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NAN YA PLASTICS CORPORATION
2022 ANNUAL SHAREHOLDERS' MEETING PROCEDURE

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NAN YA PLASTICS CORPORATION
2022 ANNUAL SHAREHOLDERS' MEETING
AGENDA

Time: 10:00 a.m., Friday, June 10, 2022

Venue: Sunworld Dynasty Hotel
(No. 100 Dun Hua North Road, Taipei, Taiwan)

Meeting type: Physical Meeting

1. Report Items
   (1) 2021 Business Report
   (2) Audit Committee' Review Report on the 2021 Financial Statements
   (3) Distribution of 2021 Employees Compensation
   (4) Issuance of 2021 Domestic Unsecured Ordinary Corporate Bonds
2. Ratification Items
   (1) Please approve the 2021 Business Report and Financial Statements as required by the Company Act.
   (2) Please approve the Proposal for Distribution of 2021 Profits as required by the Company Act.
3. Discussion Items (I)
   (1) Amendment of Articles of Incorporation of the Company. Please discuss and resolve.
   (2) Amendment of Procedures for Acquisition or Disposal of Assets of the Company. Please discuss and resolve.
4. Election Items
   The Company's Directors have their tenure nearly expired. Please elect the Board of Directors to conform to the applicable laws.
5. Discussion Items (II)
   (1) Appropriateness of releasing the newly elected Directors and the juristic person shareholder which appointed their authorized representatives to be elected as directors, from non-competition restrictions. Please discuss and resolve.

Report Items

1. About the Company's business operation condition of 2021, please refer to Business Report for further details (on page 5 of the Handbook) which is hereby reported for record.
2. The Company's Audit Committee members reviewed the 2021 Business Report and Financial Statements and issued their Review Report according to the applicable laws. Please refer to Audit Committee's Review Report (on page 11 of the Handbook).
3. The Company has issued the report on compensation distributed to its employees for 2021.
   The pre-tax profit prior to deducting employees' compensation distributable for 2021 is NT$90,111,472,071. The Company has no accumulated losses. Adopted by the Board Meeting on March 11, 2022, 0.1% of the profit is allocated as employees' compensation in accordance with Article 25 of the Articles of Incorporation. The total allocated amount is NT$90,111,472 which shall be distributed in cash. The above is hereby reported for record.
4. Issue of NT$11.5 Billion Domestic Unsecured Ordinary Corporate Bonds in 2021.
   To raise long-term funds to pay off loans, the Board of Directors resolved on December 16, 2020 to issue domestic unsecured ordinary corporate bonds of NT$20.0 Billion in 2021. According to the capital needs, on June 3, 2021, the Company issued the bonds of NT$11.5 Billion, the remaining NT$8.50 Billion has not been applied for Taipei Exchange yet and was reported to the Board of Directors on December 16, 2021.
   A summary of the major terms of the aforementioned bonds are as follows:

Item \ Name	1st domestic unsecured corporate bond for 2021
Total price (NTD)	Tranche A: NT$ 5,500,000,000 Tranche B: NT$ 6,000,000,000
Issue date	2021.6.3
Coupon rate	Tranche A: 0.45% p.a. Tranche B: 0.53% p.a.
Tenor	Tranche A: 05 years Tranche B: 07 years
Coupon Frequency	Annual Interest shall be paid as simple interest rate.
Repayment method	Tranche A: Half of the principal shall be repaid upon the end of the fourth year and the fifth year, respective from the date of issue. Tranche B: Half of the principal shall be repaid upon the end of the sixth year and the seventh year, respective from the date of issue.

The above is hereby reported for record.

NAN YA PLASTICS CORPORATION

1.2021 Business Report

In 2021, Nan Ya Plastics Corporation (hereinafter “NPC” or “the Company”) recorded a consolidated revenue of NT$411.67 billion, showing a 50.6% increase over NT$273.35 billion in 2020, and a consolidated pre-tax income of NT$103.46 billion, increasing by 239.9% compared to NT$30.44 billion in 2020.

As Covid-19 vaccination coverage grows and regions lift lockdown measures one by one, there has been a resumption of consumerism along with the emergence of new technologies, bringing strong demand from the stay-at-home economy, remote learning, and work from home (WFH) while the downstream supply chain has been actively replenishing its inventory, leading to a strong electronics materials market. Moreover, rising crude oil prices have led to the inflation of various petrochemical products, leading NPC to record new record-setting pre-tax and after-tax profit and earnings per share (EPS)

The four major product categories of NPC operations are plastic processing, chemicals, polyesters, and electronic materials.

In terms of plastic processing, NPC continued to engage in the research and development of new applications, new materials, and products that meet environmental protection trends and have unique specifications to increase the Company’s ratio of differentiated and high-value product sales. Automated monitoring equipment was also deployed to ensure consistent quality throughout the production process. In addition, NPC also expanded to high-end and potential emerging markets to boost sales by promoting e-commerce and online marketing techniques, which helped to enhance production capacity utilization and reduce costs.

By leveraging the advantage of decentralizing production and having set up plants both domestically and overseas in Taiwan, China, the USA, and Vietnam, the Company can adjust the production and sales operations at each plant on a timely basis to provide services that satisfy customer needs.

Through a combination of efforts, NPC is able to maintain sound profitability in the plastic processing business in spite of the pandemic.

In terms of chemical products, in line with vertical integration and division of labor in the Sixth Naphtha Cracking Plant in Mailiao, NPC's products, including ethylene glycol (EG), Bisphenol-A (BPA), 1,4-butylene glycol (1,4BG), plasticizers, phthalic anhydride (PA), 2-ethylhexanol (2EH), and epoxy resin (Epoxy), have been vertically integrated into upstream and downstream industries to form a complete supply chain that supports the development of downstream industries such as polyester, electronics, and plastic processing, respectively.

As demand for chemical products is picking up, downstream vendors have been actively replenishing their inventories. Moreover, as Texas was hit with the worst storm of the century and operations were suspended at many petrochemical plants, there has been a shortage in plasticizer raw materials, resulting in increased prices of chemical products.

Continuing the market status for BPA in the end of 2020, the demand for downstream epoxy applications was strong in the wind power industry in 2021. Moreover, prices were kept high as there was a market shortage of the material, leading to a significant profit contribution from this business. The increased crude oil prices also benefited the EG market price. The Company also experienced increased productivity and sales volume after the new EG2 production line in Texas began operation. Prices of 1,4BG products have all increased, leading to a dramatic increase in both revenue and profitability. Overall, profits from the chemical products business have significantly grown.

In terms of polyester products, both domestic and export sales and shipping volume of PET resin from the Company’s Taiwan plant have grown; while the sales mix of yarn products has been adjusted to increase visibility. Moreover, NPC actively introduced green products including recycled products; the demand for recycled polyester filament and knitting fabric from Kunshan plant has recovered, leading to significant growth in revenues and profitability over the previous period.

Because of the increasing awareness of environmental protection worldwide, there are unlimited business opportunities in recycling and the circular economy. NPC has been actively investing in the research and development of relevant products—those made with recycled materials from PET bottles, oceans, and textiles, as well as biodegradable and alternative energy products. The Company also expanded toward the applications of recycled polyesters to enhance recycling efficiency and expand the application of fiber products. This will help NPC to segment the market and to expand its business scope, thereby achieving further profit growth.

In terms of electronic materials, the impact of the COVID-19 pandemic in 2021 gave rise to a new economy and new business opportunities such as the stay-at-home economy and remote working and learning. These trends have led to strong demand for laptops, game consoles, servers, and network communication equipment. As a result, the overall electronics industry experienced significant growth over the previous years. Moreover, the new production capacity at Copper Foil Plant 4 at Xingang has also helped all product revenues to greatly surpass those of 2020, helping the Company to record the highest revenue, as well as a significant increase in profits compared with 2020.

As countries will adopt stronger new energy vehicle policies in the future, the development of lithium batteries will be accelerated. Moreover, innovative applications such as electric vehicles and intelligentization will also boost the demand for electronic materials and upstream raw materials. By leveraging its comprehensive vertical integration throughout the supply chain, adjusting production and sales strategies, and actively promoting differentiated products, NPC will increase sales proportion of niche products with high added value and functionality, as well as flexibly adjust the production capacity in Taiwan and China to drive for the continued growth of both revenues and profits.

Nan Ya Printed Circuit Board Corp. (Nan Ya PCB), an investee of NPC, has long been focusing on the development and production of circuit boards and IC package substrates. In 2021, Nan Ya PCB actively sought business opportunities in high-end IC package substrates including next-generation computer processors and graphic chip substrates. In addition, to increase the sales proportion of high-value products, the investee also partnered with customers to co-develop large-scale and high layer count IC substrates for artificial intelligence (AI) and high performance computing (HPC) applications, resulting in record-setting revenues and profits.

With the development of advanced technologies including chiplet packaging and heterogeneous integration, the demand for high-end IC substrates will continue to grow. The supply of ABF substrate continued to fall short, and to meet future development trends, NPC has actively strengthened its R&D competency and continued to resolve bottlenecks as well as to expand production capacity to meet market demand. In particular, to resolve its bottleneck, Jinxin plant began related production in the first quarter (Q1) of 2022, and Shulin plant has planned a two-phase expansion, which will greatly enhance both revenues and profits.

Going forward, Nan Ya PCB will work closely with customers to obtain more next generation and high-end product orders, and will continue to deploy AI and big data into production management in order to optimize production processes, increase yield and productivity, and continue its operational performance.

Nan Ya Technology Corp., another company invested by NPC, is committed to the development, manufacture, and sales of dynamic random-access memory (DRAM) products. Though problems including supply shortage in 2021 have indirectly led to a small-scale rebound in the DRAM market, but the aforementioned investee flexibly adjusted its product mix to respond to market fluctuations and customer demand. It also reduced its inventory accordingly. As a whole, the annual average price has increased by over 40% in 2021 compared with the previous year, thereby achieving significant revenue growth.

On top of continuing to optimize the 20nm product portfolio and enhancing product value and diverse applications, Nan Ya Technology Corp. will also actively plan its autonomous technical development skills and production process conversion in 2022. Its operating strategies will be focused on promoting 10nm products with new processes and mass production.

2.2021 Operating Status

The consolidated operating revenue was NT$411.67 billion in 2021, an increase of NT$138.32 billion, 50.6% over NT$273.35 billion in 2020. Deducted operating costs NT$307.82 billion and selling expenses and administrative expenses NT$22.85 billion the operating income was NT$81.00 billion and the operating margin was 19.7% in 2021 which increased 281.7% compared with NT$21.22 billion in 2020. Added up non-operating income and expenses NT$ 22.46 billion the pre-tax income of 2021 was NT$103.46 billion and the pre-tax income margin was 25.1% a increase of 239.9% over NT$30.44 billion in 2020.

3.2022 Business Outlook

Looking forward to 2022, besides having a heightened baseline due to rapid economic recovery in 2021 and the ongoing pandemic and logistics and transportation bottleneck in the supply chain, the Company is also faced with inflation and its various effects. If the United States accelerates the shrinking of its balance sheet, exchange rate fluctuation is expected to worsen, and export-focused Taiwan will be confronted with the exchange rate risks.

Excluded from the Regional Comprehensive Economic Partnership (RCEP), though Taiwan has been actively applying for entry to the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) to mediate tariff barriers, uncertainties in Taiwan’s entry continue to exist due to international frictions.

Moreover, in response to the global carbon neutrality issue and the strategies and paths of Taiwan toward achieving “2050 Net Zero Emissions”, the company will be committed to reducing greenhouse gases, and fully disclose how to response to the risks and opportunities arising from climate change, as well as efforts to reduce carbon emissions.

With the complex global situation and market development trends, NPC will strengthen its business growth and profitability through four major operating strategies, namely, “optimizing product portfolio to meet high-end applications”, “continue to vertically integrate the supply chain to satisfy customer needs”, “achieve circular economy to reduce carbon emissions”, and “use AI to execute digital transformation”.

Through these strategies, NPC will actively develop new materials for 5G high-frequency and high-speed networks, and new-energy vehicles and automotive electronic substrates to promote the development of relevant materials throughout the supply chain. In addition, the Company will also seize innovative technological applications, and green and circular economy opportunities to maximize benefits with minimum investment. By achieving intelligentization in the production process, the Company also hopes to achieve its goals in reduction, reuse, and resource recycling.

In response to subsequent localization of advanced materials and market demand, the Company will achieve diverse production deployments in Taiwan, China, the United States, and Vietnam. In addition to the new plant for high-value copper foil in Xingang, Taiwan, and ABF substrate production line in Kunshan, China, having commenced production in 2021, several investments will also be completed and ready to start production in 2022, including the release film in Shulin plant and ABF substrate in Jinxin plant in Taiwan, and BPA plant in Ningbo and copper foil substrate and glass fiber in Huizhou plant in China.

Within the next couple of years, Nan Ya PCB Co., Ltd. will expand its ABF substrate plant. NPC is also actively looking to enter markets with advanced applications such as medical materials, and it will also develop new products and increase production capacity on a timely basis to continuously drive for business performance.

Chairman: Chia Chau, Wu
President: Ming Jen, Tzou
In-charge Accountant: Li Ta, Pai

NAN YA PLASTICS CORPORATION
Audit Committee' Review Report

The Board of Directors has prepared the Company's 2021 Business Report, Financial Statements, including Consolidated and Individual Financial Statements, and Proposal for Profits Distribution. The CPA firm of KPMG was retained to audit Nan Ya Plastics Corporation's Financial Statements and has issued an audit report relating to Financial Statements. The Business Report, Financial Statements, and Proposal for Profits Distribution have been reviewed and determined to be correct and accurate by the Audit Committee members of Nan Ya Plastics Corporation. According to the Securities and Exchange Act and the Company Act, we hereby submit this report. Please be advised accordingly.

Nan Ya Plastics Corporation
Chairman of the Audit Committee: Chih-Kang, Wang

March 11, 2022

Ratification Items Proposal 1

Proposal: For approval of the 2021 Business Report and Financial Statements as required by the Company Act.

Proposed by the Board of Directors

Explanation:

1. The preparation of the Company's 2021 Consolidated and Individual Financial Statements were completed. The aforementioned Financial Statements were reviewed by the Audit Committee and approved by the Board Meeting on March 11, 2022, and audited by independent auditors, Ms. Hsin-Yi, Kuo and Mr. Chi-Lung, Yu, of KPMG. The aforesaid Financial Statements together with the Business Report were reviewed by the Audit Committee, which the Audit Committee' Review Report is presented.
2. For the aforementioned Business Report, please refer to page 6 through page 12 of the Meeting Handbook. As for the Financial Statements, please refer to page 32 through page 39 of the Handbook. Please approve the Business Report and the Financial Statements.

Resolution:

Ratification Items Proposal 2

Proposal: For Approval of the Proposal for Distribution of 2021 Profits as required by the Company Act.

Proposed by the Board of Directors

Attachment:

Please refer to page 40 of the Handbook for the Statement of Profits Distribution, which has been reviewed by the Audit Committee members of Nan Ya Plastics Corporation and approved by the Board of Directors on March 11, 2022.

Resolution:

Discussion Items (I) **Proposal 1**

Proposal: Amendment to the Articles of Incorporation of the Company. Please discuss and resolve.

Proposed by the Board of Directors

Explanation:

To conform to the needs of commercial practice, certain Articles of Incorporation of the Company have been amended. The comparison table for articles before and after amendment is hereby attached. Please determine whether the amendments are reasonable.

Article	Current Article	Amended Article	Reason for Amendment
Article 2	The scope of business of the Company shall be as follows: (Items 1 to 15 omitted) 16. C802170 Poisonous Chemical Material Manufacturing (Items 17 to 40 omitted) 41. I199990 Other consultancy (Items 42 to 48 omitted) 49. ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.	The scope of business of the Company shall be as follows: (Items 1 to 15 omitted) 16. C802170 Poisonous **and Concerned** Chemical Material Manufacturing (Items 17 to 40 omitted) 41. I199990 Other Consultancy (Items 42 to 48 omitted) 49. **CF01011 Medical Devices Manufacturing** **50. F108031 Wholesale of Medical Devices** **51. F208031 Retail Sale of Medical Apparatus** **52.** ZZ99999 All	To conform to the needs of commercial practice, the Company adds its business scope.

		business items that are not prohibited or restricted by law, except those that are subject to special approval.	
Article 16	The Company shall have <u>11</u> to 15 directors, to be elected at the shareholders' meeting from the nominees listed in the roster of candidates under the candidate nomination system. The terms of office of directors shall be three years and they shall be eligible for re-election. <u>The total number of shares held by the directors of the Company shall follow the rules promulgated by the competent securities authority.</u> The Company shall have three independent directors among the directors above. The matters regarding method of nomination and other matters shall be conducted in accordance with the	The Company shall have <u>**9**</u> to 15 directors, to be elected at the shareholders' meeting from the nominees listed in the roster of candidates under the candidate nomination system. The terms of office of directors shall be three years and they shall be eligible for re-election. The Company shall have <u>**at least**</u> three independent directors among the directors above. The matters regarding method of nomination and other matters shall be conducted in	To conform to the needs of commercial practice, the Company proposes to adjust the number of directors and independent directors to increase flexibility and delete the regulation about the registered shares held by the directors.

	Company Act and related regulations of competent securities authority. (below omitted)	accordance with the Company Act and related regulations of competent securities authority. (below omitted)	
Article 17	The directors constitute the Board of Directors and shall elect at least three Managing Directors, which shall not more than one-third of total number of the directors, from among themselves by a majority vote at a meeting attended by over two-thirds of the directors. At least one of the Managing Directors shall be an independent director. Meanwhile, the Managing Directors shall elect among them a Chairman and a vice Chairman by way of preceding election. The Chairman shall represent the Company.	The directors constitute the Board of Directors and shall elect at least three Managing Directors, which shall not more than one-third of total number of the directors, from among themselves by a majority vote at a meeting attended by over two-thirds of the directors. At least one of the Managing Directors shall be an independent director. Meanwhile, the Managing Directors shall elect among them a Chairman and may elect a vice Chairman **from each other in accordance with the manner set forth in the preceding Paragraph**. The Chairman shall	To add the election of the Vice Chairman so as to conform to the needs of commercial practice.

		represent the Company.	
Article 26	Where there is surplus of the annual final account, when allocating the net profits for each fiscal year, the Company shall first pay its income tax and offset its prior years' accumulated losses and set aside 10% legal capital reserve and special earning reserve as necessary followed by the dividend. For remaining surplus incorporated with the accumulated earning in previous years, the Board of Directors shall prepare the proposal concerning the appropriation of net profits and submit the same to the shareholders' meeting for resolution. (below omitted)	Where there is surplus of the annual final account, when allocating the net profits for each fiscal year, the Company shall first pay its income tax and offset its prior years' accumulated losses and set aside 10% legal capital reserve and special earning reserve as necessary followed by the dividend. For remaining surplus incorporated with the accumulated earning in previous years, the Board of Directors shall prepare the proposal concerning the appropriation of net profits **and is authorized to distribute dividends paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by over two-**	To conform to the needs of commercial practice, the Company proposes to amend the procedure of cash dividend distribution in compliance with Company Act.

		thirds of the directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The dividends paid in stock shall be submitted for the approval in a shareholders' meeting. (below omitted)	
Article 29	(omitted)	**68th Amendment on June 10, 2022.**	To amend the above articles, the Company encloses the date of the 68th amendment.

Resolution:

Discussion Items (I) Proposal 2

Proposal: Amendment to the Procedures for Acquisition or Disposal of Assets of the Company. Please discuss and resolve.

Proposed by the Board of Directors

Explanation:

To comply with the requirements provided in the order Jin-Guan-Zheng-Fa-Zi No. 1110380465 dated January 28, 2022 by the Financial Supervisory Commission, certain articles of Procedures for Acquisition or Disposal of Assets of the Company have been amended. The comparison table for articles before and after amendment is hereby attached. Please determine whether the amendments are reasonable.

Article	Current Article	Amended Article	Reason for Amendment
Article 7	In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT$300 million or more, the Company, unless transacting with a domestic government institution, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment	In acquiring or disposing of real property, equipment, or right-of-use assets thereof where the transaction amount reaches 20 percent of the Company's paid-in capital or NT$300 million or more, the Company, unless transacting with a domestic government institution, engaging others to build on its own land, engaging others to build on rented land, or acquiring or disposing of equipment	Amended to comply with the order Jin-Guan-Zheng-Fa-Zi No. 1110380465 dated January 28, 2022 by the Financial Supervisory Commission.

	or right-of-use assets thereof for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions: 1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference 5 basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; the same procedure shall also be followed for any subsequent change to the terms and conditions of the transaction. 2. Where the transaction amount is NT$1 billion or more, appraisals from two or more professional appraisers shall be obtained. 3.Where any one of the	or right-of-use assets thereof for business use, shall obtain an appraisal report prior to the date of occurrence of the event from a professional appraiser and shall further comply with the following provisions: 1. Where due to special circumstances it is necessary to give a limited price, specified price, or special price as a reference 5 basis for the transaction price, the transaction shall be submitted for approval in advance by the Board of Directors; the same procedure shall also be followed for any subsequent change to the terms and conditions of the transaction. 2. Where the transaction amount is NT$1 billion or more, appraisals from two or more professional appraisers shall be obtained. 3.Where any one of the	

	following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall be engaged to perform the appraisal in accordance with the provisions of Statement of Auditing Standards No. 20 published by the Accounting Research and Development Foundation in Taiwan (ARDF) and render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: (1) The discrepancy between the appraisal result and the	following circumstances applies with respect to the professional appraiser's appraisal results, unless all the appraisal results for the assets to be acquired are higher than the transaction amount, or all the appraisal results for the assets to be disposed of are lower than the transaction amount, a certified public accountant shall render a specific opinion regarding the reason for the discrepancy and the appropriateness of the transaction price: (1) The discrepancy between the appraisal result and the transaction amount is 20 percent or more of the transaction amount. (2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. 4. No more than 3	

	transaction amount is 20 percent or more of the transaction amount. (2) The discrepancy between the appraisal results of two or more professional appraisers is 10 percent or more of the transaction amount. 4. No more than 3 months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.	months may elapse between the date of the appraisal report issued by a professional appraiser and the contract execution date; provided, where the publicly announced current value for the same period is used and not more than 6 months have elapsed, an opinion may still be issued by the original professional appraiser.	
Article 8	The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period,	The Company acquiring or disposing of securities shall, prior to the date of occurrence of the event, obtain financial statements of the issuing company for the most recent period,	Amended to comply with the order Jin-Guan-Zheng-Fa-Zi No. 1110380465 dated January 28, 2022 by

	certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. <u>If the CPA needs to use the report of an expert as evidence, the CPA shall do so in accordance with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.</u> This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or	certified or reviewed by a certified public accountant, for reference in appraising the transaction price, and if the dollar amount of the transaction is 20 percent of the Company's paid-in capital or NT$300 million or more, the Company shall additionally engage a certified public accountant prior to the date of occurrence of the event to provide an opinion regarding the reasonableness of the transaction price. This requirement does not apply, however, to publicly quoted prices of securities that have an active market, or where otherwise provided by regulations of the securities competent authority.	the Financial Supervisory Commission.

	where otherwise provided by regulations of the securities competent authority.		
Article 9	In acquiring or disposing of intangible assets or right-of-use assets thereof or memberships where the transaction amount reaches 20 percent or more of the company's paid-in capital or NT$300 million or more, the Company, unless transacting with a domestic government institution, shall engage a CPA to render an opinion on the reasonableness of the transaction price prior to the date of occurrence of the event. The CPA shall comply with the provisions of Statement of Auditing Standards No. 20 published by the ARDF.	In acquiring or disposing of intangible assets or right-of-use assets thereof or memberships where the transaction amount reaches 20 percent or more of the company's paid-in capital or NT$300 million or more, the Company, unless transacting with a domestic government institution, shall engage a CPA to render an opinion on the reasonableness of the transaction price prior to the date of occurrence of the event.	Amended to comply with the order Jin-Guan-Zheng-Fa-Zi No. 1110380465 dated January 28, 2022 by the Financial Supervisory Commission.
Article 14	When the Company intends to acquire or dispose of real property or right-of-use assets	When the Company intends to acquire or dispose of real property or right-of-use assets	Amended to comply with the order Jin-Guan-Zheng-

	thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors: 1.The purpose, necessity	thereof from or to a related party, or when it intends to acquire or dispose of assets other than real property or right-of-use assets thereof from or to a related party and the transaction amount reaches 20 percent or more of paid-in capital, 10 percent or more of the Company's total assets, or NT$300 million or more, except in trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or repurchase of money market funds issued by domestic securities investment trust enterprises, the Company may not proceed to enter into a transaction contract or make a payment until the following matters have been approved by the Board of Directors: 1.The purpose, necessity	Fa-Zi No. 1110380465 dated January 28, 2022 by the Financial Supervisory Commission.

	and anticipated benefit of the acquisition or disposal of assets. 2.The reason for choosing the related party as a trading counterparty. 3.With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 15 through Article 17. 4.The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party. 5.Monthly cash flow forecasts for the year commencing from the anticipated month of	and anticipated benefit of the acquisition or disposal of assets. 2.The reason for choosing the related party as a trading counterparty. 3.With respect to the acquisition of real property or right-of-use assets thereof from a related party, information regarding appraisal of the reasonableness of the preliminary transaction terms in accordance with Article 15 through Article 17. 4.The date and price at which the related party originally acquired the real property, the original trading counterparty, and that trading counterparty's relationship to the Company and the related party. 5.Monthly cash flow forecasts for the year commencing from the anticipated month of	

	signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. 6.An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article. 7.Restrictive covenants and other important stipulations associated with the transaction. The calculation of the transaction amounts referred to in the preceding paragraph shall be made in accordance with Article 28, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the Board of Directors need not be counted toward the	signing of the contract, and evaluation of the necessity of the transaction, and reasonableness of the funds utilization. 6.An appraisal report from a professional appraiser or a CPA's opinion obtained in compliance with the preceding article. 7.Restrictive covenants and other important stipulations associated with the transaction. **Where the transaction in paragraph 1 of the Company or any subsidiaries that are not public companies and the transaction amount reaches 10 percent or more of the Company's total assets, the Company or any subsidiaries that are not public companies may not proceed to enter into a transaction contract or make a payment until the documents in**	

	transaction amount. (below omitted)	**<u>paragraph 1 have been submitted for the approval in the Shareholders' Meeting of the Company. However, this provision does not apply to the transaction between the Company and its parent or subsidiaries, or between its subsidiaries.</u>** The calculation of the transaction amounts referred to in **<u>paragraph 1 and</u>** the preceding paragraph shall be made in accordance with Article 28, paragraph 2 herein, and "within the preceding year" as used herein refers to the year preceding the date of occurrence of the current transaction. Items that have been approved by the **<u>Shareholders' Meeting or</u>** the Board of Directors need not be counted toward the	

		transaction amount. (below omitted)	
Article 28	Under any of the following circumstances, where the Company acquires or disposes of assets shall publicly announce and report the relevant information on the securities competent authority's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event: 1.Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital,	Under any of the following circumstances, where the Company acquires or disposes of assets shall publicly announce and report the relevant information on the securities competent authority's designated website in the appropriate format as prescribed by regulations within 2 days commencing immediately from the date of occurrence of the event: 1.Acquisition or disposal of real property or right-of-use assets thereof from or to a related party, or acquisition or disposal of assets other than real property or right-of-use assets thereof from or to a related party where the transaction amount reaches 20 percent or more of paid-in capital,	Amended to comply with the order Jin-Guan-Zheng-Fa-Zi No. 1110380465 dated January 28, 2022 by the Financial Supervisory Commission.

	10 percent or more of the Company's total assets, or NT$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. 2. Merger, demerger, acquisition, or transfer of shares. 3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company. 4. Where equipment/machinery or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the	10 percent or more of the Company's total assets, or NT$300 million or more; provided, this shall not apply to trading of domestic government bonds or bonds under repurchase and resale agreements, or subscription or redemption of money market funds issued by domestic securities investment trust enterprises. 2. Merger, demerger, acquisition, or transfer of shares. 3. Losses from derivatives trading reaching the limits on aggregate losses or losses on individual contracts set out in the procedures adopted by the Company. 4. Where equipment/machinery or right-of-use assets thereof for business use are acquired or disposed of, and furthermore the	

	trading counterparty is not a related party, and the transaction amount is more than NT$1 billion. 5. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the trading counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT$500 million. 6.Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial	trading counterparty is not a related party, and the transaction amount is more than NT$1 billion. 5. Where land is acquired under an arrangement on engaging others to build on the company's own land, engaging others to build on rented land, joint construction and allocation of housing units, joint construction and allocation of ownership percentages, or joint construction and separate sale, and furthermore the trading counterparty is not a related party, and the amount the Company expects to invest in the transaction reaches NT$500 million. 6.Where an asset transaction other than any of those referred to in the preceding five subparagraphs, a disposal of receivables by a financial	

	institution, or an investment in the mainland China area where the transaction amount reaches 20 percent or more of paid-in capital or NT$300 million or more, provided this shall not apply to the following circumstances: (1) Trading of domestic government bonds. (2) Trading of bonds under repurchase/resale agreements or the subscription or redemption of money market funds issued by domestic securities investment trust enterprises.	institution, or an investment in the mainland China area where the transaction amount reaches 20 percent or more of paid-in capital or NT$300 million or more, provided this shall not apply to the following circumstances: (1) Trading of domestic government bonds **or foreign government bonds with a sovereign rating not lower than the sovereign rating of the R.O.C.** (2) Trading of bonds under repurchase/resale agreements or the subscription or redemption of money market funds issued by domestic securities investment trust enterprises.	

Resolution:

Election Items

Proposal: The Company's Directors have their tenure nearly expired. Please elect the Board of Directors to conform to the applicable laws.

Proposed by the Board of Directors

Explanation:

1. The Company's current directors were elected in the Annual Shareholders' Meeting on June 12, 2019 and have their tenure nearly expired on June 11, 2022. To conform to the applicable Rule, the Company shall elect 15 directors (including 3 independent directors) using the cumulative voting system. The tenure of new session of Directors (including independent directors) shall be three years, starting from June 10, 2022 to June 9, 2025.
2. The election of Directors (including independent director) shall adopt the candidate nomination system in accordance with Article 192-1 of the Company Act and the Article 16 of the Company's Articles of Incorporation. A total of 15 Director Candidates (including independent director) were co-nominated by shareholder holding 1% or more of the total number of outstanding shares issued by the Company. The related information of the 15 Director Candidates is shown below:

Name	Education	Major Experience	Shareholding (Share)
Chia Chau, Wu	Bachelor Degree in Business Administration, National Chengchi University	Current Appointment: Chairman of NPC, Nanya Technology Corp. and Nan Ya PCB Corp. Experiences: President of NPC	79,030
Wen Yuan, Wong	Master Degree in Industrial Engineering, University of Houston	Current Appointment: Chairman of Taiwan Textile Federation, R.O.C. and Formosa Taffeta Corp. and Formosa Advanced Technology Corp. Experiences: Chairman of FCFC	38,291,228
Wilfred Wang (Representative of Formosa Petrochemical Corp.)	Bachelor Degree in Engineering, University of London	Current Appointment: Chairman of Formosa Plastic Marine Corp. and Nan Ya Photonics Inc. Experiences: Chairman of FPCC	179,214,423

Name	Education	Major Experience	Shareholding (Share)
Ruey Yu, Wang	MBA, National Taiwan University	Current Appointment: Chairman of Formosa Biomedical Technology Corp. Experiences: Managing Director of FPCC	19,052,421
Ming Jen, Tzou	Associate Degree in Department of Chemical Engineering, Provincial Taipei Institute of Technology	Current Appointment: President of NPC Experiences: Executive Vice President of NPC	188,742
Kuei Yung, Wang	Bachelor Degree in Chemistry, University of London	Current Appointment: Senior Vice President of NPC Experiences: Vice President of NPC	11,164,271
Shen Yi, Lee	Ph.D. in Law, Chinese Culture University	Current Appointment: Vice Chairman of Taiwan New Economy Foundation Independent Director of WIN Semiconductors Corp. and Capital Securities Corp. Experiences: Commissioner, Control Yuan Commissioner, Fair Trade Commission	0
Fong Chin, Lin	Master Degree in Accounting, National Chengchi University	Current Appointment: Senior Vice President of NPC Experiences: Vice President of NPC	25,458
Cheng Chung, Lee	Bachelor Degree in Chemical Engineering, National Central University	Current Appointment: Senior Vice President of NPC Experiences: Vice President of NPC	0

Name	Education	Major Experience	Shareholding (Share)
Zo Chun, Jen (Representative of Formosa Plastics Corp.)	Bachelor Degree in Electrical Engineering, Tatung Institute of Technology	Current Appointment: Consultant of NPC Experiences: Senior Vice President of NPC	783,356,866
Chung-Yueh Shih (Representative of Formosa Chemicals & Fibre Corporation)	Bachelor Degree in Chemical Engineering, National Taiwan University	Current Appointment: Senior Vice President of NPC Experiences: Vice President of NPC	413,327,750
Ching Cheng, Chang (Representative of Freedom Internation Enterprise Company)	Bachelor Degree in Business Administration, Tunghai University	Current Appointment: Director of Fu Tak Investment Company Experiences: Sales Administrator of Feng Hsin Steel Section Manager of Taiwan Securities Co., Ltd.	3,287,472

The related information of the 3 Independent Director Candidates is shown below

Name	Education	Major Experience	Shareholding (Share)
Chih Kang, Wang	Ph.D. in Business Administration, Texas A&M University, USA Honorary Doctor of Law, Hanyang University, Korea	Current Appointment: Chairman of CTBC Venture Capital Co., Ltd. and Taiwan Institute of Economic Research Independent Director of Formosa Sumco Technology Corp. Experiences: Minister of Economic Affairs, Taiwan Chairman of TAITRA, Taiwan and Fuh Hwa Securities Investment Trust Co., Ltd.	0

Name	Education	Major Experience	Shareholding (Share)
Yi Fu, Lin	Bachelor Degree in Accounting and Statistics, National Chengchi University	Current Appointment: Independent Director of Taishin Financial Holding Co., Ltd and Pan German Universal Motors Ltd. Experiences: Minister of Economic Affairs, Minister of State without Portfolio of Executive Yuan Ambassador of WTO	0
Yun Peng, Chu	Ph.D. in Economics, University of Maryland, USA	Current Appointment: Independent Director of China Petrochemical Development Corp. and Asia Cement Corp. Visiting Professor of School of Big Data Management, Soochow University Experiences: Chairman of Taiwan Insurance Guaranty Fund Minister of State without Portfolio of Executive Yuan Commissioner of Fair Trade Commission Director of Research Center for Humanities and Social Science	1,199

Resolution:

Discussion Items (II)   Proposal 1

Proposal: Appropriateness of releasing the newly elected Directors and the juristic person shareholder which appointed their authorized representatives to be elected as directors, from non-competition restrictions. Please discuss and resolve.

Proposed by the Board of Directors

Explanation:

1. According to Article 209 of the Company Act, any Director conducting business for himself/herself or on another's behalf, and the scope of which coincides with the Company's business scope, shall explain at the Shareholders' Meeting the essential contents of such conduct and obtain approval from shareholders in the Meeting.
2. Meanwhile, according to Explanation Letter No.89206938, announced by the Ministry of Economic Affairs dated April 24, 2000, when the juristic person shareholder appoints its authorized representatives to be elected as directors according to Article 27-2 of the Company Act, both the juristic person shareholder and the authorized representatives shall be governed by the non-competition restrictions of Article 209 of the Company Act.
3. The list of newly-elected Directors and the juristic person shareholder who appoints its authorized representatives to be elected as directors in annual Shareholders' Meeting of 2022 as the same or similar duty in other companies within the scope of the Company's business is as follow. Based on the interest of the Company without impairment, it is proposed to release the Directors and juristic person shareholders which appoints its authorized representatives to be elected as directors after having assumed office from non-competition restrictions for approval following Article 209 of the Company Act.

Name	Positions In Other Company
Chia Chau, Wu	Chairman of Nan Ya PCB Corp. Chairman of Nan Chung Petrochemical Corp. Chairman of Nan Ya Plastics (Xiamen) Co., Ltd. Chairman of Nan Ya PCB (Kunshan) Co., Ltd. Chairman of Formosa Industries Corp. Chairman of PT. Indonesia Nanya Indah Plastics Corp. Directors of Formosa Heavy Industries Corp. Directors of Mai Liao Power Corp. Directors of Hwa Ya Power Corp.
Wen Yuan, Wong	Chairman of Taffeta Co., Ltd. Chairman of Taffeta (Zhong Shan) Co., Ltd. Chairman of Taffeta (Chang Shu) Co., Ltd. Managing Director of Formosa Plastics Corp. Managing Director of Formosa Chemical & Fibre Corp. Managing Director of Formosa Petrochemical Corp. Managing Director of Formosa Idemitsu Petrochemical Corp. Director of Formosa Daikin Advanced Chemicals Co., Ltd. Director of Nan Ya PCB Corp. Director of Nan Chung Petrochemical Corp. Director of Formosa Biomedical Technology Corp. Director of Mai Liao Power Corp. Director of Formosa Ineos Chemicals Corp. Director of Formosa Heavy Industries Corp. Director of Formosa Asahi Spandex Co., Ltd. Director of Formosa Chemicals Industries (Ningbo) Co., Ltd. Director of Formosa Power (Ningbo) Ltd. Director of Formosa Plastics Corp. U.S.A.
Wilfred Wang (Representative of Formosa Petrochemical Corp.)	Chairman of Nan Ya Photonics Inc. Managing Director of Formosa Plastics Corp. Managing Director of Formosa Chemicals & Fibre Corp. Managing Director of Formosa Petrochemical Corp. Director of Mai Liao Power Corp. Director of Formosa Heavy Industries Corp. Director of Hwa Ya Power Corp.
Ruey Yu, Wang	Chairman of Formosa Biomedical Technology Corp. Chairman of Formosa Waters Technology Co., Ltd Managing Director of Formosa Chemicals & Fibre Corp. Director of Hong Jing Environmental Corp.
Ming Jen, Tzou	Director of Nan Ya PCB Corp. Director and President of Nan Chung Petrochemical Corp. Director of Nan Ya Photonics Inc. Director of Formosa Industries Corp.
Fong Chin, Lin	Chairman of Nan Ya Plastics (Zheng Zhou) Co., Ltd. Director and President of Nan Ya Plastics (Xiamen) Co., Ltd. Director of Formosa Industries Corp. Director of PT. Indonesia Nanya Indah Plastics Corp.

Name	Positions In Other Company
Chung-Yueh Shih (Representative of Formosa Chemicals & Fibre Corporation)	Director of Nan Chung Petrochemical Corp.
Yun Peng, Chu	Independent Director of China Petrochemical Development Corp. Chairman of Rehoboth Biotech Corp.

Resolution:

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

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2021		December 31, 2020	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (notes 6(a) and (w))	$ 74,549,426	11	55,973,617	10
1110	Current financial assets at fair value through profit or loss (notes 6(b) and (w))	3,793,399	1	3,888,883	1
1120	Current financial assets at fair value through other comprehensive income (notes 6(c), (w), and 8)	42,012,470	6	40,320,070	7
1150	Notes receivable, net (notes 6(d) and (w))	5,942,172	1	6,802,896	1
1170	Accounts receivable, net (notes 6(d) and (w))	53,735,729	8	42,931,578	7
1180	Accounts receivable due from related parties (notes 6(d), (w) and 7)	2,450,080	-	2,316,909	-
1200	Other receivables (note 6(e), (g) and (w))	6,910,305	1	6,533,160	1
1210	Other receivables due from related parties (notes 6(e), (w), and 7)	3,041,118	-	4,526,070	1
130X	Inventories (note 6(f))	57,566,457	9	41,156,747	7
1470	Other current assets	5,906,247	1	4,387,886	1
	Total current assets	255,907,403	38	208,837,816	36
	Non-current assets:				
1510	Non-current financial assets at fair value through profit or loss (notes 6(b) and (w))	665,316	-	558,228	-
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(c) and (w))	25,829,225	4	19,094,939	3
1550	Investments accounted for using equity method (notes 6(g) and 7)	181,363,247	27	162,007,684	28
1600	Property, plant and equipment (notes 6(h),7 and 8)	184,787,735	28	173,463,751	30
1755	Right-of-use assets (notes 6(i) and 7)	935,291	-	979,296	-
1782	Intangible assets (note 6(j))	1,907,305	-	2,100,450	-
1812	Technology development expense	20,826	-	25,542	-
1840	Deferred tax assets (note 6(q))	4,186,428	1	4,777,960	1
1915	Prepayments for purchase of equipment	3,725,893	1	3,154,801	-
1937	Overdue receivables (note 6(d))	-	-	-	-
1975	Net defined benefit asset-non-current (note 6(p))	102,621	-	52,083	-
1990	Other non-current assets	9,264,096	1	9,659,797	2
	Total non-current assets	412,787,983	62	375,874,531	64
	Total assets	$ 668,695,386	100	584,712,347	100

		December 31, 2021		December 31, 2020	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (notes 6(l), (w), and (z))	$ 23,436,269	4	55,121,553	10
2110	Short-term notes and bills payable (notes 6(k), (w) and (z))	16,997,065	3	18,296,579	3
2170	Notes and accounts payable (note 6(w))	15,812,149	2	12,214,602	2
2180	Accounts payable to related parties (notes 6(w) and 7)	8,132,144	1	7,549,472	1
2200	Other payables (including related parties) (note 7)	34,427,955	5	18,986,213	3
2280	Current lease liabilities (notes 6(o), (w), (z), and 7)	91,519	-	115,819	-
2321	Current portion of bonds payable (notes 6(n), (w) and (z))	10,769,524	2	5,747,142	1
2322	Current portion of long-term borrowings (note 6(m), (w) and (z))	2,808,195	-	656,436	-
2399	Other current liabilities	1,504,257	-	1,199,522	-
	Total current liabilities	113,979,077	17	119,887,338	20
	Non-Current liabilities:				
2530	Bonds payable (notes 6(n), (w) and (z))	64,309,591	10	63,581,765	11
2540	Long-term borrowings (notes 6(m), (w) and (z))	21,801,264	3	4,269,309	1
2570	Deferred tax liabilities (note 6(q))	19,799,996	3	17,936,747	3
2580	Non-current lease liabilities (notes 6(o), (w) , (z) and 7)	213,546	-	216,808	-
2640	Net defined benefit liability-non-current (note 6(p))	18,215,155	3	21,454,134	4
2645	Guarantee deposits	840,024	-	672,731	-
2670	Other non-current liabilities	795,963	-	107,037	-
	Total non-current liabilities	125,975,539	19	108,238,531	19
	Total liabilities	239,954,616	36	228,125,869	39
	Equity attributable to owners of parent (notes 6(r)):				
3110	Ordinary shares	79,308,216	12	79,308,216	14
3200	Capital surplus	26,659,037	4	26,523,931	5
3300	Retained earnings	273,458,343	41	212,630,726	36
3400	Others	34,644,494	5	26,153,994	4
36XX	Non-controlling interests	14,670,680	2	11,969,611	2
	Total equity	428,740,770	64	356,586,478	61
	Total liabilities and equity	$ 668,695,386	100	584,712,347	100

See accompanying notes to Consolidated financial statements.

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

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES

Consolidated Statement of Comprehensive Income

For the years ended December 31, 2021 and 2020

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

		2021 Amount	2021 %	2020 Amount	2020 %
4000	**Operating revenue (notes 6(t) and 7)**	$ 411,670,391	100	273,353,806	100
5000	**Operating costs (notes 6(f), (p), (u), 7 and 12)**	307,825,271	75	233,757,221	86
5910	Less: Unrealized (realized) profit from affiliated companies (note 7)	(188)	-	671	-
	Gross profit from operation	103,845,308	25	39,595,914	14
	Operating expenses (notes 6(p), (u), 7 and 12):				
6100	Selling expenses	12,935,585	3	9,495,134	3
6200	Administrative expenses	9,865,758	2	8,881,723	3
6450	Expected credit losses (gains) (notes 6(d))	43,925	-	(1,049)	-
	Total operating expenses	22,845,268	5	18,375,808	6
	Net Operating income	81,000,040	20	21,220,106	8
	Non-operating income and expenses (notes 6(g), (o), (v) and 7):				
7010	Other income	3,570,339	1	4,895,473	2
7020	Other gains and losses	(1,287,504)	-	(1,759,267)	(1)
7050	Finance costs	(1,507,697)	-	(1,316,319)	-
7060	Shares of profit of associates and joint ventures accounted for using equity method	20,748,498	4	6,643,303	2
7100	Interest income	940,279	-	754,444	-
	Total non-operating income and expenses	22,463,915	5	9,217,634	3
	Profit before tax	103,463,955	25	30,437,740	11
7950	Less: Income tax expenses (note 6(q))	18,631,130	4	3,549,649	1
	Profit	84,832,825	21	26,888,091	10
8300	**Other comprehensive income (loss) (note 6(g), (q) and (r)):**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans	(1,669,236)	-	383,748	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	8,439,352	2	(4,671,724)	(2)
8320	Shares of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	2,798,839	-	(757,868)	-
8349	Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(333,260)	-	76,706	-
	Total items that may not be reclassified subsequently to profit and loss	9,902,215	2	(5,122,550)	(2)
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation	(2,916,874)	(1)	(3,015,725)	(1)
8370	Shares of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(21,868)	-	30,107	-
8399	Less: income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total items that may be reclassified subsequently to profit and loss	(2,938,742)	(1)	(2,985,618)	(1)
8300	**Other comprehensive income**	6,963,473	1	(8,108,168)	(3)
8500	**Total comprehensive income**	**$ 91,796,298**	**22**	**18,779,923**	**7**
	Profit, attributable to:				
8610	Owners of parent	$ 81,295,023	20	25,709,049	10
8620	Non-controlling interests	3,537,802	1	1,179,042	-
		$ 84,832,825	**21**	**26,888,091**	**10**
	Comprehensive income attributable to:				
8710	Owners of parent	$ 88,348,263	21	17,624,751	7
8720	Non-controlling interests	3,448,035	1	1,155,172	-
		$ 91,796,298	**22**	**18,779,923**	**7**

		2021 Before Tax	2021 After Tax	2020 Before Tax	2020 After Tax
	Basic earnings per share (note 6(s)):				
9710	Income from continuing operations	$ 13.05	10.70	3.84	3.39
	Income from non-controlling equity	(1.70)	(0.45)	(0.36)	(0.15)
9750	Income attributable to shareholders of the parent	**$ 11.35**	**10.25**	**3.48**	**3.24**

See accompanying notes to Consolidated financial statements.

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

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES

Consolidated Statement of Changes in Equity

For the years ended December 31, 2021 and 2020

(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	Gains (losses) on hedging instruments	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2020	$ 79,308,216	26,617,834	68,600,555	99,841,666	35,662,925	(11,571,431)	46,111,488	631	344,571,884	10,998,816	355,570,700
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	2,307,613	-	(2,307,613)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	3,159,706	(3,159,706)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(17,447,807)	-	-	-	(17,447,807)	-	(17,447,807)
Reversal of special reserve	-	-	-	(1,842)	1,842	-	-	-	-	-	-
Other changes in capital surplus:											
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	-	(38,058)	-	-	-	(38,058)	-	(38,058)
Other changes in capital surplus	-	(93,903)	-	-	-	-	-	-	(93,903)	-	(93,903)
Profit	-	-	-	-	25,709,049	-	-	-	25,709,049	1,179,042	26,888,091
Other comprehensive income	-	-	-	-	425,023	(3,053,963)	(5,485,465)	30,107	(8,084,298)	(23,870)	(8,108,168)
Total comprehensive income	-	-	-	-	26,134,072	(3,053,963)	(5,485,465)	30,107	17,624,751	1,155,172	18,779,923
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(184,377)	(184,377)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(122,627)	-	122,627	-	-	-	-
Balance at December 31, 2020	79,308,216	26,523,931	70,908,168	102,999,530	38,723,028	(14,625,394)	40,748,650	30,738	344,616,867	11,969,611	356,586,478
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	2,597,338	-	(2,597,338)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	3,093,500	(3,093,500)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(19,033,972)	-	-	-	(19,033,972)	-	(19,033,972)
Reversal of special reserve	-	-	-	(9,912)	9,912	-	-	-	-	-	-
Other changes in capital surplus:											
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	-	3,826	-	-	-	3,826	-	3,826
Other changes in capital surplus	-	135,106	-	-	-	-	-	-	135,106	-	135,106
Profit	-	-	-	-	81,295,023	-	-	-	81,295,023	3,537,802	84,832,825
Other comprehensive income	-	-	-	-	(1,415,684)	(2,898,564)	11,389,356	(21,868)	7,053,240	(89,767)	6,963,473
Total comprehensive income	-	-	-	-	79,879,339	(2,898,564)	11,389,356	(21,868)	88,348,263	3,448,035	91,796,298
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(21,576)	-	21,576	-	-	-	-
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(746,966)	(746,966)
Balance at December 31, 2021	$ 79,308,216	26,659,037	73,505,506	106,083,118	93,869,719	(17,523,958)	52,159,582	8,870	414,070,090	14,670,680	428,740,770

See accompanying notes to Consolidated financial statements.

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

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES

Consolidated Statement of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from (used in) operating activities:		
Profit before tax	$ 103,463,955	30,437,740
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	18,163,541	15,222,699
Amortization expense	1,620,649	1,554,777
Expected credit losses (gain)	43,925	(1,049)
Net gain on diposal of financial assets	-	(89,307)
Net (gains) losses on financial assets at fair value through profit or loss	(29,057)	209,673
Interest expense	1,507,697	1,316,319
Interest income	(940,279)	(754,444)
Dividend income	(1,267,679)	(2,234,780)
Shares of profit of associates and joint ventures accounted for using equity method	(20,748,498)	(6,643,303)
Losses on disposal of property, plant and equipment	191,437	30,415
Property, plant and equipment transferred to expenses	44,638	87,679
Gains on disposal of other assets	-	(262,942)
Realized (profit) losses from affiliated companies	(188)	671
Unrealized foreign exchange losses	44,870	206,926
Other revenue, overdue dividends and compensation of board and directors	1,439	3,171
Losses on reversal of impairment loss of property, plant and equipment	120,046	36,198
Total adjustments to reconcile profit (loss)	(1,247,459)	8,682,703
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable	854,643	(1,240,914)
Increase in accounts receivable (including related parties)	(11,037,745)	(6,834,752)
Increase in other receivable	(117,434)	(4,287,411)
Increase in inventories	(15,141,951)	(279,298)
Increase in other current assets	(1,541,685)	(30,884)
Total changes in operating assets	(26,984,172)	(12,673,259)
Increase in notes and accounts payable	4,228,720	3,704,549
Increase in other payable	7,480,414	4,632,131
Increase (decrease) in other current liabilities	129,820	(104,225)
Decrease in net defined benefit liability	(4,958,753)	(395,986)
Total changes in operating liabilities	6,880,201	7,836,469
Total changes in operating assets and liabilities	(20,103,971)	(4,836,790)
Total adjustments	(21,351,430)	3,845,913
Cash inflow generated from operations	82,112,525	34,283,653
Interest received	681,707	790,527
Dividends received	5,324,645	10,064,361
Interest paid	(1,540,899)	(1,925,131)
Income taxes paid	(7,701,670)	(1,579,841)
Net cash flows from operating activities	78,876,308	41,633,569
Cash flows from (used in) investing activities:		
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	10,558	12,500
Proceeds from disposal of financial assets at fair value through profit or loss	-	266,103
Acquisition of investments accounted for using equity method	(884,536)	(847,161)
Proceeds from capital reduction of investments accounted for using equity method	-	8,422
Acquisition of property, plant and equipment	(29,178,142)	(30,134,890)
Proceeds from disposal of property, plant and equipment	779,926	39,974
Increase in refundable deposits	(127,736)	(9,156)
Decrease in other receivables due from related parties	1,484,952	1,399,157
Increase in other non-current assets	(5,392,928)	(3,710,716)
Net cash flows used in investing activities	(33,307,906)	(32,975,767)
Cash flows from (used in) financing activities:		
(Decrease) increase in short-term loans	(31,122,106)	32,098,262
(Decrease) increase in short-term notes and bills payable	(1,300,000)	2,900,000
Proceeds from issuing bonds	11,482,080	9,984,330
Repayments of bonds	(5,750,000)	(4,650,000)
Proceeds from long-term debt	25,272,504	6,554,366
Repayments of long-term debt	(5,444,951)	(19,528,060)
Decrease in other borrowings (long-term notes payables)	-	(5,100,000)
Increase (decrease) in guarantee deposits received	167,293	(40,208)
Payments of lease liabilities	(134,935)	(203,398)
Increase in other non-current liabilities	729,046	29,412
Cash dividends paid	(19,044,329)	(17,460,662)
Change in non-controlling interests	(746,937)	(184,360)
Net cash flows (used in) from financing activities	(25,892,335)	4,399,682
Effect of exchange rate changes on cash and cash equivalents	(1,100,258)	(691,986)
Net increase in cash and cash equivalents	18,575,809	12,365,498
Cash and cash equivalents at beginning of period	55,973,617	43,608,119
Cash and cash equivalents at end of period	**$ 74,549,426**	**55,973,617**

See accompanying notes to Consolidated financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

NAN YA PLASTICS CORPORATION

Balance Sheets

December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current assets:				
1100	Cash and cash equivalents (notes 6(a) and (v))	$ 4,873,673	1	3,763,462	1
1110	Current financial assets at fair value through profit or loss (notes 6(b) and (v))	3,793,399	1	3,888,883	1
1120	Current financial assets at fair value through other comprehensive income (notes 6(c), (v) and 8)	42,012,470	7	40,320,070	8
1150	Notes receivable, net (notes 6(d) and (v))	2,453,442	-	2,009,175	-
1170	Accounts receivable, net (notes 6(d) and (v))	15,790,114	3	11,465,802	2
1180	Accounts receivable due from related parties (notes 6(d), (v) and 7)	6,207,010	1	6,350,992	1
1200	Other receivables (note 6(e), (g) and (v))	1,238,249	-	845,669	-
1210	Other receivables due from related parties (notes 6(e), (v) and 7)	2,779,366	1	4,263,200	1
130X	Inventories (note 6(f))	31,417,949	5	22,279,829	4
1470	Other current assets	2,351,021	-	2,184,221	1
	Total current assets	112,916,693	19	97,371,303	19
	Non-current assets:				
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(c), and (v))	25,443,872	4	18,338,611	3
1550	Investments accounted for using equity method (notes 6(g))	374,263,361	63	330,128,020	63
1600	Property, plant and equipment (note 6(h) and 8)	69,003,216	12	67,150,188	13
1755	Right-of-use assets (note 6(i))	92,923	-	216,511	-
1812	Technology development expense	20,826	-	25,542	-
1840	Deferred tax assets (note 6(p))	3,173,123	1	3,761,242	1
1915	Prepayments for purchase of equipment	1,693,432	-	1,378,684	-
1937	Overdue receivables (note 6(d))	-	-	-	-
1990	Other non-current assets	7,263,799	1	7,336,089	1
	Total non-current assets	480,954,552	81	428,334,887	81
	Total assets	$ 593,871,245	100	525,706,190	100

	Liabilities and Equity	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current liabilities:				
2100	Short-term borrowings (notes 6(k), (v) and (y))	$ 21,087,800	4	30,740,000	6
2110	Short-term notes and bills payable (notes 6(j), (v) and (y))	16,997,065	3	18,296,579	3
2170	Notes and accounts payable (note 6(v))	6,477,517	1	5,473,604	1
2180	Accounts payable to related parties (notes 6(v) and 7)	6,894,921	1	6,362,707	1
2200	Other payables	22,337,336	4	11,510,209	2
2220	Other payables to related parties (notes 6(v), (y) and 7)	-	-	3,000,000	1
2280	Current lease liabilities (notes 6(n), (v), (y), and 7)	16,035	-	62,584	-
2321	Current portion of bonds payable (notes 6(m), (v) and (y))	10,769,524	2	5,747,142	1
2322	Current portion of long-term borrowings (notes 6(l), (v) and (y))	1,800,000	-	500,000	-
2399	Other current liabilities	695,144	-	597,889	-
	Total current liabilities	87,075,342	15	82,290,714	15
	Non-Current liabilities:				
2530	Bonds payable (notes 6(m), (v) and (y))	64,309,591	11	63,581,765	12
2540	Long-term borrowings (notes 6(l), (v) and (y))	-	-	3,800,000	1
2570	Deferred tax liabilities (notes 6(p))	12,958,451	2	12,290,016	2
2580	Non-current lease liabilities (note 6(n), (v), (y), and 7)	78,305	-	155,369	-
2640	Net defined benefit liability-non-current (note 6(o))	14,980,081	2	18,627,384	4
2645	Guarantee deposits	373,628	-	293,359	-
2670	Other non-current liabilities	25,757	-	50,716	-
	Total non-current liabilities	92,725,813	15	98,798,609	19
	Total liabilities	179,801,155	30	181,089,323	34
	Equity(notes 6(q)):				
3110	Ordinary Shares	79,308,216	13	79,308,216	15
3200	Capital surplus	26,659,037	5	26,523,931	5
3300	Retained earnings	273,458,343	46	212,630,726	41
3400	Others	34,644,494	6	26,153,994	5
	Total equity	414,070,090	70	344,616,867	66
	Total liabilities and equity	$ 593,871,245	100	525,706,190	100

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

NAN YA PLASTICS CORPORATION

Statements of Comprehensive Income

For the years ended December 31, 2021 and 2020

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

		2021		2020	
		Amount	%	Amount	%
4000	**Operating revenue, net (notes 6(s) and 7)**	$217,460,911	100	143,405,521	100
5000	**Operating costs (notes 6(f), (o), (t), 7 and 12)**	161,931,476	74	123,020,364	86
5910	**Less: Unrealized (realized) profit from affiliated companies (note 7)**	14,985	-	(16,152)	-
	Gross profit from operations	55,514,450	26	20,401,309	14
	Operating expenses (notes 6(o), (t), 7 and 12):				
6100	Selling expenses	8,045,419	4	5,680,378	4
6200	Administrative expenses	6,182,172	3	5,553,012	4
6450	Expected Credit loss (gain) (notes 6(d))	36,099	-	(6,022)	-
	Total operating expenses	14,263,690	7	11,227,368	8
	Operating income	41,250,760	19	9,173,941	6
	Non-operating income and expenses (notes 6(g), (n), (u) and 7):				
7010	Other income	2,497,389	1	3,508,250	3
7020	Other gains and losses, net	(863,506)	-	(1,062,230)	(1)
7050	Finance costs	(1,140,406)	(1)	(1,260,917)	(1)
7060	Share of profit of associates and joint ventures accounted for using equity method, net	48,228,151	22	17,182,310	12
7100	Interest income	48,973	-	87,821	-
	Total non-operating income and expenses	48,770,601	22	18,455,234	13
	Profit before income tax	90,021,361	41	27,629,175	19
7950	Less: Income tax expenses(notes 6(p))	8,726,338	4	1,920,126	1
	Profit	81,295,023	37	25,709,049	18
8300	**Other comprehensive income(loss) (notes 6(c),(g),(p) and (q)):**				
8310	**Components of other comprehensive income that will not be reclassified to profit or loss**				
8311	Gains (losses) on remeasurements of defined benefit plans	(1,254,827)	(1)	508,931	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	8,803,955	5	(11,455,198)	(8)
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	2,173,579	1	5,987,611	4
8349	Less : income tax related to components of other comprehensive income that will not be reclassified to profit or loss	(250,965)	-	101,786	-
	Total items that may not be reclassified subsequently to profit and loss	9,973,672	5	(5,060,442)	(4)
8360	**Components of other comprehensive income (loss) that will be reclassified to profit or loss**				
8361	Exchange differences on translation of foreign financial statements	(2,898,564)	(1)	(3,053,963)	(2)
8380	Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using equity method, components of other comprehensive income that will be reclassified to profit or loss	(21,868)	-	30,107	-
8399	Less : income tax related to components of other comprehensive income that will be reclassified to profit or loss	-	-	-	-
	Total items that may be reclassified subsequently to profit or loss	(2,920,432)	(1)	(3,023,856)	(2)
8300	**Other comprehensive income**	7,053,240	4	(8,084,298)	(6)
8500	**Total comprehensive income**	$ 88,348,263	41	17,624,751	12

		2021 Before Tax	2021 After Tax	2020 Before Tax	2020 After Tax
	Basic earnings per share (note 6(r)) :	$ 11.35	10.25	3.48	3.24

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

NAN YA PLASTICS CORPORATION

Statements of Changes in Equity

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

			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	Gains (losses) on hedging instruments	Total equity
Balance at January 1, 2020	$ 79,308,216	26,617,834	68,600,555	99,841,666	35,662,925	(11,571,431)	46,111,488	631	344,571,884
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	2,307,613	-	(2,307,613)	-	-	-	-
Special reserve appropriated	-	-	-	3,159,706	(3,159,706)	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(17,447,807)	-	-	-	(17,447,807)
Reversal of special reserve	-	-	-	(1,842)	1,842	-	-	-	-
Other changes in capital surplus:									
Other changes in capital surplus	-	(93,903)	-	-	-	-	-	-	(93,903)
Profit	-	-	-	-	25,709,049	-	-	-	25,709,049
Other comprehensive income	-	-	-	-	425,023	(3,053,963)	(5,485,465)	30,107	(8,084,298)
Total comprehensive income	-	-	-	-	26,134,072	(3,053,963)	(5,485,465)	30,107	17,624,751
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	-	(38,058)	-	-	-	(38,058)
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(122,627)	-	122,627	-	-
Balance at December 31, 2020	79,308,216	26,523,931	70,908,168	102,999,530	38,723,028	(14,625,394)	40,748,650	30,738	344,616,867
Appropriation and distribution of retained earnings:									
Legal reserve appropriated	-	-	2,597,338	-	(2,597,338)	-	-	-	-
Special reserve appropriated	-	-	-	3,093,500	(3,093,500)	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(19,033,972)	-	-	-	(19,033,972)
Reversal of special reserve	-	-	-	(9,912)	9,912	-	-	-	-
Other changes in capital surplus:									
Other changes in capital surplus	-	135,106	-	-	-	-	-	-	135,106
Profit	-	-	-	-	81,295,023	-	-	-	81,295,023
Other comprehensive income	-	-	-	-	(1,415,684)	(2,898,564)	11,389,356	(21,868)	7,053,240
Total comprehensive income	-	-	-	-	79,879,339	(2,898,564)	11,389,356	(21,868)	88,348,263
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	-	3,826	-	-	-	3,826
Disposal of investments in equity instruments designated at fair value through other comprehensive income	-	-	-	-	(21,576)	-	21,576	-	-
Balance at December 31, 2021	$ 79,308,216	26,659,037	73,505,506	106,083,118	93,869,719	(17,523,958)	52,159,582	8,870	414,070,090

See accompanying notes to financial statements.

(English Translation of Financial Statements and Report Originally Issued in Chinese)

NAN YA PLASTICS CORPORATION

Statements of Cash Flows

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars)

	2021	2020
Cash flows from (used in) operating activities:		
Profit before tax	$ 90,021,361	27,629,175
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	6,522,060	5,952,338
Amortization expense	1,212,761	1,192,773
Expected credit gain	36,099	(6,022)
Net losses on financial assets or liabilities at fair value through profit or loss	95,484	155,473
Interest expense	1,140,406	1,260,917
Interest income	(48,973)	(87,821)
Dividend income	(1,236,905)	(2,203,267)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	(48,228,151)	(17,182,310)
losses (Gains) on Disposal of property, plant and equipment	133,396	(7,930)
Property, plant and equipment transferred to expenses	3,673	463
Gains on disposal of other assets	(784)	-
Realized losses (gains) from affiliated companies	14,985	(16,152)
Unrealized foreign exchange loss	26,079	120,996
Total adjustments to reconcile profit (loss)	(40,329,870)	(10,820,542)
Changes in operating assets and liabilities:		
(Increase) decrease in notes receivable	(450,348)	31,599
Increase in accounts receivable (including related parties)	(4,289,852)	(1,864,472)
(Increase) decrease in other receivable	(344,776)	125,626
Increase in inventories	(7,870,361)	(1,209,052)
Increase in other current assets	(166,800)	(172,740)
Total changes in operating assets	(13,122,137)	(3,089,039)
Increase in notes and accounts payable (including related parties)	1,584,167	863,324
Increase (decrease) in other payable	5,127,054	(691,122)
Increase (decrease) in other current liabilities	97,255	(61,636)
Decrease in net defined benefit liability	(4,902,130)	(287,817)
Total changes in operating liabilities	1,906,346	(177,251)
Total changes in operating assets and liabilities	(11,215,791)	(3,266,290)
Total adjustments	(51,545,661)	(14,086,832)
Cash inflow generated from operations	38,475,700	13,542,343
Interest received	51,400	89,867
Dividends received	6,893,110	10,426,814
Interest paid	(1,140,637)	(1,268,746)
Income taxes paid	(1,507,671)	(115,188)
Net cash flows from operating activities	42,771,902	22,675,090
Cash flows from (used in) investing activities:		
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	5,963	12,500
Acquisition of investments accounted for using equity method	(2,276,324)	(1,739,532)
Proceeds from capital reduction of investments accounted for using equity method	-	8,658
Acquisition of property, plant and equipment	(5,814,777)	(6,339,324)
Proceeds from disposal of property, plant and equipment	58,623	17,299
Increase in refundable deposits	(83,804)	(18,408)
Decrease in other receivables due from related parties	1,483,834	1,377,619
Increase in other non-current assets	(5,319,501)	(3,483,355)
Net cash flows used in investing activities	(11,945,986)	(10,164,543)
Cash flows from (used in) financing activities:		
(Decrase) increase in short-term loans	(9,651,739)	8,296,682
(Decrase) increase in short-term notes and bills payable	(1,300,000)	2,900,000
Proceeds from issuing bonds	11,482,080	9,984,330
Repayments of bonds	(5,750,000)	(4,650,000)
Proceeds from long-term debt	2,000,000	2,000,000
Repayments of long-term debt	(4,500,000)	(6,000,000)
Decrease in long-term notes payable	-	(5,100,000)
Increase in guarantee deposits	80,269	5,121
Decrease in other payables to related parties	(3,000,000)	(1,000,000)
Payment of lease liabilities	(35,148)	(88,096)
Increase in other non-current liabilities	15,164	28,387
Cash dividends paid	(19,044,330)	(17,460,662)
Net cash flows used in financing activities	(29,703,704)	(11,084,238)
Effect of exchange rate changes on cash and cash equivalents	(12,001)	(61,806)
Net increase in cash and cash equivalents	1,110,211	1,364,503
Cash and cash equivalents at beginning of period	3,763,462	2,398,959
Cash and cash equivalents at end of period	$ **4,873,673**	**3,763,462**

See accompanying notes to financial statements.

NAN YA PLASTICS CORPORATION

Statement of Profits Distribution

For the year of 2021

Unit：NT$

Items	Amount
Available for Distribution:	
1. Unappropriated retained earnings of previous years	13,998,218,324
2. Net Income of 2021	81,295,023,436
3. Reversal of Special Reserve	9,911,358
4. Change in retained earnings resulting from Other Comprehensive Income	-1,433,434,466
Total	93,869,718,652
Distribution Items:	
1.Appropriation of Legal Reserve (10% of the Net Income)	7,986,158,897
2.Appropriation of Special Reserve (unrealized investing profit under equity method)	6,587,647,426
3.Distribution of dividends and bonuses in cash ($7.5 per share)	59,481,161,918
4.Unappropriated retained earnings	19,814,750,411
Total	93,869,718,652

Explanation
1. The proposed distribution is $7.5 per share, including dividend of $2.311 and bonus of $5.189. The total distribution amount to NT$59,481,161,918, all of which are from the net income of 2021. 2. Legal Reserve is appropriated at 10% of the total of Net Income and Change in retained earnings results from items other than Net Income. 3. Reversal of Special Reserve is to revert the Special Reserve formerly appropriated from the asset revaluation increments as the relevant assets are disposed. 4. Change in retained earnings results from items other than Net Income is mainly due to the remeasurement of defined benefit obligation. 5. The distribution of dividends and bonuses will be rounded to the nearest dollar for each individual shareholder.