCH 31, 2019
(Expressed in thousands of New Taiwan Dollars)

TABLE 8

(a) Information regarding investments in Mainland China :

Name of the PRC Investee Company	Primary Business Scope	Amount of Paid-in Capital	Method of Investment	Investment Transferred from Taiwan as of January 1, 2019	For The Three Months Ended March 31, 2019		Investment Transferred from Taiwan as of March 31, 2019	Current Income of Investees	Direct and Indirect Shareholding Percentage by the Company	Investment Gain (Loss)	Carrying Value of Investment as of March 31, 2019	Accumulated Inward Remittance of Earnings as of March 31, 2019
					Outflow	Inflow						
Nan Ya Plastics (Guangzhou) Co., Ltd. (Note 1)	production of polyester products	1,998,681	Indirect investment	1,998,681	-	-	1,998,681	(29,480)	100.00%	(29,480)	2,449,295	611,825
Nan Ya Plastics (Xiamen) Co., Ltd. (Note 1)	production of plastic products	775,457	Indirect investment	738,752	-	-	738,752	12,876	85.00%	10,945	1,093,181	72,820
Nan Ya Plastics (Huizhou) Co., Ltd. (Note 1)	production of polyester products	2,527,462	Indirect investment	2,418,397	-	-	2,418,397	10,479	100.00%	10,479	3,326,741	-
Nan Ya Electronic Materials (Huizhou) Co., Ltd. (Note 1)	production of electronic materials	1,180,918	Indirect investment	1,180,918	-	-	1,180,918	(38,562)	100.00%	(38,562)	1,970,540	-
Nan Ya Trading (Huizhou) Co., Ltd. (Note 1)	trading	32,267	Indirect investment	32,267	-	-	32,267	148	100.00%	148	60,530	-
Nan Ya Plastics (Nantong) Co., Ltd. (Note 1)	production of plastic products, steam and electricity	4,540,736	Indirect investment	3,008,918	-	-	3,008,918	66,487	100.00%	66,487	10,082,940	103,612
China Nantong Huafeng Co., Ltd. (Note 1)	trading	93,004	Indirect investment	99,636	-	-	99,636	1,779	100.00%	1,779	345,626	-
Nantong Huafu Plastics Co., Ltd. (Note 1)	trading	79,111	Indirect investment	71,503	-	-	71,503	672	100.00%	672	96,667	-
Nan Ya Electric (Nantong) Co., (Note 1)	production of switch gear and control panel	339,275	Indirect investment	339,275	-	-	339,275	6,368	100.00%	6,368	1,134,861	-
Nanya Kyowa Plastics (Nantong) Co., Ltd.	interior decorating business	200,988	Indirect investment	100,494	-	-	100,494	11,893	50.00%	5,946	169,368	-
Nan Ya Electronic Materials (Kunshan) Co., Ltd. (Note 1)	production of electronic materials, polyester products, steam and electricity	15,159,216	Indirect investment	15,159,216	-	-	15,159,216	509,528	100.00%	509,528	57,004,733	-
Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 1)	production of polyester products	7,035,085	Indirect investment	7,035,085	-	-	7,035,085	(197,358)	100.00%	(197,358)	231,657	-
Nan Ya Plastics (Zhengzhou) Co., Ltd.	production of plastic products	261,737	Indirect investment	130,869	-	-	130,869	(5,623)	50.00%	(2,811)	61,396	-
Nan Ya Plastics (Ningbo) Co., Ltd. (Note 1)	production of plastic products and plasticizer	2,188,834	Indirect investment	1,989,308	-	-	1,989,308	217,733	100.00%	217,733	1,769,833	-
PFG Fiber Glass (Kunshan) Co., Ltd. (Note 1)	production of glass fiber	4,668,263	Indirect investment	4,487,409	-	-	4,487,409	53,338	100.00%	53,338	8,137,598	149,416

Name of the PRC Investee Company	Primary Business Scope	Amount of Paid-in Capital	Method of Investment	Investment Transferred from Taiwan as of January 1, 2019	For The Three Months Ended March 31, 2019		Investment Transferred from Taiwan as of March 31, 2019	Current Income of Investees	Direct and Indirect Shareholding Percentage by the Company	Investment Gain (Loss)	Carrying Value of Investment as of March 31, 2019	Accumulated Inward Remittance of Earnings as of March 31, 2019
					Outflow	Inflow						
Hua Ya (Dong Ying) Plastics Corp.	production of plastic products	254,190	Indirect investment	34,591	-	-	34,591	-	15.00%	-	131,322	23,020
Hua Ya (Wu Hu) Plastics Corp.	production of plastic products	624,948	Indirect investment	34,591	-	-	34,591	-	15.00%	-	179,620	12,687
Formosa Synthetic Rubber (Ningbo) Limited Corporation	synthetic rubber	12,777,590	Indirect investment	4,162,010	-	-	4,162,010	(150,430)	32.53%	(48,935)	2,476,008	-

Note: All equity in the earnings (losses) are recognized according to the reviewed financial statements except for Hua Ya (DongYing) Plastics Corp., Hua Ya (Wu Hu) Plastics Corp. and Formosa Syntheic Rubber (Ninbo) Co., Ltd., Whose earnings (losses) for the period were based on the unreriewed interim financial statement.

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

(b) Quota for investments in Mainland China :

Accumulative Remittance from Taiwan to Mainland China as of March 31, 2019 (Note 1)	Amount of Investment Approved by Investment Commission, Ministry of Economic Affairs (Note 2)	Limit on the Amount of Investment in Mainland China (Note 3)
43,282,378	50,803,306	-

Note 1 : Reporting currency of Chinese subsidiaries is CNY, and the monetary amount is first translated to HKD using the exchange rate as of March 31, 2019 (in average) is 1 : 1.1584(1.1562), and translated to TWD using the exchange rate as of March 31, 2019 (in average) is 1 : 3.9519(3.9533).

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

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

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

(c) Information on significant transactions :

For more information concerning the direct or indirect significant transactions, which has already been written off during the consolidation process, between the Company and its Chinese investees for the three months ended March 31, 2019, please refer to the attatchemant of note 13 for "Information on material transaction items".