

**Shin Foong Specialty & Applied Materials
Co., Ltd. and Subsidiary**

**Consolidated Financial Statements for the
Three Months Ended March 31, 2023 and 2022 and
Independent Auditors' Review Report**

INDEPENDENT AUDITORS' REVIEW REPORT

Shin Foong Specialty & Applied Materials Co., Ltd.

Introduction

We have reviewed the accompanying consolidated financial statements of Shin Foong Specialty & Applied Materials Co., Ltd. (the "Corporation") and its subsidiary, which comprise the consolidated balance sheets as of March 31, 2023 and 2022, the 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 (collectively referred to as the "consolidated financial statements"). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

We conducted our reviews in accordance with Statement of Review Standards No. 2410 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of 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 and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our reviews, nothing has come to our attention that has caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2023 and 2022, and its consolidated financial performance and consolidated cash flows for the three months ended March 31, 2023 and 2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Deloitte & Touche
Taipei, Taiwan
Republic of China

May 2, 2023

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with 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 applied in the Republic of China.

For the convenience of readers, the independent auditors' review report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' review report and consolidated financial statements shall prevail

SHIN FOONG SPECIALTY & APPLIED MATERIALS CO., LTD. AND SUBSIDIARY

CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

	March 31, 2023 (Reviewed)		December 31, 2022 (Audited)		March 31, 2022 (Reviewed)	
	Amount	%	Amount	%	Amount	%
ASSETS						
CURRENT ASSETS						
Cash and cash equivalents (Notes 6)	\$ 203,718	3	\$ 293,593	4	\$ 360,905	4
Financial assets at fair value through profit or loss - current (Notes 7)	115,655	2	119,097	2	1,660,060	19
Financial assets at amortized cost - current (Notes 9)	1,438,700	22	1,876,981	29	2,903,500	33
Note receivables (Notes 10 and 18)	8,966	-	8,143	-	9,331	-
Accounts receivable, net (Notes 10 and 18)	68,352	1	82,749	1	80,434	1
Accounts receivable - related parties (Notes 10, 18 and 23)	97,889	2	112,910	2	108,893	1
Other receivables	2,313	-	2,941	-	2,870	-
Current tax assets	1,500	-	230	-	159	-
Inventories (Notes 11)	204,093	3	252,219	4	328,630	4
Prepayments (Note 23)	50,931	1	42,373	1	66,888	1
Other current assets	2,123	-	1,020	-	1,464	-
Total current assets	<u>2,194,240</u>	<u>34</u>	<u>2,792,256</u>	<u>43</u>	<u>5,523,134</u>	<u>63</u>
NON-CURRENT ASSETS						
Financial assets at fair value through other comprehensive income - non-current (Notes 8)	1,450,087	23	1,112,719	17	634,381	8
Financial assets at amortized cost – non-current (Notes 9)	199,800	3	-	-	-	-
Property, plant and equipment (Notes 13 and 24)	2,513,988	39	2,515,707	39	2,532,803	29
Right-of-use assets (Notes 14)	7,386	-	8,401	-	9,387	-
Deferred tax assets	34,440	1	29,016	1	21,743	-
Prepayments for business facilities	6,907	-	7,136	-	7,912	-
Refundable deposits	979	-	981	-	930	-
Net defined benefit assets	13,285	-	13,244	-	26	-
Other non-current assets	952	-	1,158	-	1,775	-
Total non-current assets	<u>4,227,824</u>	<u>66</u>	<u>3,688,362</u>	<u>57</u>	<u>3,208,957</u>	<u>37</u>
TOTAL ASSETS	<u>\$ 6,422,064</u>	<u>100</u>	<u>\$ 6,480,618</u>	<u>100</u>	<u>\$ 8,732,091</u>	<u>100</u>
LIABILITIES AND EQUITY						
CURRENT LIABILITIES						
Financial liabilities at fair value through profit or loss - current (Notes 7)	\$ -	-	\$ -	-	\$ 1,154	-
Contract liabilities - current (Notes 18)	44,670	-	53,764	1	65,936	1
Accounts payable (Note 23)	49,062	1	32,687	1	122,221	1
Other payables (Notes 15 and 23)	376,492	6	283,127	4	1,919,680	22
Current tax liabilities	116,864	2	116,864	2	650,216	8
Lease liabilities - non-current (Notes 14)	3,790	-	3,971	-	3,601	-
Refund liabilities - current (Notes 10)	-	-	24,634	-	-	-
Other current liabilities	2,109	-	1,147	-	3,174	-
Total current liabilities	<u>592,987</u>	<u>9</u>	<u>516,194</u>	<u>8</u>	<u>2,765,982</u>	<u>32</u>
NON-CURRENT LIABILITIES						
Deferred tax liabilities	3,403	-	3,543	-	354	-
Lease liabilities - non-current (Notes 14)	3,332	-	4,214	-	5,824	-
Total non-current liabilities	<u>6,735</u>	<u>-</u>	<u>7,757</u>	<u>-</u>	<u>6,178</u>	<u>-</u>
Total liabilities	<u>599,722</u>	<u>9</u>	<u>523,951</u>	<u>8</u>	<u>2,772,160</u>	<u>32</u>
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Notes 17)						
Ordinary shares	1,061,741	16	1,061,741	16	1,061,741	12
Capital surplus	749,234	12	749,234	12	749,234	8
Retained earnings						
Legal reserve	1,138,303	18	1,138,303	17	790,773	9
Unappropriated earnings	2,643,621	41	2,824,191	44	3,118,648	36
Total retained earnings	3,781,924	59	3,962,494	61	3,909,421	45
Other equity	229,443	4	183,198	3	239,535	3
Total equity	<u>5,822,342</u>	<u>91</u>	<u>5,956,667</u>	<u>92</u>	<u>5,959,931</u>	<u>68</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 6,422,064</u>	<u>100</u>	<u>\$ 6,480,618</u>	<u>100</u>	<u>\$ 8,732,091</u>	<u>100</u>

SHIN FOONG SPECIALTY & APPLIED MATERIALS CO., LTD. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2023		2022	
	Amount	%	Amount	%
NET OPERATING REVENUE (Notes 18 and 23)	\$ 208,451	100	\$ 725,144	100
OPERATING COSTS (Notes 11, 19 and 23)	<u>195,621</u>	<u>94</u>	<u>502,363</u>	<u>69</u>
GROSS PROFIT FROM OPERATIONS	<u>12,830</u>	<u>6</u>	<u>222,781</u>	<u>31</u>
OPERATING EXPENSES (Notes 10, 19 and 23)				
Selling and marketing expenses	18,297	9	37,097	5
General and administrative expenses	22,736	11	20,981	3
Research and development expenses	6,672	3	8,370	1
Expected credit loss	<u>85</u>	<u>-</u>	<u>2,981</u>	<u>1</u>
Total operating expenses	<u>47,790</u>	<u>23</u>	<u>69,429</u>	<u>10</u>
PROFIT (LOSS) FROM OPERATIONS	<u>(34,960)</u>	<u>(17)</u>	<u>153,352</u>	<u>21</u>
NON-OPERATING INCOME AND EXPENSES (Note 19)				
Interest income	7,272	4	5,419	1
Other income	8	-	9	-
Other gains and losses	(1,511)	(1)	6,735	1
Finance costs	<u>(36)</u>	<u>-</u>	<u>(94)</u>	<u>-</u>
Total non-operating income and expenses	<u>5,733</u>	<u>3</u>	<u>12,069</u>	<u>2</u>
PROFIT (LOSS) BEFORE INCOME TAX	(29,227)	(14)	165,421	23
INCOME TAX (Notes 4 and 20)	<u>(6,599)</u>	<u>(3)</u>	<u>33,444</u>	<u>5</u>
NET PROFIT OR LOSS FOR THE PERIOD	<u>(22,628)</u>	<u>(11)</u>	<u>131,977</u>	<u>18</u>
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gains and losses on investments in equity instruments at fair value through other comprehensive income	47,661	23	57,173	8

(Continued)

SHIN FOONG SPECIALTY & APPLIED MATERIALS CO., LTD. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (In Thousands of New Taiwan Dollars, Except Earnings Per Share) (Reviewed, Not Audited)

	For the Three Months Ended March 31			
	2023		2022	
	Amount	%	Amount	%
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	\$ (97)	-	\$ 377	-
Other comprehensive income for the period, net of income tax	47,564	23	57,550	8
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	\$ 24,936	12	\$ 189,527	26
NET PROFIT (LOSS) ATTRIBUTABLE TO:				
Owners of the Corporation	\$ (22,628)	(11)	\$ 131,977	18
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	\$ 24,936	12	\$ 189,527	26
EARNINGS (LOSS) PER SHARE (Note 2)				
Basic	\$ (0.21)		\$ 1.24	
Diluted	\$ (0.21)		\$ 1.24	

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

SHIN FOONG SPECIALTY & APPLIED MATERIALS CO., LTD. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (In Thousands of New Taiwan Dollars) (Reviewed, Not Audited)

	Share Capital - Ordinary Shares	Capital Surplus	Legal Reserve	Retained Earnings		Other Equity		Total	Total Equity
				Unappropriated Earnings	Total	Unrealized Gains and Losses on Financial Assets at Fair Value Through Other Comprehensive Income	Exchange Differences on Translating Foreign Operations		
BALANCE AT JANUARY 1, 2023	\$ 1,061,741	\$ 749,234	\$ 1,138,303	\$ 2,824,191	\$ 3,962,494	\$ 182,940	\$ 258	\$ 183,198	\$ 5,956,667
Appropriation of 2022 earnings (Note 17)									
Cash dividends	-	-	-	(159,261)	(159,261)	-	-	-	(159,261)
Net loss for the three months ended March 31, 2023	-	-	-	(22,628)	(22,628)	-	-	-	22,628
Other comprehensive income for the three months ended March 31, 2023, net of income tax	-	-	-	-	-	47,661	(97)	47,564	47,564
Total comprehensive income for the three months ended March 31, 2023	-	-	-	(22,628)	(22,628)	47,661	(97)	47,564	24,936
Disposal of investments in equity instruments designated at fair value through other comprehensive income (loss)	-	-	-	1,319	1,319	(1,319)	-	(1,319)	-
BALANCE AT MARCH 31, 2023	\$ 1,061,741	\$ 749,234	\$ 1,138,303	\$ 2,643,621	\$ 3,781,924	\$ 229,282	\$ 161	\$ 229,443	\$ 5,822,342
BALANCE AT JANUARY 1, 2022	\$ 1,061,741	\$ 749,234	\$ 790,773	\$ 4,579,283	\$ 5,370,056	\$ 182,831	\$ (846)	\$ 181,985	\$ 7,363,016
Appropriation of 2021 earnings (Note 17)									
Cash dividends	-	-	-	(1,592,612)	(1,592,612)	-	-	-	(1,592,612)
Net profit for the three months ended March 31, 2022	-	-	-	131,977	131,977	-	-	-	131,977
Other comprehensive income for the three months ended March 31, 2022, net of income tax	-	-	-	-	-	57,173	377	57,550	57,550
Total comprehensive income for the three months ended March 31, 2022	-	-	-	131,977	131,977	57,173	377	57,550	189,527
BALANCE AT MARCH 31, 2022	\$ 1,061,741	\$ 749,234	\$ 790,773	\$ 3,118,648	\$ 3,909,421	\$ 240,004	\$ (469)	\$ 239,535	\$ 5,959,931

The accompanying notes are an integral part of the consolidated financial statements.

SHIN FOONG SPECIALTY & APPLIED MATERIALS CO., LTD. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three months Ended March 31	
	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (Loss) before income tax	\$ (29,227)	\$ 165,421
Adjustments for:		
Depreciation expense	36,271	36,829
Amortization expense	206	206
Expected credit loss recognized	85	2,981
Net gain on financial assets and liabilities at fair value through profit or loss	(634)	4,110
Finance costs	36	94
Interest income	(7,272)	(5,419)
Impairment loss recognized on non-financial assets (reversed)	(3,326)	-
Loss on idle capacity	56,846	60,219
Others	(24,638)	59
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	-	(60)
Notes receivable	(823)	4,527
Accounts receivable	14,312	(25,310)
Accounts receivable - related parties	15,021	27,645
Other receivables	23	13,657
Inventories	(5,315)	52,244
Prepayments	(8,633)	(14,610)
Other current assets	(1,103)	(1,464)
Net defined benefit assets	(41)	-
Contract liabilities	(9,094)	17,810
Accounts payable	16,375	(79,546)
Other payables	(65,392)	(152,700)
Other current liabilities	962	2,092
Net defined benefit liabilities	-	(954)
Cash generated from (used in) operations	(15,361)	107,831
Interest received	7,877	5,135
Interest paid	(36)	(100)
Income taxes paid	(235)	(74)
Net cash generated from (used in) operating activities	(7,755)	112,792

(Continued)

SHIN FOONG SPECIALTY & APPLIED MATERIALS CO., LTD. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	For the Three months Ended March 31	
	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	\$ (300,536)	\$ (149,706)
Proceeds from disposal of financial assets at fair value through other comprehensive income	10,829	63
Acquisition of financial assets at amortized cost	(541,700)	(898,700)
Proceeds from disposal of financial assets at amortized cost	780,181	1,545,400
Acquisition of financial assets at fair value through profit or loss	(170,000)	(500,000)
Proceeds from disposal of financial assets at fair value through profit or loss	174,076	60,065
Acquisition of property, plant and equipment	(33,818)	(40,042)
Increase in refundable deposits	-	(7)
Decrease in refundable deposits	<u>2</u>	<u>-</u>
Net cash generated from (used in) investing activities	<u>(80,966)</u>	<u>17,073</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of principal of lease liabilities	<u>(1,059)</u>	<u>(1,119)</u>
Net cash used in financing activities	<u>(1,059)</u>	<u>(1,119)</u>
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS	<u>(95)</u>	<u>377</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(89,875)	129,123
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	<u>293,593</u>	<u>231,782</u>
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	<u>\$ 203,718</u>	<u>\$ 360,905</u>

The accompanying notes are an integral part of the consolidated financial statements.

(Concluded)

SHIN FOONG SPECIALTY & APPLIED MATERIALS CO., LTD. AND SUBSIDIARY

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE THREE MONTHS ENDED MARCH 31, 2023 AND 2022 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

1. GENERAL INFORMATION

The Corporation was invested by parent company the YFY Inc. (holds 48% shares) and established in July 1979. It mainly manufactures and sells synthetic latex and adhesives.

The shares of the Corporation were listed on the Taiwan Stock Exchange in June 2017.

The consolidated financial statements are presented in the Corporation's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation's board of directors and authorized for issue on May 2, 2023.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

- a. Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the Corporation and its subsidiary's accounting policies.

- b. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined by IASB
Amendments to IFRS 16 "Leases Liability in a Sale and leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024

Note 1: Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback

transactions entered into after the date of initial application of IFRS 16.

As of the date the consolidated financial statements were authorized for issue, the Corporation and its subsidiaries are continuously assessing the possible impact that the application of other standards and interpretations will have on the Corporation and its subsidiary's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICY

Statement of Compliance

These interim consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" as endorsed and issued into effect by the FSC. Disclosure information included in these interim consolidated financial statements is less than the disclosure information required in a complete set of annual consolidated financial statements.

Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined assets which are measured at present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- b. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- c. Level 3 inputs are unobservable inputs for the asset or liability.

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (i.e. its subsidiary). Transactions, account balances, gains, and losses between individual entities were eliminated when preparing the consolidated financial statements.

Refer to Note 12 and Table 4 for more information on subsidiaries (including the percentage of ownership and main business).

Other significant accounting policies

Except for the following, refer to the consolidated financial statements for the year ended December 31, 2022.

- a. Retirement benefits

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted for significant market fluctuations since that time and for significant plan amendments, settlements, or other significant one-off events.

b. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax. Interim period income taxes are assessed on an annual basis and calculated by applying to an interim period's pre-tax income the tax rate that would be applicable to expected total annual earnings.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

For the critical accounting judgments and key sources of estimation uncertainty, refer to the consolidated financial statements for the year ended December 31, 2022.

6. CASH AND CASH EQUIVALENTS

	March 31, 2023	December 31, 2022	March 31, 2022
Cash on hand	\$ 51	\$ 14	\$ 55
Checking accounts and demand deposits	24,709	30,308	360,850
Cash equivalents (investment with original maturities of less than 3 months)			
Time deposits	108,958	263,271	-
Repurchase agreements collateralized by bonds	70,000	-	-
	<u>\$ 203,718</u>	<u>\$ 293,593</u>	<u>\$ 360,905</u>

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL)

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Financial assets - current</u>			
Financial assets mandatorily classified as at FVTPL			
Derivative financial assets (not under hedge accounting)			
Foreign exchange forward contracts	\$ -	\$ -	\$ 272
Non-derivatives financial assets			
Mutual funds	<u>115,655</u>	<u>119,097</u>	<u>1,659,788</u>
	<u>\$ 115,655</u>	<u>\$ 119,097</u>	<u>\$ 1,660,060</u>
<u>Financial liabilities - current</u>			
Financial liabilities mandatorily classified as at FVTPL			
Derivative financial liabilities (not under hedge accounting)			
Foreign exchange forward contracts	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,154</u>

At the end of the reporting period, outstanding foreign exchange forward contracts accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
<u>March 31, 2022</u>			
Sell	USD/NTD	2022.04.01-2022.04.28	USD4,500/NTD127,748
Buy	USD/NTD	2022.04.18-2022.04.21	USD1,000/NTD28,473

The Corporation and its subsidiary entered into forward exchange contracts to manage exposures due to fluctuations of foreign exchange rates. These forward exchange contracts did not meet the criteria for hedge accounting. Therefore, the Company did not apply hedge accounting treatment for these forward exchange contracts.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME – NON-CURRENT

	March 31, 2023	December 31, 2022	March 31, 2022
Domestic investment			
Listed shares	\$ 1,373,048	\$ 1,044,254	\$ 552,431
Unlisted shares	<u>77,039</u>	<u>68,465</u>	<u>81,950</u>
	<u>\$ 1,450,087</u>	<u>\$ 1,112,719</u>	<u>\$ 634,381</u>

These investments in equity instruments are held for operating strategies and are not held for trading or short-term profit. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI.

9. FINANCIAL ASSETS AT AMORTIZED COST

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Current</u>			
Time deposit with original maturities of more than 3 months	<u>\$ 1,438,700</u>	<u>\$ 1,876,981</u>	<u>\$ 2,903,500</u>
<u>Non-current</u>			
Time deposits with original maturity of more than a year	<u>\$ 199,800</u>	<u>\$ -</u>	<u>\$ -</u>

The ranges of annual interest rates for time deposit were 1.03%-1.55% ,1.40%-4.78% and 0.27%-1.05%, as of March 31, 2023, December 31, 2022 and March 31, 2022.

10. NOTES AND ACCOUNTS RECEIVABLE (INCLUDING RELATED PARTIES)

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Notes receivable (operating)</u>			
At amortized cost	<u>\$ 8,966</u>	<u>\$ 8,143</u>	<u>\$ 9,331</u>
<u>Accounts receivable</u>			
At amortized cost			
Gross carrying amount	\$ 114,311	\$ 128,623	\$ 118,475
Allowance for impairment loss	<u>45,959</u>	<u>45,874</u>	<u>38,041</u>
	<u>\$ 68,352</u>	<u>\$ 82,749</u>	<u>\$ 80,434</u>
<u>Accounts receivables - related parties</u>	<u>\$ 97,889</u>	<u>\$ 112,910</u>	<u>\$ 108,893</u>

The average credit period of sales of goods is 30-240 days. In order to minimize credit risk, the management of the Corporation and its subsidiary has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Corporation and its subsidiary reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Corporation and its subsidiary's credit risk was significantly reduced.

The Corporation and its subsidiary measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix approach considering the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the GDP forecasts and industry outlook.

The estimate of refund liabilities for expected sales return and discounts was based on the judgment of the Corporation and its subsidiary's management. It was recognized as the deduction of operating revenue in the current year when relevant products were sold. Refund liabilities recognized were NT\$24,634 thousand as of December 31, 2022 (listed as the individual assessment as the following table).

The following table details the loss allowance of notes and accounts receivable.

March 31, 2023

	Not Past Due	1 to 90 Days	91 to 180 Days	Over 181 Days	Individual Assessment	Total
Gross carrying amount	\$ 133,048	\$ -	\$ -	\$ 37,769	\$ 50,349	\$ 221,166
Loss allowance	(217)	-	-	(37,769)	(7,973)	(45,959)
Amortized cost	<u>\$ 132,831</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,376</u>	<u>\$ 175,207</u>

December 31, 2022

	Not Past Due	1 to 90 Days	91 to 180 Days	Over 181 Days	Individual Assessment	Total
Gross carrying amount	\$ 136,925	\$ 1,205	\$ -	\$ 37,768	\$ 73,778	\$ 249,676
Loss allowance	(132)	(121)	-	(37,768)	(7,853)	(45,874)
Amortized cost	<u>\$ 136,793</u>	<u>\$ 1,084</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 65,925</u>	<u>\$ 203,802</u>

March 31, 2022

	Not Past Due	1 to 90 Days	91 to 180 Days	Over 181 Days	Individual Assessment	Total
Gross carrying amount	\$ 198,848	\$ 82	\$ 3,734	\$ 34,035	\$ -	\$ 236,699
Loss allowance	(272)	(2)	(3,732)	(34,035)	-	(38,041)
Amortized cost	<u>\$ 198,576</u>	<u>\$ 80</u>	<u>\$ 2</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 198,658</u>

The movements of the loss allowance of notes receivable and accounts receivable (including related parties) were as follows:

	For the Three Months Ended March 31	
	2023	2022
Balance at January 1	\$ 45,874	\$ 35,060
Recognition	<u>85</u>	<u>2,981</u>
Balance at March 31	<u>\$ 45,959</u>	<u>\$ 38,041</u>

11. INVENTORIES

	March 31, 2023	December 31, 2022	March 31, 2022
Raw materials	\$ 111,549	\$ 141,908	\$ 153,494
Supplies	2,773	1,784	1,569
Work in progress	6,730	5,151	7,460
Finished goods	<u>83,041</u>	<u>103,376</u>	<u>166,107</u>
	<u>\$204,093</u>	<u>\$252,219</u>	<u>\$ 328,630</u>

The costs of inventories recognized as operating costs for the three months ended March 31, 2023 and 2022 were NT\$195,621 thousand and NT\$502,363 thousand, respectively, including the following major item:

	For the Three Months Ended March 31	
	2023	2022
Loss on idle capacity	<u>\$ 56,846</u>	<u>\$ 60,219</u>
Inventory write-downs (see Note below)	<u>\$ (3,401)</u>	<u>\$ -</u>

Inventory write-downs reversed was a result of increased selling prices.

12. SUBSIDIARY

Subsidiary included in the consolidated financial statements:

Investor	Investee	Main Business	Proportion of Ownership (%)		
			March 31, 2023	December 31, 2022	March 31, 2022
SHIN FOONG SPECIALTY & APPLIED MATERIALS CO., LTD.	SHIN FOONG TRADING SDN. BHD.	Trading of synthetic latex and industrial chemicals	100	100	100

13. PROPERTY, PLANT AND EQUIPMENT

For the Three Months Ended March 31, 2023

	Land	Buildings	Machinery and Equipment	Electrical Equipment	Transportation Equipment	Other Equipment	Construction in Progress and Equipment under Installation	Total
<u>Cost</u>								
Balance at January 1, 2023	\$ 968,880	\$ 556,814	\$ 1,417,107	\$ 497,141	\$ 4,860	\$ 352,540	\$ 186,335	\$ 3,983,677
Additions	-	-	1,973	460	-	30	31,080	33,543
Reclassification	-	-	3,360	-	-	-	(3,360)	-
Balance at March 31, 2023	<u>968,880</u>	<u>556,814</u>	<u>1,422,440</u>	<u>497,601</u>	<u>4,860</u>	<u>352,570</u>	<u>214,055</u>	<u>4,017,220</u>
<u>Accumulated depreciation</u>								
Balance at January 1, 2023	-	166,892	797,702	264,276	2,624	236,476	-	1,467,970
Depreciation expense	-	4,231	17,259	7,588	89	6,095	-	35,262
Balance at March 31, 2023	-	<u>171,123</u>	<u>814,961</u>	<u>271,864</u>	<u>2,713</u>	<u>242,571</u>	-	<u>1,503,232</u>
Carrying amount at December 31, 2022	<u>\$ 968,880</u>	<u>\$ 389,922</u>	<u>\$ 619,405</u>	<u>\$ 232,865</u>	<u>\$ 2,236</u>	<u>\$ 116,064</u>	<u>\$ 186,335</u>	<u>\$ 2,515,707</u>
Carrying amount at March 31, 2023	<u>\$ 968,880</u>	<u>\$ 385,691</u>	<u>\$ 607,479</u>	<u>\$ 225,737</u>	<u>\$ 2,147</u>	<u>\$ 109,999</u>	<u>\$ 214,055</u>	<u>\$ 2,513,988</u>

For the Three Months Ended March 31, 2022

	Land	Buildings	Machinery and Equipment	Electrical Equipment	Transportation Equipment	Other Equipment	Construction in Progress and Equipment under Installation	Total
<u>Cost</u>								
Balance at January 1, 2022	\$ 968,880	\$ 537,607	\$ 1,391,585	\$ 489,292	\$ 4,860	\$ 338,449	\$ 132,281	\$ 3,862,954
Additions	-	10,094	16,485	6,372	-	4,623	43	37,617
Disposals	-	-	(3,657)	-	-	(206)	-	(3,863)
Balance at March 31, 2022	<u>968,880</u>	<u>547,701</u>	<u>1,404,413</u>	<u>495,664</u>	<u>4,860</u>	<u>342,866</u>	<u>132,324</u>	<u>3,896,708</u>
<u>Accumulated depreciation</u>								
Balance at January 1, 2022	-	150,055	732,929	233,842	2,264	212,999	-	1,332,089
Depreciation expense	-	4,165	17,404	7,798	90	6,222	-	35,679
Disposals	-	-	(3,657)	-	-	(206)	-	(3,863)
Balance at March 31, 2022	-	<u>154,220</u>	<u>746,676</u>	<u>241,640</u>	<u>2,354</u>	<u>219,015</u>	-	<u>1,363,905</u>
Carrying amount at March 31, 2022	<u>\$ 968,880</u>	<u>\$ 393,481</u>	<u>\$ 657,737</u>	<u>\$ 254,024</u>	<u>\$ 2,506</u>	<u>\$ 123,851</u>	<u>\$ 132,324</u>	<u>\$ 2,532,803</u>

The property, plant and equipment of the Corporation and its subsidiary are depreciated on a straight-line basis over the following useful years:

Buildings	
Main structure	15-55 years
Facility	4-55 years
Machinery equipment	
Storage tank equipment	7-21 years
Power and computer equipment	5-21 years
Others	5-31 years
Electronic equipment	
Power distribution engineering	4-16 years
Lines and pumps	5-21 years
Transportation equipment	5-8 years
Other equipment	
Green equipment	3-15 years
Fire equipment	3-26 years
Others	3-21 years

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Carrying amount</u>			
Buildings	\$ 3,733	\$ 4,319	\$ 5,269
Transportation equipment	2,210	2,543	2,290
Other equipment	<u>1,443</u>	<u>1,539</u>	<u>1,828</u>
	<u>\$ 7,386</u>	<u>\$ 8,401</u>	<u>\$ 9,387</u>

	For the Three Months Ended March 31	
	2023	2022
Additions to right-of-use assets	\$ <u>-</u>	\$ <u>2,508</u>
Depreciation charge for right-of-use assets		
Buildings	\$ 580	\$ 587
Transportation equipment	333	493
Other equipment	<u>96</u>	<u>70</u>
	\$ <u>1,009</u>	\$ <u>1,150</u>

Except for the depreciation added and recognized above, there was no significant sub-lease and impairment of the Company and Subsidiary's right-of-use assets during the three months ended March 31, 2023 and 2022.

b. Lease liabilities

	March 31, 2023	December 31, 2022	March 31, 2022
<u>Carrying amount</u>			
Current	\$ <u>3,790</u>	\$ <u>3,971</u>	\$ <u>3,601</u>
Non-current	\$ <u>3,332</u>	\$ <u>4,214</u>	\$ <u>5,824</u>

Range of discount rates (%) for lease liabilities was as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Buildings	1.1~3.36	1.1~3.36	1.1~3.36
Transportation equipment	1.1~1.496	1.1~1.496	1.12~1.1315
Other equipment	1.1	1.1	1.12~1.1315

c. Other lease information

	For the Three Months Ended March 31	
	2023	2022
Expenses relating to short-term leases and low-value asset leases	\$ <u>1,236</u>	\$ <u>1,727</u>
Total cash outflow for leases	\$ <u>2,320</u>	\$ <u>2,873</u>

For the buildings and transportation equipment which qualified as short-term leases and office equipment which qualified as low-value asset leases, the Corporation and its subsidiary have elected to apply the recognition exemption and, thus, did not recognize right-of-use assets and lease liabilities for these leases.

15. OTHER PAYABLES

	March 31, 2023	December 31, 2022	March 31, 2022
Dividends	\$ 159,261	\$ -	\$ 1,592,612
Bonus	106,076	138,410	137,940
Compensation of employees and remuneration of directors	46,760	80,158	98,160
Employee travel grant	23,010	23,010	23,010
Equipment	5,421	5,925	16,577
Others (mainly for Repair fees, Export fees and electricity fees)	35,964	35,624	51,381
	<u>\$ 376,492</u>	<u>\$ 283,127</u>	<u>\$ 1,919,680</u>

16. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Corporation adopted a pension plan under the Labor Pension Act (the “LPA”), which is a state-managed defined contribution plan. Based on the LPA, the Corporation makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

Employee benefit expenses in respect of the Corporation’s defined benefit retirement plans were \$0 thousand and \$82 thousand for the three months ended March 31, 2023 and 2022, respectively, and were calculated using the respective actuarially determined annual pension cost discount rates as of December 31, 2022 and 2021.

17. EQUITY

a. Ordinary shares

	March 31, 2023	December 31, 2022	March 31, 2022
Numbers of shares authorized (in thousands)	<u>200,000</u>	<u>200,000</u>	<u>200,000</u>
Shares authorized	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
Numbers of shares issued and fully paid (in thousands)	<u>106,174</u>	<u>106,174</u>	<u>106,174</u>
Shares issued	<u>\$ 1,061,741</u>	<u>\$ 1,061,741</u>	<u>\$ 1,061,741</u>

Fully paid ordinary shares, which have a par value NT\$10, carry one vote per share and the right to dividends.

b. Capital surplus

	March 31, 2023	December 31, 2022	March 31, 2022
May be used to offset deficits, distribute cash or transfer to share capital (see Note below)			
Additional paid-in capital	\$ 734,171	\$ 734,171	\$ 734,171
Expired employee share option	<u>15,063</u>	<u>15,063</u>	<u>15,063</u>
	<u>\$ 749,234</u>	<u>\$ 749,234</u>	<u>\$ 749,234</u>

The capital surplus could be used to offset a deficit and distribute as cash dividends or transfer to capital when the Corporation has no deficit (limited to a certain percentage of the Corporation's paid-in capital and once a year).

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the amended Articles, where the Corporation made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations or in the necessary situation, and then any remaining profit together with any undistributed retained earnings shall be used for distribution of dividends and bonuses to shareholders.

In order to consider the overall environment and follow long-term financial planning for sustainable and stable business development. In making its dividend policy, the Corporation takes into account future capital expenditures and working capital requirements. Based on this policy, dividends should be distributed as follows:

- 1) At least 20% as cash dividends; and
- 2) The remainder after the distribution of cash dividends as share dividends. If there is a requirement for capital expenditures, the Company may distribute only share dividends.

The distributable dividends and bonuses, in whole or in part may be paid in cash after a resolution has been approved by more than half of the directors with the attendance of more than two-thirds of the total number of directors, and a report of such distribution shall be submitted to the shareholders' meeting.

The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's fully paid share capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2022 had been proposed by the Corporation's board of directors in February 2023. The appropriations of earnings for 2021 had been approved in the shareholders' meeting in June 2022, respectively. The appropriations of earnings were as follows:

	Appropriations of Earnings		Dividends Per Share (NT\$)	
	2022	2021	2022	2021
Legal reserve	\$ 18,505	\$ 347,530		
Cash dividends	159,261	1,592,612	\$ 1.5	\$ 15

The appropriations of earnings for 2022 are subject to the resolution of the shareholders' meeting to be held in May 2023. The other proposed appropriations will be resolved by the shareholders' meeting to be held on May 2023.

18. OPERATING REVENUE

	For the Three Months Ended March 31	
	2023	2022
Revenue from contracts		
Revenue from sale of goods	<u>\$ 208,451</u>	<u>\$ 725,144</u>

a. Contract balances

	March 31, 2023	December 31, 2022	March 31, 2022	January 1, 2022
Notes receivable	<u>\$ 8,966</u>	<u>\$ 8,143</u>	<u>\$ 9,331</u>	<u>\$ 13,858</u>
Accounts receivable (including related parties)	<u>\$ 166,241</u>	<u>\$ 195,659</u>	<u>\$ 189,327</u>	<u>\$ 194,643</u>
Contract liabilities - current	<u>\$ 44,670</u>	<u>\$ 53,764</u>	<u>\$ 65,936</u>	<u>\$ 48,126</u>

The changes in the balance of contract liabilities primarily result from the timing difference between the Corporation's satisfaction of performance obligations and the respective customer's payment and there are no other significant changes for the three months ended March 31, 2023 and 2022.

b. Disaggregation of revenue

		For the Three Months Ended March 31	
		2023	2022
Mainly region			
Asia		\$ 108,917	\$ 629,657
Taiwan		75,287	77,653
Others		<u>24,247</u>	<u>17,834</u>
		<u>\$ 208,451</u>	<u>\$ 725,144</u>
Mainly goods			
Synthetic latex		\$ 208,451	\$ 673,298
Others		<u>-</u>	<u>51,846</u>
		<u>\$ 208,451</u>	<u>\$ 725,144</u>

19. PROFIT (LOSS) BEFORE INCOME TAX

a. Other income

	For the Three Months Ended March 31	
	2023	2022
Rental income	<u>\$ 8</u>	<u>\$ 9</u>

b. Other gains and losses

	For the Three Months Ended March 31	
	2023	2022
Net foreign exchange gain (loss)	\$ (2,173)	\$ 10,311
Gain (loss) on financial assets and liabilities at fair value through profit or loss	634	(4,110)
Others	<u>28</u>	<u>534</u>
	<u>\$ (1,511)</u>	<u>\$ 6,735</u>

The components of net foreign exchange gain (loss) were as follows:

	For the Three Months Ended March 31	
	2023	2022
Foreign exchange gain	\$ 4,483	\$ 11,758
Foreign exchange loss	<u>(6,656)</u>	<u>(1,447)</u>
Net exchange gain (loss)	<u>\$ (2,173)</u>	<u>\$ 10,311</u>

c. Finance costs

	For the Three Months Ended March 31	
	2023	2022
Interest on bank loans	\$ 11	\$ 67
Interest on lease liabilities	<u>25</u>	<u>27</u>
	<u>\$ 36</u>	<u>\$ 94</u>

d. Depreciation and amortization

	For the Three Months Ended March 31	
	2023	2022
Depreciation		
Property, plant and equipment	\$ 35,262	\$ 35,679
Right-of-use assets	<u>1,009</u>	<u>1,150</u>
	<u>\$ 36,271</u>	<u>\$ 36,829</u>
Analysis of depreciation by function		
Operating costs	\$ 30,808	\$ 31,410
Operating expenses	<u>5,463</u>	<u>5,419</u>
	<u>\$ 36,271</u>	<u>\$ 36,829</u>
Amortization		
Other non-current assets	<u>\$ 206</u>	<u>\$ 206</u>
Analysis of amortization by function		
Operating costs	\$ 146	\$ 146
Operating expenses	<u>60</u>	<u>60</u>
	<u>\$ 206</u>	<u>\$ 206</u>

e. Employee benefits

	For the Three Months Ended March 31	
	2023	2022
Short-term employee benefits		
Salaries	\$ 33,650	\$ 45,808
Insurance	4,581	6,126
Others	<u>1,560</u>	<u>2,475</u>
	<u>39,791</u>	<u>54,409</u>
Post-employment benefits (Note 16)		
Defined contribution plans	1,505	1,733
Defined benefit plans	<u>-</u>	<u>82</u>
	<u>1,505</u>	<u>1,815</u>
	<u>\$ 41,296</u>	<u>\$ 56,224</u>
Analysis of employee benefits by function		
Operating costs	\$ 20,311	\$ 34,342
Operating expenses	<u>20,985</u>	<u>21,882</u>
	<u>\$ 41,296</u>	<u>\$ 56,224</u>

f. Compensation of employees and remuneration of directors

According to the Articles of Incorporation, the article stipulates the Corporation distributed compensation of employees and remuneration of directors at the rates no less than 1% and no higher than 2%, respectively, of the pre-tax profit prior to deducting compensation of employees and remuneration of directors.

The compensation of employees and remuneration of directors for the three months ended March 31, 2023 and 2022 are as follows:

	For the Three Months Ended March 31	
	2023	2022
Amount		
Compensation of employees - cash	\$ -	\$ 4,929
Remuneration of directors - cash	-	3,466

If there is a change in the amounts after the annual financial statements are authorized for issue, the difference is recorded as a change in accounting estimate in the next following year.

The compensation of employees and remuneration of directors for the years ended December 31, 2022 and 2021 which have been approved by the Corporation's board of directors in February 2023 and 2022, respectively, were as follows:

	For the Year Ended December 31	
	2022	2021
Amount		
Compensation of employees - cash	\$ 2,996	\$ 69,764
Remuneration of directors - cash	5,500	20,000

The appropriations of compensation of employees and remuneration of directors for 2022 and 2021 which had been approved by the Corporation's board of directors in February 2023 and 2022, respectively, were as follows. The actual amount distributed in 2022 and 2021 was different from the amount recognized in the individual financial statements, and the difference was adjusted into the income/loss in 2023 and 2022.

	2022		2021	
	Compensation of Employees	Remuneration of Directors	Compensation of Employees	Remuneration of Directors
Amount to be distributed according to the Board of Directors resolution	<u>\$ 2,996</u>	<u>\$ 5,500</u>	<u>\$ 69,764</u>	<u>\$ 20,000</u>
Amount recognized in the consolidated financial statements	<u>\$ 4,619</u>	<u>\$ 5,774</u>	<u>\$ 69,764</u>	<u>\$ 26,673</u>

Information on the compensation of employees and remuneration of directors resolved by the Corporation's board of directors are available on the Market Observation Post System website of the Taiwan Stock Exchange.

20. INCOME TAX

a. Income tax recognized in profit or loss

Major components of income tax expense (benefit) were as follows:

	For the Three Months Ended March 31	
	2023	2022
Current tax		
In respect of the current year	\$ -	\$ 23,840
In respect of the prior years	(1,035)	-
Deferred tax		
In respect of the current year	(5,564)	9,604
	<u>\$ (6,599)</u>	<u>\$ 33,444</u>

b. Income tax assessments

The Corporation and its subsidiary's income tax returns through 2021 have been assessed by the tax authorities.

21. EARNINGS (LOSS) PER SHARE

The net profit (loss) and weighted average number of ordinary shares outstanding in the computation of earnings (loss) per share were as follows:

Net profit (loss) for the period

	For the Three Months Ended March 31	
	2023	2022
Net profit (loss) for the period attributable to owners of the Corporation	<u>\$ (22,628)</u>	<u>\$ 131,977</u>

Number of shares (in thousand shares)

	For the Three Months Ended March 31	
	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	106,174	106,174
Effect of dilutive potential ordinary shares:		
Compensation of employees	<u>-</u>	<u>326</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>106,174</u>	<u>106,500</u>

The Corporation may settle the compensation paid to employees in cash or shares; therefore, the Corporation assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

22. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not carried at fair value

The management of the Corporation and its subsidiary considers that the carrying amounts of those financial assets and financial liabilities that are not measured at fair value recognized in the consolidated financial statements approximate their fair values.

b. Fair value of financial instruments that are measured at fair value on a recurring basis.

1) Fair value hierarchy

	Level 1	Level 2	Level 3	Total
<u>March 31, 2023</u>				
Financial assets at FVTPL - current				
Mutual funds	<u>\$ 115,655</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 115,655</u>
Financial assets at FVTOCI - non-current				
Equity instruments				
Domestic listed shares	<u>\$ 1,373,048</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,373,048</u>
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>77,039</u>	<u>77,039</u>
	<u>\$ 1,373,048</u>	<u>\$ -</u>	<u>\$ 77,039</u>	<u>\$ 1,450,087</u>

(Continued)

	Level 1	Level 2	Level 3	Total
<hr/> December 31, 2022 <hr/>				
Financial assets at FVTPL - current				
Mutual funds	\$ <u>119,097</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>119,097</u>
Financial assets at FVTOCI - non-current				
Equity instruments				
Domestic listed shares	\$ 1,044,254	\$ -	\$ -	\$ 1,044,254
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>68,465</u>	<u>68,465</u>
	<u>\$ 1,044,254</u>	<u>\$ -</u>	<u>\$ 68,465</u>	<u>\$ 1,112,719</u>
	Level 1	Level 2	Level 3	Total
<hr/> March 31, 2021 <hr/>				
Financial assets at FVTPL - current				
Foreign exchange forward contracts	\$ -	\$ 272	\$ -	\$ 272
Mutual funds	<u>1,659,788</u>	<u>-</u>	<u>-</u>	<u>1,659,788</u>
	<u>\$ 1,659,788</u>	<u>\$ 272</u>	<u>\$ -</u>	<u>\$ 1,660,060</u>
Financial assets at FVTOCI - non-current				
Equity instruments				
Domestic listed shares	\$ 552,431	\$ -	\$ -	\$ 552,431
Domestic unlisted shares	<u>-</u>	<u>-</u>	<u>81,950</u>	<u>81,950</u>
	<u>\$ 552,431</u>	<u>\$ -</u>	<u>\$ 81,950</u>	<u>\$ 634,381</u>
Financial liabilities at FVTPL - current				
Foreign exchange forward contracts	\$ <u>-</u>	\$ <u>1,154</u>	\$ <u>-</u>	\$ <u>1,154</u>

(Concluded)

There were no transfers between Levels 1 and 2 for the three months ended March 31, 2023 and 2022.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

Type of financial instruments	Evaluation techniques and inputs
Derivatives	The estimates and assumptions used by the Corporation and its subsidiary were consistent with those that market participants would use in setting a price for the financial instrument and that information was available to the Corporation and its subsidiary. The Corporation and its subsidiary calculate the fair value of individual derivative contracts based on the average exchange rate of the counterparties' financial institutions in accordance with the quoting system and the expired date rate of each contract, respectively.

3) Reconciliation of Level 3 fair value measurements of financial assets - FVTOCI

	For the Three Months Ended March 31	
	2023	2022
Balance at January 1	\$ 68,465	\$ 74,023
Recognized in other comprehensive income	<u>8,574</u>	<u>7,927</u>
Balance at March 31	<u>\$ 77,039</u>	<u>\$ 81,950</u>

4) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of unlisted equity securities - ROC were determined using the income approach. And it was determined by industry category, evaluation of similar companies and the company's operating situation.

c. Categories of financial instruments

	March 31, 2023	December 31, 2022	March 31, 2022
Financial assets			
Financial assets at fair value through profit or loss	\$ 115,655	\$ 119,097	\$ 1,660,060
Financial assets at fair value through other comprehensive income - equity instruments	1,450,087	1,112,719	634,381
Financial assets at amortized cost (1)	2,020,717	2,378,298	3,466,863
Financial liabilities			
Financial liabilities at fair value through profit or loss	-	-	1,154
Financial liabilities at amortized cost (2)	266,293	315,814	449,289

- 1) The balances included financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables, financial assets at amortized cost - current and refundable deposits.

- 2) The balances included financial liabilities at amortized cost, which comprise accounts payable and other payables (excluding Dividends payable).

d. Financial risk management objectives and policies

The Corporation and its subsidiary's major financial instruments include notes and accounts receivable, notes and accounts payable and lease liabilities. The Corporation and its subsidiary's financial officers according to the needs of the corporation's operating conditions at each stage to formulate financial strategies and coordinate domestic and international financial operations, prepares and analyzes internal risk reports to monitor and manage financial risks related to the operation of the Corporation and its subsidiary. These risks include market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The significant financial activities of the Corporation and its subsidiary are reviewed by the board of directors in accordance with relevant regulations and internal controls. Compliance with policies and exposure limits is continually reviewed by the internal auditors. The Corporation and its subsidiary did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Corporation and its subsidiary's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other price (see (c) below) .

There has been no change to the Corporation and its subsidiary's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Corporation and its subsidiary was exposed to foreign currency risk due to sales and purchases and fulfills capital expenditures, denominated in foreign currencies. Exchange rate exposures were managed within utilizing the same currency for forward foreign exchange contract transactions to alleviate foreign currency risk and risk to manage futures.

The carrying amounts of the Corporation and its subsidiary's foreign currency denominated monetary assets and monetary liabilities and of the derivatives exposed foreign currency risk at the end of the reporting period are set out in Note 25.

The Corporation and its subsidiary were mainly exposed to the fluctuation of USD and RMB. The following table details the Corporation and its subsidiary's sensitivity to a 1% increase in the New Taiwan dollars against the relevant foreign currencies. The sensitivity rate of 1% is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only the outstanding foreign currency denominated monetary items.

	For the Three Months Ended March 31	
	2023	2022
Profit (loss) before income tax (Note)		
USD Impact	\$ (1,010)	\$ (2,460)
RMB Impact	83	-

Note: This was mainly attributable to the exposure of outstanding USD and RMB cash and cash equivalents, accounts receivable (including related parties), other receivables, accounts payable and other payables, which were not hedged at the balance sheet date.

The management of the Corporation and its subsidiary believe that the sensitivity analysis cannot represent the inherent risk of exchange rate, because the foreign currency exposures on the balance sheet date cannot reflect the interim exposures, and sales denominated in US dollars and RMB will vary with the customers' orders and business cycle.

b) Interest rate risk

The carrying amounts of the Corporation and its subsidiary's financial assets and liabilities with exposure to interest rates at the balance sheet date were as follows:

	March 31, 2023	December 31, 2022	March 31, 2022
Fair value interest rate risk			
Financial liabilities	\$ 7,122	\$ 8,185	\$ 9,425
Cash flow interest rate risk			
Financial assets	\$ 1,842,029	\$ 2,170,543	\$ 3,263,875

If the interest rate increases/decreases by 1%, and all other variables remain unchanged, the pre-tax net profit or loss of the company and its subsidiaries for the three months ended March 2023 and 2022 will increase/decrease by NT\$18,420 thousand and NT\$32,639 thousand, respectively.

c) Other price risk

The Corporation and its subsidiary were exposed to equity price risk through their investments in domestic listed and unlisted shares and mutual funds.

If equity price of fair value through profit or loss financial assets had been higher or lower by 1%, the pre-tax income, for the three months ended March 31, 2023 and 2022 would have been higher or lower by NT\$1,157 thousand and NT\$16,598 thousand, respectively.

And if equity price of fair value through other comprehensive income financial assets had been higher or lower by 1%, the pre-tax-other comprehensive income, for the three months ended March 31, 2023 and 2022 would have been higher or lower by NT\$14,501 thousand and NT\$6,344 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Corporation and its subsidiary. As at the balance sheet date, the Corporation and its subsidiary's maximum exposure to credit risk is the carrying amount of the financial assets on the consolidated balance sheets and the amount of contingent liabilities in relation to financial guarantee issued by the Corporation and its subsidiary.

The Corporation and its subsidiary made transactions with the parties with good credit. The business department grants the current credit limit according to the results of each credit investigation, and regularly tracks the customers' collection situation, and also accounts for a full amount of impairment losses.

When the counterparties of the Corporation and its subsidiary's receivables transactions are significantly concentrated in certain customers, most of them are engaged in similar business activities and have similar economic characteristics, and their abilities to perform contracts are similarly affected by economic or other conditions, a significant concentration of credit risk occurs.

The balance of receivables from customers with significant concentration of credit risk is as follows:

Customer Name	March 31, 2023	December 31, 2022	March 31, 2022
Chung Hwa Pulp Corporation	<u>\$ 92,632</u>	<u>\$105,400</u>	<u>\$ 94,527</u>

3) Liquidity risk

The Corporation and its subsidiary manage liquidity risk by monitoring and maintaining a level of cash deemed adequate to finance the Corporation and its subsidiary's operations and mitigate the effects of fluctuations in cash flows and monitor the utilization of bank borrowings. As of March 31, 2023, December 31, 2022 and March 31, 2022, the unutilized credit facilities of the Corporation and its subsidiary were NT\$1,359,381 thousand, NT\$504,817 thousand and NT\$1,414,125 thousand, respectively.

The table below summarizes the maturity profile of the Corporation and its subsidiary's financial liabilities based on the earliest date on which repayment may be required and undiscounted cash flows (including the cash flows of interest and principal):

	Less Than 1 Year	1-5 Years	Total
<u>March 31, 2023</u>			
Accounts payable	\$ 49,062	\$ -	\$ 49,062
Lease liabilities	3,916	3,229	7,145
Other payables	<u>376,492</u>	<u>-</u>	<u>376,492</u>
	<u>\$ 429,470</u>	<u>\$ 3,229</u>	<u>\$ 432,699</u>
	Less Than 1 Year	1-5 Years	Total
<u>December 31, 2022</u>			
Accounts payable	\$ 32,687	\$ -	\$ 32,687
Lease liabilities	4,052	4,256	8,308
Other payables	<u>283,127</u>	<u>-</u>	<u>283,127</u>
	<u>\$ 319,866</u>	<u>\$ 4,256</u>	<u>\$ 324,122</u>
	Less Than 1 Year	1-5 Years	Total
<u>March 31, 2022</u>			
Accounts payable	\$ 122,221	\$ -	\$ 122,221
Lease liabilities	3,685	5,896	9,581
Other payables	<u>1,919,680</u>	<u>-</u>	<u>1,919,680</u>
	<u>\$2,045,586</u>	<u>\$ 5,896</u>	<u>\$2,051,482</u>

23. TRANSACTIONS WITH RELATED PARTIES

- a. The name of the company and its relationship with the Corporation and its subsidiary

Company	Relationship
YFY Packaging Inc.	Fellow subsidiary
YFY Japan Co., Ltd.	Fellow subsidiary
YFY Development Corp.	Fellow subsidiary
Chung Hwa Pulp Corporation	Fellow subsidiary
YFY Corporate Advisory and Services Co., Ltd.	Fellow subsidiary
Fidelis IT Solutions Co., Ltd.	Fellow subsidiary
Sustainable Carbohydrate Innovation Co., Ltd.	Fellow subsidiary
Yuen Foong Yu Biotech Co., Ltd.	Associate
SinoPac Securities Corporation	Associate
Yuen Foong Paper Co., Ltd.	Associate
Hsin-Yi Enterprise Co., Ltd.	Substantial related party
SinoPac Financial Holdings Co., Ltd.(SinoPac Holdings)	Substantial related party

- b. Operating revenue

Account Items	Related Party Type /Name	For the Three Months Ended March 31	
		2023	2022
Sale of goods	Fellow subsidiaries		
	Chung Hwa Pulp Corp.	\$ 51,010	\$ 46,635
	Others	<u>3,113</u>	<u>6,822</u>
		<u>\$ 54,123</u>	<u>\$ 53,457</u>

Parts of item of the Corporation and its subsidiary that was not sold to unrelated parties; therefore, the price of items was incomparable to those items sold to related parity. Other item's prices were slightly lower than unrelated parties due to bulk sales but the difference is not significant. The terms of receivable for related parties were 120 days of monthly settlement, and unrelated parties were prepayment or 30-240 days of monthly settlement.

- c. Purchase of goods

Related Party Type/Name	For the Three Months Ended March 31	
	2023	2022
Fellow subsidiaries	<u>\$ 670</u>	<u>\$ 2,525</u>

The purchase price from related parties were not significantly different from unrelated parties. And the payment terms were 1 to 3 months of monthly settlement, which were not significantly different from unrelated parties.

d. Accounts receivable from related parties

Account Items	Related Party Type /Name	March 31, 2023	December 31, 2022	March 31, 2022
Accounts receivable from related parties	Fellow subsidiaries			
	Chung Hwa Pulp Corp.	\$ 92,632	\$ 105,400	\$ 94,527
	Others	<u>5,257</u>	<u>7,510</u>	<u>14,366</u>
		<u>\$ 97,889</u>	<u>\$ 112,910</u>	<u>\$ 108,893</u>

No guarantees have been received for accounts receivable and other receivable from related parties. No expenses have been recognized for the three months ended March 31, 2023 and 2022 for allowance for impairment of accounts receivable in respect of the amounts owed by related parties.

e. Accounts payable to related parties

Account Items	Related Party Type	March 31, 2023	December 31, 2022	March 31, 2022
Accounts payable	Fellow subsidiaries	<u>\$ 672</u>	<u>\$ -</u>	<u>\$ 1,304</u>
Other payable	Fellow subsidiaries	\$ 1,172	\$ 4,538	\$ 1,722
	Associates	64	104	56
	Substantial related party	<u>23</u>	<u>93</u>	<u>80</u>
		<u>\$ 1,259</u>	<u>\$ 4,735</u>	<u>\$ 1,858</u>

The outstanding accounts payable to related parties and other payable to related parties were unsecured.

f. Prepayment

Related Party Type	March 31, 2023	December 31, 2022	March 31, 2022
Fellow subsidiaries	<u>\$ 1,553</u>	<u>\$ 780</u>	<u>\$ 4,874</u>

g. Acquisition of financial assets

For the Three Months Ended March 31, 2023

Related Party Type	Account Items	Shares/Units	Underlying	Amount
Substantial related party	Financial assets at fair value through other comprehensive income - non-current			
SinoPac Holdings		18,213,856	Ordinary Shares	<u>\$273,208</u>

h. Compensation of key management personnel

	<u>For the Three Months Ended March 31</u>	
	<u>2023</u>	<u>2022</u>
Short-term employee benefits	\$ 5,767	\$ 10,200
Post-employment benefits	<u>51</u>	<u>146</u>
	<u>\$ 5,818</u>	<u>\$ 10,346</u>

i. Other transactions of related parties

The Corporation and its subsidiary signed an administrative service contract with a fellow subsidiary to provide administrative support, product-related R&D and testing services. The related expenses were NTD\$284 thousand and NT\$1,001 thousand for the three months ended March 31, 2023 and 2022, respectively, which were included in the operating and manufacturing expenses.

24. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Significant commitments of the Corporation and its subsidiary as of March 31, 2023 were as follows:

- a. The Corporation and its subsidiary signed commitments for the acquisition of property, plant and equipment amounted to NT\$285,781 thousand, of which NT\$75,482 thousand was unrecognized.
- b. Unused letters of credit for purchases of raw materials amounted to approximately NT\$92,869 thousand.

25. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The the Corporation and its subsidiary's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Corporation and its subsidiary and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

	Foreign Currency (In Thousands)	Exchange Rate(\$)	Carrying Amount (In Thousands)
<u>March 31, 2023</u>			
Monetary financial assets			
USD	\$ 3,357	30.45 (USD:NTD)	\$ 102,208
JPY	377	0.2288 (JPY:NTD)	86
EUR	270	33.15 (EUR:NTD)	8,968
MYR	240	0.2264 (MYR:USD)	1,654
RMB	2,762	4.432 (RMB:NTD)	12,239
Non-monetary financial assets			
Investment accounted for using equity method			
USD	307	30.45 (USD:NTD)	9,350
Monetary financial liabilities			
USD	40	30.45 (USD:NTD)	1,218
JPY	2,936	0.2288 (JPY:NTD)	671
MYR	125,043	0.2264 (MYR:USD)	862
RMB	900	4.432 (RMB:NTD)	3,988

(Continued)

	Foreign Currency (In Thousands)	Exchange Rate(\$)		Carrying Amount (In Thousands)
<u>December 31, 2022</u>				
Monetary financial assets				
USD	6,098	30.71	(USD:NTD)	187,263
JPY	377	0.2324	(JPY:NTD)	88
EUR	1,047	32.72	(EUR:NTD)	34,273
MYR	64	0.2278	(MYR:USD)	446
Non-monetary financial assets				
Investment accounted for using equity method				
USD	360	30.71	(USD:NTD)	11,067
Monetary financial liabilities				
USD	\$ 40	30.71	(USD:NTD)	\$ 1,228
MYR	268	0.2278	(MYR:USD)	1,875
<u>March 31, 2021</u>				
Monetary financial assets				
USD	8,674	28.625	(USD:NTD)	248,300
JPY	5,333	0.2353	(JPY:NTD)	1,255
EUR	2,594	31.92	(EUR:NTD)	82,790
MYR	91	0.2378	(MYR:USD)	620
Non-monetary financial assets				
Investment accounted for using equity method				
USD	416	28.625	(USD:NTD)	11,912
Monetary financial liabilities				
USD	80	28.625	(USD:NTD)	2,290
JPY	5,309	0.2353	(JPY:NTD)	1,249
MYR	39	0.2378	(MYR:USD)	265

(Concluded)

For the three months ended March 31, 2023 and 2022, net foreign exchange losses were NT\$2,173 thousand and gains were NT\$10,311 thousand, respectively. It is impractical to disclose net foreign exchange gains and losses by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies.

26. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions

- 1) Financing provided to others (None)
- 2) Endorsements/guarantees provided (None)
- 3) Marketable securities held (excluding investments in subsidiaries and associates) (Table 1)

- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (Table 2)
 - 5) Acquisition of individual real estate at costs of at least NT\$300 million or 20% of the paid-in capital (None)
 - 6) Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital (None)
 - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (None)
 - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (None)
 - 9) Trading in derivative instruments (Note 7)
 - 10) Other: Intercompany relationships and significant intercompany transactions (Table 3)
- b. Information on investees (Table 4)
 - c. Information on investments in mainland China (None)
 - d. Major shareholder information: names of shareholders holding more than 5% of the shares, amount and proportion of shares held (Table 5)

27. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. Since the chief operating decision maker regards the Corporation and its subsidiary as a single operating department as a whole, and uses the overall information of the Corporation for resource allocation and performance measurement, refer to the contents of this consolidated financial report for the relevant information of the operating departments.

TABLE 1**SHIN FOONG SPECIALTY & APPLIED MATERIALS CO., LTD. AND SUBSIDIARY****MARKETABLE SECURITIES HELD****MARCH 31, 2023****(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	DECEMBER 31, 2022				Note
				Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Corporation	Mutual Funds							
	SinoPac TWD Money Market Fund	-	Financial assets at fair value through profit or loss - current	2,823,682.20	\$ 40,002		\$ 40,002	
	PIMCO GIS Total Return Bond Fund-E Class	-	Financial assets at fair value through profit or loss - current	218,899.205	75,653		75,653	
					<u>\$ 115,655</u>		<u>\$ 115,655</u>	
	Ordinary Shares							
	SinoPac Financial Holdings Co., Ltd.	Substantial related party	Financial assets at fair value through other comprehensive income - non-current	40,323,910	\$ 669,377	0.33	\$ 669,377	
	Foongtone Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	2,884,415	77,039	11.78	77,039	
	Preference Share							
	Fubon Financial Holding Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	3,292,000	203,116	0.55	203,116	
	Cathay Financial Holding Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	3,329,000	199,407	0.40	199,407	
	Taishin Financial Holding Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	3,925,000	200,175	0.79	200,175	
	WPG Holdings Corporation	-	Financial assets at fair value through other comprehensive income - non-current	1,033,000	50,978	0.52	50,978	
	Yulon Finance Corporation	-	Financial assets at fair value through other comprehensive income - non-current	990,000	49,995	0.99	49,995	
					<u>\$ 1,450,087</u>		<u>\$ 1,450,087</u>	

TABLE 2

SHIN FOONG SPECIALTY & APPLIED MATERIALS CO., LTD. AND SUBSIDIARY

**MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT\$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE THREE MONTHS ENDED MARCH 31, 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company	Type and Name of Marketable Securities	Financial Statement Account	Counter-party	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying Value	Gain on Disposal	Shares/Units	Amount
The Corporation	SinoPac Financial Holdings Co., Ltd.	Financial assets at fair value through other comprehensive income - non-current	SinoPac Financial Holdings Co., Ltd.	Substantial related party	22,110,054	\$ 370,343	18,213,856	\$ 273,208	-	\$ -	\$ -	\$ -	40,323,910	\$669,377(Note)

Note : Amount include unrealized gains and losses on financial assets.

TABLE 3

SHIN FOONG SPECIALTY & APPLIED MATERIALS CO., LTD. AND ITS SUBSIDIARY

**INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE THREE MONTHS ENDED MARCH 31, 2023**
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Investee Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Accounts	Amount	Transaction Details	% of Total Sales or Assets
1	SHIN FOONG TRADING SDN. BHD.	The Corporation	Subsidiary to parent	Sales	\$ 1,824	According to the contract	0.88
1	SHIN FOONG TRADING SDN. BHD.	The Corporation	Subsidiary to parent	Account Receivable	1,218	According to the contract	0.02

TABLE 4

SHIN FOONG SPECIALTY &APPLIED MATERIALS CO., LTD. AND SUBSIDIARY

INFORMATION ON INVESTEES

FOR THE THREE MONTHS ENDED MARCH 31, 2023

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Number of Shares	%	Carrying Amount	Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				March 31, 2023	December 31, 2022						
Shin Foong Specialty & Applied Material Co., Ltd.	Shin Foong Trading Sdn. Bhd.	Malaysia	Trading of synthetic latex and industrial chemicals	\$ 10,568	\$ 10,568	1,500,000	100.00	\$ 9,350	\$ (1,620)	\$ (1,620)	Note

Note: Amount was eliminated in the consolidated financial statements.

TABLE 5**SHIN FOONG SPECIALTY & APPLIED MATERIALS CO., LTD.****MAJOR SHAREHOLDER INFORMATION
MARCH 31, 2023**

Major shareholders	Shares	
	Number of shares held	Shareholding (%)
YFY Inc.	50,968,248	48.00

Note: The information of major shareholder presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares held by shareholder with ownership of 5% or greater, that have been issued without physical registration by the Corporation as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.