

**NAN YA PLASTICS CORPORATION AND
SUBSIDIARIES**

Consolidated Financial Statements

**With Independent Auditors' Review Report
For the Nine Months Ended September 30, 2022 and 2021**

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

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Independent Auditors' Review Report

To the Board of Directors of NAN YA PLASTICS CORPORATION:

Introduction

We have reviewed the accompanying consolidated balance sheets of NAN YA PLASTICS CORPORATION and its subsidiaries (the "Consolidated Company") as of September 30, 2022 and 2021, and the related consolidated statements of comprehensive income for the three months and nine months ended September 30, 2022 and 2021, as well as the changes in equity and cash flows for the nine months then ended and notes to the consolidated financial statements, including a summary of significant accounting policies. Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the Basis for Qualified Conclusion paragraph, we conducted our reviews in accordance with Statement of Auditing Standards 65, "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of the consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the generally accepted auditing standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Note 4 (b), the consolidated financial statements included the financial statements of certain non-significant subsidiaries, which were not reviewed by independent auditors. These financial statements reflect the total assets amounting to \$100,204,047 thousand and \$83,418,662 thousand, constituting 14.71% and 12.82% of the consolidated total assets; and the total liabilities amounting to \$42,191,102 thousand and \$32,941,431 thousand, constituting 15.10% and 13.78% of the consolidated total liabilities as of September 30, 2022 and 2021, respectively; as well as the total comprehensive income (loss) amounting to \$2,446,118 thousand, \$925,440 thousand, \$6,537,549 thousand and \$525,946 thousand, constituting (454.48)%, 2.83%, 18.88% and 0.71% of the consolidated total comprehensive income (loss) for the three months and nine months ended September 30, 2022 and 2021, respectively.

Furthermore, as stated in Note 6 (g), the other equity accounted investments of the Consolidated Company in its investee companies of \$41,308,441 thousand and \$41,357,803 thousand as of September 30, 2022 and 2021, respectively, and its equity in net earnings on these investee companies of \$(558,807) thousand, \$225,578 thousand, \$(1,826,107) thousand and \$1,093,342 thousand for the three months and nine months ended September 30, 2022 and 2021, respectively, were recognized solely on the financial statements prepared by these investee companies, but not reviewed by independent auditors.

Qualified Conclusion

Except for the adjustments, if any, as might have been determined to be necessary had the financial statements of certain consolidated subsidiaries and equity accounted investee companies described in the Basis for Qualified Conclusion paragraph above been reviewed by independent auditors, based on our reviews, nothing has come to our attention that causes us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Consolidated Company as of September 30, 2022 and 2021, and of its consolidated financial performance for the three months and nine months ended September 30, 2022 and 2021, as well as its consolidated cash flows for the nine months ended September 30, 2022 and 2021 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Other Matter

We did not review the financial statements of certain subsidiaries of the Consolidated Company. Those financial statements were reviewed by other auditors, whose review reports have been furnished to us, and our conclusion, insofar as it relates to the amounts included for those subsidiaries, is based solely on the review reports of other auditors. The financial statements of those subsidiaries reflect the total assets amounting to \$128,264,954 thousand and \$129,873,759 thousand, constituting 18.83% and 19.96% of the consolidated total assets as of September 30, 2022 and 2021, respectively; and the total operating revenues amounting to \$18,889,823 thousand, \$30,599,647 thousand, \$63,896,559 thousand and \$85,960,136 thousand, constituting 22.87%, 27.84%, 22.87% and 28.31% of the consolidated total operating revenues for the three months and nine months ended September 30, 2022 and 2021, respectively.

We did not review the financial statements of certain investee companies, which represented the investment in other entities accounted for using the equity method of the Consolidated Company. Those financial statements were reviewed by another auditor, whose review report has been furnished to us, and our conclusion, insofar as it relates to the amounts included for those investee companies, is based solely on the review report of another auditor. The aforementioned investments accounted for using the equity method amounted to \$75,391,669 thousand and \$80,287,643 thousand, constituting 11.07% and 12.34% of the consolidated total assets as of September 30, 2022 and 2021, respectively; and the related shares of profit of associates and joint ventures accounted for using the equity method amounted to \$(1,450,397) thousand, \$2,378,239 thousand, \$5,617,359 thousand and \$9,658,485 thousand, constituting (22.83)%, 7.99%, 12.45% and 12.04% of the consolidated total profit before tax for the three months and nine months ended September 30, 2022 and 2021, respectively.

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

Ko, Hui-Chih and Yu, Chi-Lung.

KPMG

Taipei, Taiwan (Republic of China)
November 9, 2022

Notes to Readers

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

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

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with the generally accepted auditing standards as of September 30, 2022 and 2021

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES

Consolidated Balance Sheets

September 30, 2022, December 31 and September 30, 2021

(Expressed in Thousands of New Taiwan Dollars)

		September 30, 2022		December 31, 2021		September 30, 2021				September 30, 2022		December 31, 2021		September 30, 2021	
Assets		Amount	%	Amount	%	Amount	%	Liabilities and Equity		Amount	%	Amount	%	Amount	%
Current assets:															
1100	Cash and cash equivalents (notes 6(a) and (w))	\$ 86,894,663	13	74,549,426	11	67,321,587	10	2100	Short-term borrowings (notes 6(l), (w) and (z))	\$ 40,975,235	6	23,436,269	4	30,286,462	5
1110	Current financial assets at fair value through profit or loss (notes 6(b) and (w))	1,600,384	-	3,793,399	1	3,814,798	1	2110	Short-term notes and bills payable (notes 6(k), (w) and (z))	30,926,904	5	16,997,065	3	17,296,394	3
1120	Current financial assets at fair value through other comprehensive income (notes 6(c), (w) and 8)	35,238,991	5	42,012,470	6	45,248,616	7	2170	Notes and accounts payable (note 6(w))	14,768,641	2	15,812,149	2	13,636,906	2
1150	Notes receivable, net (notes 6(d) and (w))	4,332,088	1	5,942,172	1	8,114,501	1	2180	Accounts payable to related parties (notes 6(w) and 7)	6,095,309	1	8,132,144	1	9,601,831	1
1170	Accounts receivable, net (notes 6(d) and (w))	46,727,032	7	53,735,729	8	56,281,706	9	2200	Other payables (including related parties) (note 7)	32,466,399	5	34,427,955	5	29,736,230	5
1180	Accounts receivable due from related parties (notes 6(d), (w) and 7)	2,184,142	-	2,450,080	-	1,776,082	-	2280	Current lease liabilities(notes 6(o), (w), (z) and 7)	125,781	-	91,519	-	83,094	-
1200	Other receivables (notes 6(e) and (w))	7,897,795	1	6,910,305	1	6,546,227	1	2321	Current portion of bonds payable (notes 6(n), (w) and (z))	9,870,329	1	10,769,524	2	7,670,872	1
1210	Other receivables due from related parties (notes 6(e), (w) and 7)	2,230,342	-	3,041,118	-	3,325,301	-	2322	Current portion of long-term borrowings (notes 6(m), (w) and (z))	7,134,860	1	2,808,195	-	2,257,285	-
								2399	Other current liabilities	2,669,588	-	1,504,257	-	1,474,188	-
									Total current liabilities	145,033,046	21	113,979,077	17	112,043,262	17
130X	Inventories (note 6(f))	57,108,432	9	57,566,457	9	50,531,019	8	Non-Current liabilities:							
1470	Other current assets	5,807,816	1	5,906,247	1	5,535,254	1	2530	Bonds payable (notes 6(n), (w) and (z))	57,547,074	9	64,309,591	10	67,403,643	10
	Total current assets	250,021,685	37	255,907,403	38	248,495,091	38	2540	Long-term borrowings (notes 6(m), (w) and (z))	32,234,701	5	21,801,264	3	22,822,395	4
Non-current assets:															
1510	Non-current financial assets at fair value through profit or loss (notes (b) and (w))	353,404	-	665,316	-	545,657	-	2570	Deferred tax liabilities	19,250,560	3	19,799,996	3	18,524,981	3
1517	Non-current financial assets at fair value through other comprehensive income (notes 6(c) and (w))	20,506,518	3	25,829,225	4	24,403,671	4	2580	Non-current lease liabilities (notes 6(o), (w), (z) and 7)	292,398	-	213,546	-	193,260	-
1550	Investments accounted for using equity method (notes 6(g) and 7)	177,739,971	26	181,363,247	27	176,805,948	27	2640	Net defined benefit liability-non-current	16,236,192	2	18,215,155	3	16,628,548	3
1600	Property, plant and equipment (notes 6(h), 7 and 8)	205,821,135	30	184,787,735	28	180,472,893	28	2645	Guarantee deposits	779,446	-	840,024	-	753,812	-
1755	Right-of-use assets (notes 6(i) and 7)	1,047,057	-	935,291	-	902,711	-	2670	Other non-current liabilities	8,083,416	1	795,963	-	760,847	-
1782	Intangible assets (note 6(j))	1,762,448	-	1,907,305	-	1,955,592	-		Total non-current liabilities	134,423,787	20	125,975,539	19	127,087,486	20
1812	Technology development expense	17,290	-	20,826	-	22,005	-		Total liabilities	279,456,833	41	239,954,616	36	239,130,748	37
1840	Deferred tax assets	3,816,504	1	4,186,428	1	3,933,830	1	Equity attributable to owners of parent (note 6(r)):							
1915	Prepayments for purchase of equipment	9,637,288	1	3,725,893	1	3,510,142	1	3110	Ordinary shares	79,308,216	12	79,308,216	12	79,308,216	12
1937	Overdue receivables (note 6(d))	-	-	-	-	-	-	3200	Capital surplus	26,690,791	4	26,659,037	4	26,652,356	4
1990	Other non-current assets	10,502,919	2	9,366,717	1	9,551,143	1	3300	Retained earnings	246,749,665	36	273,458,343	41	257,434,991	40
	Total non-current assets	431,204,534	63	412,787,983	62	402,103,592	62	3400	Others	31,763,890	5	34,644,494	5	34,568,419	5
								36XX	Non-controlling interests	17,256,824	2	14,670,680	2	13,503,953	2
									Total equity	401,769,386	59	428,740,770	64	411,467,935	63
	Total assets	\$ 681,226,219	100	668,695,386	100	650,598,683	100		Total liabilities and equity	\$ 681,226,219	100	668,695,386	100	650,598,683	100

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES

Consolidated Statement of Comprehensive Income

For the three months and nine months ended September 30, 2022 and 2021

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

	For the three months ended September 30				For the nine months ended September 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
4000 Operating revenue (notes 6(t) and 7)	\$ 82,588,422	100	109,928,221	100	279,412,580	100	303,626,893	100
5000 Operating costs (notes 6(f), (p), (u), 7 and 12)	74,128,147	90	81,124,412	74	235,490,739	84	224,985,286	74
5910 Less: Unrealized (realized) profit from affiliated companies (note 7)	12,370	-	11,447	-	7,987	-	16,072	-
Gross profit from operation	<u>8,447,905</u>	<u>10</u>	<u>28,792,362</u>	<u>26</u>	<u>43,913,854</u>	<u>16</u>	<u>78,625,535</u>	<u>26</u>
Operating expenses (notes 6(p), (u), 7 and 12):								
6100 Selling expenses	2,931,293	3	3,327,437	3	10,005,311	3	9,422,214	3
6200 Administrative expenses	2,375,961	3	2,819,588	2	7,143,782	3	7,307,294	3
6450 Expected credit (gains) losses (note 6(d))	(41,379)	-	14,807	-	(52,923)	-	36,099	-
Total operating expenses	<u>5,265,875</u>	<u>6</u>	<u>6,161,832</u>	<u>5</u>	<u>17,096,170</u>	<u>6</u>	<u>16,765,607</u>	<u>6</u>
Net Operating income	<u>3,182,030</u>	<u>4</u>	<u>22,630,530</u>	<u>21</u>	<u>26,817,684</u>	<u>10</u>	<u>61,859,928</u>	<u>20</u>
Non-operating income and expenses (notes 6(g), (o), (v) and 7):								
7010 Other income	3,376,631	4	1,747,412	1	5,902,901	2	3,008,288	-
7020 Other gains and losses	1,330,857	2	44,458	-	4,479,291	2	(967,093)	-
7050 Finance costs	(685,467)	(1)	(425,255)	-	(1,446,785)	(1)	(1,147,674)	-
7060 Shares of profit of associates and joint ventures accounted for using equity method	(1,339,019)	(2)	5,514,184	5	8,309,471	3	16,835,908	6
7100 Interest income	488,929	1	235,326	-	1,053,200	-	657,628	-
Total non-operating income and expenses	<u>3,171,931</u>	<u>4</u>	<u>7,116,125</u>	<u>6</u>	<u>18,298,078</u>	<u>6</u>	<u>18,387,057</u>	<u>6</u>
Profit before tax	<u>6,353,961</u>	<u>8</u>	<u>29,746,655</u>	<u>27</u>	<u>45,115,762</u>	<u>16</u>	<u>80,246,985</u>	<u>26</u>
7950 Less: Income tax expenses (note 6(q))	1,145,853	2	5,552,308	5	7,728,315	3	14,075,790	4
Profit	<u>5,208,108</u>	<u>6</u>	<u>24,194,347</u>	<u>22</u>	<u>37,387,447</u>	<u>13</u>	<u>66,171,195</u>	<u>22</u>
8300 Other comprehensive income (loss) (notes 6(g), (q) and (r)):								
8310 Components of other comprehensive income that will not be reclassified to profit or loss								
8316 Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	(10,240,482)	(13)	7,167,611	7	(12,119,307)	(4)	10,248,144	3
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	(2,779,122)	(3)	1,730,985	1	(6,916,665)	(3)	1,843,865	1
8349 Less: income tax related to components of other comprehensive income that will not be reclassified to profit or loss	-	-	-	-	-	-	-	-
Total items that may not be reclassified subsequently to profit and loss	<u>(13,019,604)</u>	<u>(16)</u>	<u>8,898,596</u>	<u>8</u>	<u>(19,035,972)</u>	<u>(7)</u>	<u>12,092,009</u>	<u>4</u>
8360 Components of other comprehensive income (loss) that will be reclassified to profit or loss								
8361 Exchange differences on translation	7,291,857	9	(420,742)	-	16,278,525	6	(3,714,250)	(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	(18,584)	-	(15,185)	-	(9,376)	-	(18,734)	-
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	<u>7,273,273</u>	<u>9</u>	<u>(435,927)</u>	<u>-</u>	<u>16,269,149</u>	<u>6</u>	<u>(3,732,984)</u>	<u>(1)</u>
8300 Other comprehensive income	<u>(5,746,331)</u>	<u>(7)</u>	<u>8,462,669</u>	<u>8</u>	<u>(2,766,823)</u>	<u>(1)</u>	<u>8,359,025</u>	<u>3</u>
8500 Total comprehensive income	<u>\$ (538,223)</u>	<u>(1)</u>	<u>32,657,016</u>	<u>30</u>	<u>34,620,624</u>	<u>12</u>	<u>74,530,220</u>	<u>25</u>
Profit, attributable to:								
8610 Owners of parent	\$ 3,374,908	4	23,138,332	21	32,770,161	12	63,832,427	21
8620 Non-controlling interests	1,833,200	2	1,056,015	1	4,617,286	1	2,338,768	1
	<u>\$ 5,208,108</u>	<u>6</u>	<u>24,194,347</u>	<u>22</u>	<u>37,387,447</u>	<u>13</u>	<u>66,171,195</u>	<u>22</u>
Comprehensive income attributable to:								
8710 Owners of parent	\$ (2,419,558)	(3)	31,616,470	29	29,889,557	11	72,246,852	24
8720 Non-controlling interests	1,881,335	2	1,040,546	1	4,731,067	1	2,283,368	1
	<u>\$ (538,223)</u>	<u>(1)</u>	<u>32,657,016</u>	<u>30</u>	<u>34,620,624</u>	<u>12</u>	<u>74,530,220</u>	<u>25</u>
Basic earnings per share (note 6(s)):								
9710 Income from continuing operations	\$ 0.80	0.66	3.75	3.05	5.69	4.71	10.12	8.34
Income from non-controlling equity	(0.44)	(0.23)	(0.52)	(0.13)	(1.34)	(0.58)	(1.24)	(0.29)
9750 Income attributable to shareholders of the parent	<u>\$ 0.36</u>	<u>0.43</u>	<u>3.23</u>	<u>2.92</u>	<u>4.35</u>	<u>4.13</u>	<u>8.88</u>	<u>8.05</u>

See accompanying notes to Consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES

Consolidated Statement of Changes in Equity
For the nine months ended September 30, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent					Items of other equity interest			Total equity attributable to owners of parent	Non-controlling interests	Total equity
	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			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings						
Balance at January 1, 2021	\$ 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	-	-	-	(6,559)	6,559	-	-	-	-	-	-
Other changes in capital surplus:											
Changes in equity of associates and joint ventures accounted for using equity method	-	-	-	-	5,810	-	-	-	5,810	-	5,810
Other changes in capital surplus	-	128,425	-	-	-	-	-	-	128,425	-	128,425
Profit	-	-	-	-	63,832,427	-	-	-	63,832,427	2,338,768	66,171,195
Other comprehensive income	-	-	-	-	-	(3,659,303)	12,092,462	(18,734)	8,414,425	(55,400)	8,359,025
Total comprehensive income	-	-	-	-	63,832,427	(3,659,303)	12,092,462	(18,734)	72,246,852	2,283,368	74,530,220
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(749,026)	(749,026)
Balance at September 30, 2021	<u>\$ 79,308,216</u>	<u>26,652,356</u>	<u>73,505,506</u>	<u>106,086,471</u>	<u>77,843,014</u>	<u>(18,284,697)</u>	<u>52,841,112</u>	<u>12,004</u>	<u>397,963,982</u>	<u>13,503,953</u>	<u>411,467,935</u>
Balance at January 1, 2022	\$ 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
Appropriation and distribution of retained earnings:											
Legal reserve appropriated	-	-	7,986,159	-	(7,986,159)	-	-	-	-	-	-
Special reserve appropriated	-	-	-	6,587,648	(6,587,648)	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(59,481,162)	-	-	-	(59,481,162)	-	(59,481,162)
Reversal of special reserve	-	-	-	(54)	54	-	-	-	-	-	-
Other changes in capital surplus:											
Other changes in capital surplus	-	31,754	-	-	2,323	-	-	-	34,077	-	34,077
Profit	-	-	-	-	32,770,161	-	-	-	32,770,161	4,617,286	37,387,447
Other comprehensive income	-	-	-	-	-	16,159,206	(19,030,434)	(9,376)	(2,880,604)	113,781	(2,766,823)
Total comprehensive income	-	-	-	-	32,770,161	16,159,206	(19,030,434)	(9,376)	29,889,557	4,731,067	34,620,624
Changes in non-controlling interests	-	-	-	-	-	-	-	-	-	(2,144,923)	(2,144,923)
Balance at September 30, 2022	<u>\$ 79,308,216</u>	<u>26,690,791</u>	<u>81,491,665</u>	<u>112,670,712</u>	<u>52,587,288</u>	<u>(1,364,752)</u>	<u>33,129,148</u>	<u>(506)</u>	<u>384,512,562</u>	<u>17,256,824</u>	<u>401,769,386</u>

See accompanying notes to Consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES

Consolidated Statement of Cash Flows

For the nine months ended September 30, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

	For the nine months ended September 30	
	2022	2021
Cash flows from (used in) operating activities:		
Profit before tax	\$ 45,115,762	80,246,985
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	14,574,710	13,466,865
Amortization expense	836,089	1,248,602
Expected credit (gains) losses	(52,923)	36,099
Net losses on financial assets at fair value through profit or loss	148,540	74,085
Interest expense	1,446,785	1,147,674
Interest income	(1,053,200)	(657,628)
Dividend income	(3,512,763)	(1,267,007)
Shares of profit of associates and joint ventures accounted for using equity method	(8,309,471)	(16,835,908)
(Gains) losses on disposal of property, plant and equipment	(671,389)	181,893
Property, plant and equipment transferred to expenses	2,012	3,673
Gains on disposal of other assets	(38)	-
Realized losses from affiliated companies	7,987	16,072
Unrealized foreign exchange gains	(1,096,694)	(121,111)
Other revenue, overdue dividends and compensation of board and directors	2,390	1,439
Gain on reversal of impairment loss of property, plant and equipment	-	(724)
Total adjustments to reconcile profit (loss)	2,322,035	(2,705,976)
Changes in operating assets and liabilities:		
Decrease (increase) in notes receivable	1,619,117	(1,312,659)
Decrease (increase) in accounts receivable (including related parties)	7,794,492	(12,790,629)
(Increase) decrease in other receivable	(829,338)	121,855
Increase in inventories	(175,971)	(8,641,040)
Decrease (increase) in other current assets	63,001	(1,165,041)
Total changes in operating assets	8,471,301	(23,787,514)
(Decrease) increase in notes and accounts payable (including related parties)	(3,123,089)	3,516,540
Increase in other payable	2,671,109	2,538,447
Increase in other current liabilities	1,165,331	215,631
Decrease in net defined benefit liability	(1,876,342)	(4,773,503)
Total changes in operating liabilities	(1,162,991)	1,497,115
Total changes in operating assets and liabilities	7,308,310	(22,290,399)
Total adjustments	9,630,345	(24,996,375)
Cash inflow generated from operations	54,746,107	55,250,610
Interest received	895,048	522,706
Dividends received	15,656,793	5,271,324
Interest paid	(1,372,104)	(1,106,439)
Income taxes paid	(12,750,408)	(4,475,073)
Net cash flows from operating activities	57,175,436	55,463,128
Cash flows from (used in) investing activities:		
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	4,250	10,558
Proceeds from disposal of financial assets at fair value through profit or loss	2,422,695	-
Acquisition of investments accounted for using equity method	(1,000,000)	(884,536)
Acquisition of property, plant and equipment	(24,423,056)	(20,822,477)
Proceeds from disposal of property, plant and equipment	787,309	735,853
Increase in refundable deposits	(606,526)	(95,682)
Decrease in other receivables due from related parties	810,776	1,200,769
Increase in other non-current assets	(9,646,570)	(4,207,958)
Net cash flows used in investing activities	(31,651,122)	(24,063,473)
Cash flows from (used in) financing activities:		
Increase (decrease) in short-term loans	17,447,832	(24,270,086)
Increase (decrease) in short-term notes and bills payable	13,950,000	(1,000,000)
Proceeds from issuing bonds	-	11,482,080
Repayments of bonds	(7,675,000)	(5,750,000)
Proceeds from long-term debt	14,750,000	24,718,163
Repayments of long-term debt	(3,202,247)	(4,548,000)
(Decrease) increase in guarantee deposits received	(60,578)	81,081
Payments of lease liabilities	(83,862)	(102,640)
Increase in other non-current liabilities	7,327,907	696,762
Cash dividends paid	(59,368,478)	(19,033,614)
Change in non-controlling interests	(2,144,920)	(748,997)
Net cash flows used in from financing activities	(19,059,346)	(18,475,251)
Effect of exchange rate changes on cash and cash equivalents	5,880,269	(1,576,434)
Net increase in cash and cash equivalents	12,345,237	11,347,970
Cash and cash equivalents at beginning of period	74,549,426	55,973,617
Cash and cash equivalents at end of period	\$ 86,894,663	67,321,587

See accompanying notes to Consolidated financial statements.

(English Translation of Consolidated Financial Statements Originally Issued in Chinese)
Reviewed only, not audited in accordance with generally accepted auditing standards

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

September 30, 2022 and 2021

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

(1) Company history

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

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

The accompanying consolidated financial statements were approved and authorized for issuance by the Board of Directors on November 9, 2022.

(3) New standards, amendments and interpretations adopted:

- (a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2022:

- Amendments to IAS 16 “Property, Plant and Equipment—Proceeds before Intended Use”
- Amendments to IAS 37 “Onerous Contracts—Cost of Fulfilling a Contract”
- Annual Improvements to IFRS Standards 2018–2020
- Amendments to IFRS 3 “Reference to the Conceptual Framework”

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

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2023, would not have a significant impact on its consolidated financial statements:

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

(Continued)

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

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

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

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

(4) Summary of significant accounting policies:

- (a) Statement of compliance

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

Except the following accounting policies mentioned below, the significant accounting policies adopted in the consolidated financial statements are the same as those in the consolidated financial statement for the year ended December 31, 2021. For the related information, please refer to note 4 of the consolidated financial statements for the year ended December 31, 2021.

- (b) Basis of consolidation

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

Investor	The name of subsidiaries	Business activity	Shareholding			Note
			September 30, 2022	December 31, 2021	September 30, 2021	
The Company	Nan Ya Plastics Corporation U.S.A.	production of plastic products	100.00 %	100.00 %	100.00 %	Note 1
The Company	Nan Ya Plastics Corporation America	production of plastic, polyester and chemical products	100.00 %	100.00 %	100.00 %	Note 1
The Company	Formosa Plastics Group Investment Corp.	investment	100.00 %	100.00 %	100.00 %	Note 1
The Company	Nan Ya Plastics (Hong Kong) Co., Ltd.	plastics and electronic products trading, investment	100.00 %	100.00 %	100.00 %	
The Company	Superior World Wide Trading Co., Ltd.	plastics trading, investment	100.00 %	100.00 %	100.00 %	Note 1
The Company	Nan Ya PCB Corporation	production of printed circuit board	66.67 %	66.97 %	66.97 %	
The Company	Wen Fung Industrial Co., Ltd.	production of electronic components	100.00 %	100.00 %	100.00 %	Note 1
The Company	Nan Chung Petrochemical Corporation	production of chemical products	50.00 %	50.00 %	50.00 %	Note 1

(Continued)

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

Investor	The name of subsidiaries	Business activity	Shareholding			Note
			September 30, 2022	December 31, 2021	September 30, 2021	
The Company	PFG Fiber Glass Corporation	production of glass fiber	100.00 %	100.00 %	100.00 %	Note 1
The Company	PFG Fiber Glass (Hong Kong) Corporation Limited	investment	100.00 %	100.00 %	100.00 %	
Nan Ya PCB Corporation	Nan Ya PCB (U.S.A.) Corporation	retargeting	100.00 %	100.00 %	100.00 %	
Nan Ya PCB Corporation	Nan Ya PCB (HK) Corporation	electronic materials trading, investment	100.00 %	100.00 %	100.00 %	
Nan Ya PCB (HK) Corporation	Nan Ya PCB (Kunshan) Corporation	production of printed circuit board	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Plastics (Nantong) Co., Ltd.	production of plastic products, steam and electricity	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Electric (Nantong) Co., Ltd.	production of switch gear and control panel	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	China Nantong Huafeng Co., Ltd.	trading	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nantong Huafu Plastics Co., Ltd.	trading	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	production of electronic materials, polyester products, steam and electricity	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	production of fiber	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Plastics (Guangzhou) Co., Ltd.	production of polyester products	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Plastics (Huizhou) Co., Ltd.	production of polyester products	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.	production of electronic materials	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Trading (Huizhou) Co., Ltd.	trading	100.00 %	100.00 %	100.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Plastics (Xiamen) Co., Ltd.	production of plastic products	85.00 %	85.00 %	85.00 %	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Plastics (Ningbo) Co., Ltd.	production of plastic products and plasticizer	100.00 %	100.00 %	100.00 %	
Wen Fung Industrial Co., Ltd.	Wellink Technology Corporation	production of electronic components	100.00 %	100.00 %	100.00 %	Note 1
Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation Texas	production of chemical products	100.00 %	100.00 %	100.00 %	Note 1
PFG Fiber Glass (Hong Kong) Corporation Limited	PFG Fiber Glass (Kunshan) Co., Ltd.	production of glass fiber	100.00 %	100.00 %	100.00 %	

Note 1 : The aforementioned companies are non-significant subsidiaries, their financial statements have not been reviewed.

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

(Continued)

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

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

(c) Employee benefits

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

(d) Income taxes

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

Income tax expenses for the period are best estimated by multiplying pre-tax income for the interim reporting period using the effective annual tax rate as forecasted by the management.

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

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

The preparation of the consolidated financial statements in conformity with the Regulations and IFRSs (in accordance with IAS 34 “Interim Financial Reporting” and endorsed by the FSC) requires management to make judgments, estimates and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The preparation of the consolidated interim financial statements, estimates and underlying assumptions are reviewed on an ongoing basis which are in conformity with the consolidated financial statements for the year ended December 31, 2021. For related information, please refer to note 5 of the consolidated financial statements for the year ended December 31, 2021.

The accounting policies involved significant judgments and the information that have significant effect on the amounts recognized in the consolidated financial statements are as follows:

(a) Judgment of whether the Consolidated Company has substantive control over its investees-Nanya Technology Corporation

The Consolidated Company holds 29.29% of the outstanding voting shares of Nanya Technology Corporation, which has a total number of 12 directors in its board, including 3 seats representing the Consolidated Company. Although the Consolidated Company is the single largest shareholder of the investee, it has no absolute rights and influence on its management decisions. Therefore, it is determined that the Consolidated Company does not have control over Nanya Technology Corporation.

(Continued)

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

- (b) Judgment of whether the Consolidated Company has substantive control over its investees-Nan YA Photonics Incorporation

The Consolidated Company holds 23.02% of the outstanding voting shares of Nan YA Photonics Incorporation, which has a total number of 6 directors in its board, including 3 seats representing the Consolidated Company. However, the Consolidated Company failed to make an agreement with other shareholders on the collective decision-making which should obtain more than half of the voting rights during a shareholders' meeting. Therefore, it is determined that the Consolidated Company does not have control over Nan YA Photonics Incorporation.

- (c) Judgment of whether the Consolidated Company has substantive control over its investees-Formosa Automobile Sales Corporation

The Consolidated Company holds 45.00% of the outstanding voting shares of Formosa Automobile Sales Corporation, which has a total number of 5 directors, including 2 seats representing the Consolidated Company. Although the Consolidated Company is the single largest shareholder of the investee, it has no absolute rights and influence on its management decisions. Therefore, it is determined that the Consolidated Company does not have control over Formosa Automobile Sales Corporation.

- (d) Judgment of whether the Consolidated Company has substantive control over its investees-Formosa Plastics Transport Corporation

The Consolidated Company holds 33.33% of the outstanding voting shares of Formosa Plastics Transport Corporation, which has a total number of 7 directors, including 2 seats representing the Consolidated Company. Although the Consolidated Company is the single largest shareholder of the investee, it has no absolute rights and influence on its management decisions. Therefore, it is determined that the Consolidated Company does not have control over Formosa Plastics Transport Corporation.

- (e) Judgment of whether the Consolidated Company has substantive control over its investees- Formosa Environmental Technology Corporation

The Consolidated Company holds 26.99% of the outstanding voting shares of Formosa Environmental Technology Corporation, which has a total number of 5 directors, including 1 seat representing the Consolidated Company. Although the Consolidated Company is the single largest shareholder of the investee, it has no absolute rights and influence on its management decisions. Therefore, it is determined that the Consolidated Company does not have control over Formosa Environmental Technology Corporation.

- (f) Judgment of whether the Consolidated Company has substantive control over its investees-Formosa Fairway Corporation

The Consolidated Company holds 33.34% of the outstanding voting shares of Formosa Fairway Corporation, which has a total number of 5 directors, including 2 seats representing the Consolidated Company. Although the Consolidated Company is the single largest shareholder of the investee, it has no absolute rights and influence on its management decisions. Therefore, it is determined that the Consolidated Company does not have control over Formosa Fairway Corporation.

(Continued)

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

- (g) Judgment of whether the Consolidated Company has substantive control over its investees-Hwa Ya Technology Park Management Consulting Corporation

The Consolidated Company holds 34.00% of the outstanding voting shares of Hwa Ya Technology Park Management Consulting Corporation, which has a total number of 3 directors, including 1 seat representing the Consolidated Company. Although the Consolidated Company is the single largest shareholder of the investee, it has no absolute rights and influence on its management decisions. Therefore, it is determined that the Consolidated Company does not have control over Hwa Ya Technology Park Management Consulting Corporation.

(6) Explanation of significant accounts:

Except for the following disclosures, there were no material differences in the disclosures of significant accounts between the interim consolidated financial statements for the current period and the 2021 consolidated financial statements. Please refer to Note 6 of the 2021 annual consolidated financial statements.

- (a) Cash and Cash Equivalents

	September 30, 2022	December 31, 2021	September 30, 2021
Cash on hand	\$ 1,433	1,349	1,343
Cash in banks	28,887,506	14,759,942	13,338,246
Time deposits	44,207,215	45,448,676	42,526,479
Cash equivalents	13,798,509	14,339,459	11,455,519
Cash and cash equivalents	<u>\$ 86,894,663</u>	<u>74,549,426</u>	<u>67,321,587</u>

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

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

	September 30, 2022	December 31, 2021	September 30, 2021
Current financial assets designated as at fair value through profit or loss:			
Funds	<u>\$ 1,600,384</u>	<u>3,793,399</u>	<u>3,814,798</u>
Non-current financial assets designated as at fair value through profit or loss:			
Foreign Bonds	\$ 205,640	341,299	243,366
Foreign Stocks	147,764	324,017	302,291
Total	<u>\$ 353,404</u>	<u>665,316</u>	<u>545,657</u>

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

(Continued)

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

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

Current financial assets at fair value through other comprehensive income

	September 30, 2022	December 31, 2021	September 30, 2021
Equity instruments at fair value through other comprehensive income:			
Stocks	\$ 35,238,991	42,012,470	45,248,616

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

	September 30, 2022	December 31, 2021	September 30, 2021
Equity instruments at fair value through other comprehensive income:			
Stocks	\$ 20,506,518	25,829,225	24,403,671

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

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

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of September 30, 2022 and 2021.

(ii) For credit risk and market risk; please refer to note 6(w).

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

(d) Notes and accounts receivable

	September 30, 2022	December 31, 2021	September 30, 2021
Notes receivable from operating activities	\$ 4,340,264	5,959,381	8,126,683
Accounts receivable	49,264,490	56,566,789	58,422,360
Overdue receivables	2,801	3,250	15,741
Less: Loss allowance	(364,293)	(401,439)	(392,495)
	\$ 53,243,262	62,127,981	66,172,289

(Continued)

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

The Consolidated Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables on September 30, 2022, December 31 and September 30, 2021. To measure the expected credit losses, accounts receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. The loss allowance provision were determined as follows:

	September 30, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 53,098,922	0.34%~1.42%	262,628
1 to 3 months past due	324,062	0.70~6.30%	8,768
3 to 6 months past due	53,364	1.53%~23.99%	2,733
6 to 12 months past due	26,105	11.80%~58.64%	4,464
More than 1 year past due	105,102	80%~100%	85,700
	\$ 53,607,555		364,293
	December 31, 2021		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 62,130,679	0.00%~1.45%	241,066
1 to 3 months past due	248,841	0.78%~65.00%	60,043
3 to 6 months past due	116,295	0.59%~90.31%	72,100
6 to 12 months past due	12,550	30.10%~100%	7,175
More than 1 year past due	21,055	100%	21,055
	\$ 62,529,420		401,439
	September 30, 2021		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	\$ 65,968,239	0.34%~1.28%	221,076
1 to 3 months past due	361,619	0.88%~19.82%	19,774
3 to 6 months past due	37,241	2.51%~46.62%	1,104
6 to 12 months past due	20,365	30.01%~93.12%	8,248
More than 1 year past due	177,320	77.73%~100%	142,293
	\$ 66,564,784		392,495

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

The movement in the allowance for notes and accounts receivable was as follows:

	For the nine months ended September 30	
	2022	2021
Balance at January 1, 2022 and 2021	\$ 401,439	360,568
Impairment losses (reversed) recognized	(52,923)	36,099
Foreign exchange gains/(losses)	15,777	(4,172)
Balance at September 30, 2022 and 2021	<u><u>\$ 364,293</u></u>	<u><u>392,495</u></u>

As of September 30, 2022, December 31 and September 30, 2021, notes and accounts receivable which were overdue or under legal proceedings amounted to \$2,801, \$3,250 and \$15,741. Such receivables were reclassified to overdue receivables under other assets and provided with a full impairment loss provision.

The Consolidated Company signed without-recourse factoring and financing contracts with financial institutions. According to these contracts, the net accounts receivable that have matured but are still uncollected will be paid by the financial institutions, except for those affected by trade disputes. As of September 30, 2022, December 31 and September 30, 2021, the outstanding accounts receivable factoring transactions between the Consolidated Company and the financial institutions were as follows:

September 30, 2022					
Purchaser	Factoring Balance	Factoring Line	Advanced Amount	Range of Interest Rate	Guarantee project
EXPAFOL S.L.	HSBC Bank	\$ <u>6,502</u> USD <u>500</u>	-	-	None
Gold Circuit Electronics, Ltd	E. Sun Bank	\$ <u>42,268</u> <u>150,000</u>	-	-	None
December 31, 2021					
Purchaser	Factoring Balance	Factoring Line	Advanced Amount	Range of Interest Rate	Guarantee project
EXPAFOL S.L.	HSBC Bank	\$ <u>3,860</u> USD <u>500</u>	-	-	None
Gold Circuit Electronics, Ltd	E. Sun Bank	\$ <u>50,431</u> <u>100,000</u>	-	-	None
September 30, 2021					
Purchaser	Factoring Balance	Factoring Line	Advanced Amount	Range of Interest Rate	Guarantee project
EXPAFOL S.L.	HSBC Bank	\$ <u>5,800</u> USD <u>500</u>	-	-	None
Gold Circuit Electronics, Ltd	E. Sun Bank	\$ <u>53,309</u> <u>100,000</u>	-	-	None

(Continued)

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

(e) Other receivables

	September 30, 2022	December 31, 2021	September 30, 2021
Other accounts receivable—other	\$ 7,897,795	6,910,305	6,546,227
Other accounts receivable—loans to associates	2,230,342	3,041,118	3,325,301
Less: Loss allowance	-	-	-
Total	<u><u>\$ 10,128,137</u></u>	<u><u>9,951,423</u></u>	<u><u>9,871,528</u></u>

(f) Inventories

The components of inventories were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Finished goods	\$ 15,732,459	15,018,083	13,004,635
Work in process	14,355,682	12,710,553	9,880,675
Machinery and accessories in process	7,675,195	9,823,447	9,672,728
Raw materials	16,259,990	16,453,971	15,004,374
Supplies	1,967,106	1,446,250	1,259,348
Consigned-out raw materials	371,603	265,086	208,988
Consigned-out finished goods	789	5,944	20,850
Goods in transit	<u>745,608</u>	<u>1,843,123</u>	<u>1,479,421</u>
Inventories, net	<u><u>\$ 57,108,432</u></u>	<u><u>57,566,457</u></u>	<u><u>50,531,019</u></u>

The details of the cost of sales were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2022	2021	2022	2021
Inventory that has been sold	\$ 72,625,829	80,532,215	232,307,011	223,422,418
Write-down of inventories	296,741	23,577	442,260	3,276
Unallocated production overheads	<u>1,205,577</u>	<u>568,620</u>	<u>2,741,468</u>	<u>1,559,592</u>
	<u><u>\$ 74,128,147</u></u>	<u><u>81,124,412</u></u>	<u><u>235,490,739</u></u>	<u><u>224,985,286</u></u>

For September 30, 2022, December 31 and September 30, 2021, the Consolidated Company did not provide any inventory as collateral for its loans.

(Continued)

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

(g) Investments accounted for using equity method

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

	September 30, 2022	December 31, 2021	September 30, 2021
Associates	\$ 177,145,189	180,853,138	176,246,568
Joint ventures	<u>594,782</u>	<u>510,109</u>	<u>559,380</u>
	<u>\$ 177,739,971</u>	<u>181,363,247</u>	<u>176,805,948</u>

(i) Associates

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

	For the three months ended September 30		For the nine months ended September 30	
	2022	2021	2022	2021
The Consolidated Company's share of net income of associates	<u>\$ (1,350,148)</u>	<u>5,510,031</u>	<u>8,267,828</u>	<u>16,806,580</u>

- 1) The unrealized translation gain or loss arising from the investment in foreign entities, which was based on exchange rates as of September 30, 2022, December 31 and September 30, 2021, were recognized in comprehensive income.
- 2) The unrealized sales profits from downstream transactions with investees under the equity method are treated as deductions from gross income. The realized sales profits from downstream sales are added to gross income. Details of these transactions are disclosed in note 7.
- 3) In May 2022, the Consolidated Company invested the amount of \$1,000,000 in Formosa Smart Energy Tech Corporation.
- 4) In March 2021, the Consolidated Company participated in the capital increase by cash of Formosa Resources Corporation, with the total investments amounting to USD31,250 thousand (equivalent to \$884,531).
- 5) The Consolidated Company's financial information for investments accounted for using the equity method that are individually insignificant was as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Carrying amount of individually insignificant associates' equity	<u>\$ 177,145,189</u>	<u>180,853,138</u>	<u>176,246,568</u>

(Continued)

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

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2022	2021	2022	2021
Attributable to the Consolidated Company:				
Net Income	\$ (1,350,148)	5,510,031	8,267,828	16,806,580
Other comprehensive income	(161,618)	1,800,573	(1,613,331)	1,119,507
Total comprehensive income	<u>\$ (1,511,766)</u>	<u>7,310,604</u>	<u>6,654,497</u>	<u>17,926,087</u>
(ii) Joint ventures				

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

	For the three months ended		For the nine months ended	
	September 30		September 30	
	2022	2021	2022	2021
The Consolidated Company's share of net income of joint ventures	<u>\$ 11,129</u>	<u>4,153</u>	<u>41,643</u>	<u>29,328</u>

The Consolidated Company's financial information on investments in individually insignificant joint venture accounted for using equity method at the reporting date was as follows. This financial information is included in the consolidated financial statements.

	September 30,		December 31,	September 30,
	2022		2021	2021
	2022	2021	2022	2021
The carrying value of joint ventures that were not individually material	\$ 594,782	510,109	559,380	
	For the three months ended		For the nine months ended	
	September 30		September 30	
	2022	2021	2022	2021
Attributable to the Consolidated Company:				
Net income	\$ 11,129	4,153	41,643	29,328
Other comprehensive income	-	-	-	-
Total comprehensive income	<u>\$ 11,129</u>	<u>4,153</u>	<u>41,643</u>	<u>29,328</u>

(Continued)

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

(iii) Collateral

As of September 30, 2022, December 31 and September 30, 2021, the Consolidated Company did not provide any investment accounted for using equity method as collaterals to any financial institutions or court for its loans.

(iv) The unreviewed financial statements of investments accounted for using equity method

Except for Formosa Petrochemical Corporation, Nan Ya Technology Corporation, Formosa Advanced Technologies Co.,LTD, Nan Ya Kyowa Plastics (Nantong) Corporation and Nan Ya Plastics (Zhengzhou) Corporation, which were reviewed by other auditors, investments were accounted for by using the equity method, and the share of profit or loss and other comprehensive income of those investments were calculated based on the financial statements that have not been reviewed.

(h) Property, Plant and Equipment

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

	Land	Building and construction	Machinery and equipment	Transportation equipment	Other facilities	Construction in progress	Total
Cost or deemed cost:							
Balance on January 1, 2022	\$ 13,486,848	72,830,647	397,671,440	1,605,429	15,092,686	24,703,119	525,390,169
Additions	-	4,913	1,163,109	12,168	230,066	23,012,800	24,423,056
Disposals	(3,075)	(144,185)	(2,346,939)	(43,098)	(621,379)	-	(3,158,676)
Reclassification	4,232	440,480	9,386,635	32,871	364,823	(7,574,112)	2,654,929
Effect of movements in exchange rates	9,575	2,745,108	12,273,051	45,771	299,756	911,508	16,284,769
Balance on September 30, 2022	<u>\$ 13,497,580</u>	<u>75,876,963</u>	<u>418,147,296</u>	<u>1,653,141</u>	<u>15,365,952</u>	<u>41,053,315</u>	<u>565,594,247</u>
Balance on January 1, 2021	\$ 13,495,070	70,250,915	381,127,294	1,622,563	13,800,964	25,156,457	505,453,263
Additions	-	-	1,245,542	21,380	194,259	19,361,296	20,822,477
Disposals	(3,673)	(31,073)	(7,311,902)	(48,054)	(242,690)	-	(7,637,392)
Reclassification	-	2,587,926	17,755,649	16,668	600,926	(18,683,473)	2,277,696
Effect of movements in exchange rates	(1,561)	(675,382)	(3,108,638)	(10,816)	(84,706)	(257,812)	(4,138,915)
Balance on September 30, 2021	<u>\$ 13,489,836</u>	<u>72,132,386</u>	<u>389,707,945</u>	<u>1,601,741</u>	<u>14,268,753</u>	<u>25,576,468</u>	<u>516,777,129</u>
Depreciation and impairment loss:							
Balance on January 1, 2022	\$ -	40,187,028	288,317,603	1,354,033	10,743,770	-	340,602,434
Depreciation for the period	-	1,703,108	12,075,971	48,585	639,436	-	14,467,100
Disposals	-	(135,704)	(2,244,651)	(39,436)	(620,953)	-	(3,040,744)
Reclassification	-	-	(455,177)	-	(12,701)	-	(467,878)
Effect of movements in exchange rates	-	1,002,063	7,028,353	31,655	150,129	-	8,212,200
Balance on September 30, 2022	<u>\$ -</u>	<u>42,756,495</u>	<u>304,722,099</u>	<u>1,394,837</u>	<u>10,899,681</u>	<u>-</u>	<u>359,773,112</u>
Balance on January 1, 2021	\$ -	38,201,748	282,197,984	1,354,662	10,235,118	-	331,989,512
Depreciation for the period	-	1,640,424	11,107,993	48,241	544,946	-	13,341,604
Impairment losses	-	-	(724)	-	-	-	(724)
Disposals	-	(27,093)	(6,401,254)	(46,491)	(241,135)	-	(6,715,973)
Reclassification	-	-	6,919	-	(7,426)	-	(507)
Effect of movements in exchange rates	-	(287,551)	(1,954,283)	(7,574)	(60,268)	-	(2,309,676)
Balance on September 30, 2021	<u>\$ -</u>	<u>39,527,528</u>	<u>284,956,635</u>	<u>1,348,838</u>	<u>10,471,235</u>	<u>-</u>	<u>336,304,236</u>

(Continued)

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

	<u>Land</u>	<u>Building and construction</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Other facilities</u>	<u>Construction in progress</u>	<u>Total</u>
Carrying amounts:							
Balance on September 30, 2022	\$ 13,497,580	33,120,468	113,425,197	258,304	4,466,271	41,053,315	205,821,135
Balance on January 1, 2022	\$ 13,486,848	32,643,619	109,353,837	251,396	4,348,916	24,703,119	184,787,735
Balance on September 30, 2021	\$ 13,489,836	32,604,858	104,751,310	252,903	3,797,518	25,576,468	180,472,893

(i) Collateral

Please refer to note 8 for the property, plant and equipment pledged to secure bank loans as of September 30, 2022, December 31 and September 30, 2021.

(ii) Property, plant and equipment under construction

For the three months and nine months ended September 30, 2022 and 2021, the capitalized interest on borrowings for the purchase of the property, plant and equipment of the Consolidated Company amounted to \$32,380, \$16,504, \$82,668 and \$89,936, respectively. The capitalized interest rate ranged from 1.1745%~3.5410% and 1.1410%~2.5733% for the three months and nine months ended September 30, 2022 and 2021, respectively.

(i) Right-of-use assets

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

	<u>Land</u>	<u>Building and construction</u>	<u>Machinery and equipment</u>	<u>Transportation equipment</u>	<u>Total</u>
Carrying amount:					
Balance at September 30, 2022	\$ 641,767	60,658	58,405	286,227	1,047,057
Balance at January 1, 2022	\$ 643,623	66,950	48,805	175,913	935,291
Balance at September 30, 2021	\$ 639,976	69,584	50,756	142,395	902,711

The right-of-use assets of the Consolidated Company have no significant additions, dispositions, impairment, or reversals for the nine months ended September 30, 2022 and 2021. Please refer to note 12 for the amount of depreciation, and for other related information, please refer to note 6(i) of the consolidated financial statement for the year ended December 31, 2021.

(j) Intangible assets

The cost, amortization and impairment of the intangible assets of the Consolidated Company were as follows:

	<u>Trademark</u>
Carrying value :	
Balance at September 30, 2022	\$ 1,762,448
Balance at January 1, 2022	\$ 1,907,305
Balance at September 30, 2021	\$ 1,955,592

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

The intangible assets of the Consolidated Company have no significant additions, dispositions, impairment, or reversals for the nine months ended September 30, 2022 and 2021. For the related information, please refer to note 6(j) of the consolidated financial statement for the year ended December 31, 2021.

(k) Short-term notes and bills payable

	September 30, 2022	December 31, 2021	September 30, 2021
Short-term notes and bills payable	\$ 30,950,000	17,000,000	17,300,000
Discount on short-term notes and bills payable	(23,096)	(2,935)	(3,606)
Total	<u>\$ 30,926,904</u>	<u>16,997,065</u>	<u>17,296,394</u>
Range of interest rates	<u>1.12%~1.32%</u>	<u>0.31%~0.39%</u>	<u>0.23%~0.265%</u>

(l) Short-term borrowings

	September 30, 2022	December 31, 2021	September 30, 2021
Unsecured short-term borrowings	<u>\$ 40,975,235</u>	<u>23,436,269</u>	<u>30,286,462</u>
Unused short-term credit lines	<u>\$ 128,834,247</u>	<u>109,118,975</u>	<u>105,509,242</u>
Range of interest rates	<u>0.804%~4.45%</u>	<u>0.5379%~0.86%</u>	<u>0.59%~0.86%</u>

For the nine months ended September 30, 2022, the Consolidated Company issued short-term borrowings amounting to \$17,447,832, and there were no significant repurchase or repayment on short-term borrowings. For the nine months ended September 30, 2021, the Consolidated Company repaid short-term borrowings amount to \$24,270,086, and there were no significant issues on short-term borrowings. For information concerning interest expense, please refer to note 6(v).

As of September 30, 2022, December 31 and September 30, 2021, the Consolidated Company did not provide any assets as collaterals for its short-term borrowings.

(m) Long-term debts

Long-term debts consisted of the following:

September 30, 2022				
	Currency	Interest rate	Expiration	Amount
Unsecured bank long-term debts	TWD	1.1730%~1.3692%	2023~2024	\$ 14,750,000
Secured long-term debts	USD	1.3800%~4.0700%	2022~2026	24,619,561
Less: current portion				(7,134,860)
Total				<u>\$ 32,234,701</u>
Unused long-term credit lines				<u>\$ 9,983,460</u>

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

December 31, 2021				
	<u>Currency</u>	<u>Interest rate</u>	<u>Expiration</u>	<u>Amount</u>
Secured bank long-term debts	USD	1.4100%	2022~2026	\$ 22,006,261
Unsecured bank long-term debts	TWD	0.7911%	2022~2026	1,921,606
Unsecured long-term debts	USD	0.9429%~3.8375%	2023~2025	681,592
Less: current portion				(2,808,195)
Total				<u><u>\$ 21,801,264</u></u>
Unused long-term credit lines				<u><u>\$ 10,709,464</u></u>

September 30, 2021				
	<u>Currency</u>	<u>Interest rate</u>	<u>Expiration</u>	<u>Amount</u>
Secured bank long-term debts	USD	1.3800%	2026	\$ 22,292,800
Unsecured bank long-term debts	TWD	0.7877%~-%	2022	1,920,309
Unsecured long-term debts	USD	0.9385%~3.8375%	2023~2025	866,571
Less: current portion				(2,257,285)
Total				<u><u>\$ 22,822,395</u></u>
Unused long-term credit lines				<u><u>\$ 10,699,657</u></u>

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

(i) The Consolidated Company issued the amounts of \$14,750,000 and \$24,718,163 on long term loans for the nine months ended September 30, 2022 and 2021, respectively. The amounts of \$3,202,247 and \$4,548,000 were redeemed for the nine months ended September 30, 2022 and 2021, respectively. For information on interest expenses, please refer to note 6(v).

(ii) Pledged assets for bank loans

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

(n) Bonds payable

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Domestic unsecured nonconvertible corporate bonds	\$ 67,475,000	75,150,000	75,150,000
Costs of issuing bonds	(57,597)	(70,885)	(75,485)
Current portion	(9,870,329)	(10,769,524)	(7,670,872)
Total	<u><u>\$ 57,547,074</u></u>	<u><u>64,309,591</u></u>	<u><u>67,403,643</u></u>

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

The terms of domestic corporate bonds as of September 30, 2022 were as follows:

	The third domestic unsecured nonconvertible corporate bond in 2012	The second domestic unsecured nonconvertible corporate bond in 2013	The first domestic unsecured nonconvertible corporate bond in 2014	The second domestic unsecured nonconvertible corporate bond in 2014	The first domestic unsecured nonconvertible corporate bond in 2017
Issued amount	TWD6,000,000	TWD10,400,000	TWD10,000,000	TWD5,000,000	TWD9,500,000
Balance, end of year	1,799,841	10,395,371	9,988,626	1,499,515	2,998,820
Current portion	1,799,841	3,098,620	-	-	1,499,410
Issuance date	February 25, 2013	December 18, 2013	June 24, 2014	November 11, 2014	July 10, 2017
Issuance period	7 years and 10 years	10 years and 12 years	14 years and 15 years	5 years and 10 years	5 years and 7 years
Coupon rate	1.36% and 1.50%	1.98% and 2.08%	2.04%	1.45% and 1.93%	1.03% and 1.25%
Interest payment date	February 25	December 18	June 24	November 11	July 10
Repayment method	Payable in 2 equal installments for each coupon rate in 2019~2020 and 2022~2023, respectively	Payable in 2 equal installments for each coupon rate in 2022~2023 and 2024~2025, respectively	Payable in 2 equal installments for each coupon rate in 2028 and 2029, respectively	Payable in 2 equal installments for each coupon rate in 2018~2019 and 2023~2024, respectively	Payable in 2 equal installments for each coupon rate in 2021~2022 and 2023~2024, respectively
	The first domestic unsecured nonconvertible corporate bond in 2018	The first domestic unsecured nonconvertible corporate bond in 2019	The second domestic unsecured nonconvertible corporate bond in 2019	The first domestic unsecured nonconvertible corporate bond in 2020	The first domestic unsecured nonconvertible corporate bond in 2021
Issued amount	TWD10,500,000	TWD6,300,000	TWD5,100,000	TWD10,000,000	TWD11,500,000
Balance, end of year	7,869,477	6,294,806	5,095,630	9,989,171	11,486,146
Current portion	2,623,159	849,299	-	-	-
Issuance date	September 6, 2018	June 17, 2019	October 15, 2019	September 24, 2020	June 3, 2021
Issuance period	5 years and 7 years and 10 years	5 years, 7 years and 10 years	5 years, 7 years and 10 years	5 years, 7 years and 10 years	5 years and 7 years
Coupon rate	0.83%, 0.91% and 1.07%	0.74%, 0.82% and 0.91%	0.71%, 0.75% and 0.84%	0.49%, 0.58% and 0.62%	0.45% and 0.53%
Interest payment date	September 6	June 17	October 15	September 24	June 3
Repayment method	Payable in 2 equal installments for each coupon rate in 2022~2023, 2024~2025, and 2027~2028, respectively	Payable in 2 equal installments for each coupon rate in 2023~2024, 2025~2026, and 2028~2029, respectively	Payable in 2 equal installments for each coupon rate in 2023~2024, 2025~2026, and 2028~2029, respectively	Payable in 2 equal installments for each coupon rate in 2024~2025, 2026~2027 and 2029~2030, respectively	Payable in 2 equal installments for each coupon rate in 2025~2026 and 2027~2028, respectively

(o) Lease liabilities

The carrying values of lease liabilities were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Current	<u>\$ 125,781</u>	<u>91,519</u>	<u>83,094</u>
Non-current	<u>\$ 292,398</u>	<u>213,546</u>	<u>193,260</u>

For information on the maturity analysis, please refer to note 6(w).

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

The amounts recognized in profit or loss were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2022	2021	2022	2021
Interest on lease liabilities	<u>\$ 2,481</u>	<u>2,030</u>	<u>5,886</u>	<u>6,535</u>
Expenses relating to short-term leases	<u>\$ 49,842</u>	<u>47,703</u>	<u>133,086</u>	<u>121,482</u>

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

	For the nine months ended September 30	
	2022	2021
Total cash outflow for leases	<u>\$ 222,834</u>	<u>230,657</u>

(i) Real estate leases

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

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

The Consolidated Company expects the relative proportions of fixed and variable lease payments to remain broadly consistent in future years.

(ii) Other leases

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

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

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

(p) Employee Benefits

(i) Defined benefit plans

Management believes that there was no material volatility of the market, no material reimbursement and settlement or other material one-time events since prior fiscal year. As a result, the pension cost in the accompanying interim consolidated financial statements was measured and disclosed according to the actuarial report as of December 31, 2021 and 2020.

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

	For the three months ended September 30		For the nine months ended September 30	
	2022	2021	2022	2021
Operating costs	\$ 76,016	101,193	228,265	302,793
Selling expenses	3,578	4,828	10,670	14,590
Administrative expenses	15,172	23,081	44,939	70,171
	\$ 94,766	129,102	283,874	387,554

(ii) Defined contribution plan

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

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

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

The Consolidated Company’s expenses under the pension plan cost to the Bureau of Labor Insurance were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2022	2021	2022	2021
Operating costs	\$ 346,291	301,843	1,036,654	892,165
Selling expenses	20,386	17,249	60,125	49,905
Administrative expenses	52,037	43,837	152,195	129,098
	\$ 418,714	362,929	1,248,974	1,071,168

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

(q) Income Tax

(i) Income tax expense

The components of income tax expense were as follows:

	For the three months ended September 30		For the nine months ended September 30	
	2022	2021	2022	2021
Current income tax expense				
Current period	\$ 864,398	4,944,322	7,983,346	12,575,818
Adjustment for prior periods	23,155	(20,000)	(41,590)	(134,826)
Deferred tax expense				
Origination and reversal of temporary differences	258,300	627,986	(213,441)	1,634,798
Total income tax expense	<u>\$ 1,145,853</u>	<u>5,552,308</u>	<u>7,728,315</u>	<u>14,075,790</u>

(ii) Assessment of tax

The Corporation's income tax return for the year 2020 had been examined by the tax authorities.

(r) Capital and other equity

As of September 30, 2022 and 2021, the Consolidated Company's government registered total authorized capital and issued capital stock both amounted to \$79,308,216, divided into 7,930,822 thousand shares of stock with \$10 par value per share.

(i) Capital surplus

The components of capital surplus were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Paid-in capital from conversion of corporate bond to common stock in excess of par value	\$ 8,997,136	8,997,136	8,997,136
Gains on acquisition of Taiwan Plasticizer Corporation	74,474	74,474	74,474
Other	17,619,181	17,587,427	17,580,746
Total	<u>\$ 26,690,791</u>	<u>26,659,037</u>	<u>26,652,356</u>

(Continued)

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

(ii) Retained earnings

1) Special reserve

As the Company opted to avail of the exemptions allowed under IFRS 1 “First-time Adoption of International Financial Reporting Standards” during the Company’s first-time adoption of the IFRSs as endorsed by the FSC, unrealized revaluation increments and cumulative translation adjustments (gains) of \$6,277,052, which were previously recognized in shareholders’ equity were reclassified to retained earnings. According to Ruleing by FSC, a special reserve is appropriated from retained earnings for aforementioned reclassification. In addition, during the use, disposal or reclassifications of relevant assets, these special reserves can be reverted to distributable earnings proportionately. As the amount appropriated exceeds the increase in retained earnings arising from the adoption of IFRSs, only \$6,243,060 is appropriated in compliance to the IFRSs as endorsed by the FSC. The balance of special reserve amounted to \$6,116,643, \$6,116,697 and \$6,120,050 as of September 30, 2022, December 31 and September 30, 2021, respectively.

Pursuant to the Regulatory Permit mentioned above, the Company is also required to set aside an additional special reserve from current-period earnings and undistributed prior-period earnings during earnings distribution. The amount to be set aside should be equal to the difference between net current-period reduction of the other stockholders’ equity and the amount of above-mentioned special reserve. The accumulated prior-period reduction of the other stockholders’ equity shall be set aside as an additional special reserve, which does not qualify for earnings distribution, from undistributed prior-period earnings. Amounts of subsequent reversals pertaining to the net reduction of other shareholders’ equity shall qualify for additional distributions.

2) Earnings distribution

According to the Company’s Articles of Association, the Company’s annual net earnings, after providing for income tax and covering the losses of previous years, is first set aside for legal reserve at the rate of 10% thereof, and if necessary, may set aside a special reserve, followed by dividends. If there is any unappropriated earnings in the current year, the Board of Directors shall prepare a proposal for the distribution of dividends to shareholders, of which the proposal for cash dividends is authorized to be distributed by the Board of Directors with the attendance of at least two-thirds of the directors and the resolution of a majority of the directors who attend the meeting, and shall be reported to the shareholders' meeting; the proposal for stock dividends shall be submitted to the shareholders' meeting for resolution.

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

(Continued)

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

Two resolutions were approved during the board and shareholders' meetings held on June 10, 2022 and July 27, 2021 for the appropriation of the 2021 and 2020 earnings, respectively, as follows:

	<u>2021</u>	<u>2020</u>
Dividends per share:		
Cash dividends	\$ <u>7.50</u>	<u>2.40</u>

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

(iii) Other equity accounts (net of tax)

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Gains (losses) on hedging instruments	Total
Balance at January 1, 2022	\$ (17,523,958)	52,159,582	8,870	34,644,494
Exchange differences arising on translation of foreign operations	10,829,728	-	-	10,829,728
Exchange differences on associates / joint ventures accounts for using equity method	5,329,478	-	-	5,329,478
Unrealized gains (losses) from financial assets at fair value through other comprehensive income	-	(12,113,769)	-	(12,113,769)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income, associates and joint ventures accounted for using equity method	-	(6,916,665)	-	(6,916,665)
Share of cash flow hedge of associates / joint ventures	-	-	(9,376)	(9,376)
Balance at September 30, 2022	<u>\$ (1,364,752)</u>	<u>33,129,148</u>	<u>(506)</u>	<u>31,763,890</u>
Balance at January 1, 2021	\$ (14,625,394)	40,748,650	30,738	26,153,994
Exchange differences arising on translation of foreign operations	(2,955,051)	-	-	(2,955,051)
Exchange differences on associates / joint ventures accounted for using equity method	(704,252)	-	-	(704,252)
Unrealized gains (losses) from financial assets at fair value through other comprehensive income	-	10,248,597	-	10,248,597
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income, associates and joint ventures accounted for using equity method	-	1,843,865	-	1,843,865
Share of cash flow hedge of associates / joint ventures	-	-	(18,734)	(18,734)
Balance at September 30, 2021	<u>\$ (18,284,697)</u>	<u>52,841,112</u>	<u>12,004</u>	<u>34,568,419</u>

(Continued)

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

(s) Earnings Per Share

The calculation of the Consolidated Company's basic earnings per share is as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Net income attributable to the Company	\$ <u>3,374,908</u>	<u>23,138,332</u>	<u>32,770,161</u>	<u>63,832,427</u>
Number of weighted average outstanding shares	<u>7,930,822</u>	<u>7,930,822</u>	<u>7,930,822</u>	<u>7,930,822</u>
	\$ <u>0.43</u>	<u>2.92</u>	<u>4.13</u>	<u>8.05</u>

(t) Revenue from contracts with customers

For the three months ended September 30, 2022						
	Plastics industry	Chemical industry	Electronic industry	Polyester industry	Other industries	Total
Primary geographical markets						
Taiwan	\$ 4,448,100	5,993,352	10,866,399	2,764,282	1,115,297	25,187,430
China	2,809,350	4,791,804	19,778,835	905,007	126,221	28,411,217
Other	3,545,188	5,106,879	7,770,212	12,471,241	96,255	28,989,775
	<u>\$ 10,802,638</u>	<u>15,892,035</u>	<u>38,415,446</u>	<u>16,140,530</u>	<u>1,337,773</u>	<u>82,588,422</u>
Main Products						
PVC sheet	\$ 1,380,810	-	-	-	-	1,380,810
Rigid sheet	1,911,825	-	-	-	-	1,911,825
Pipes	1,743,290	-	-	-	-	1,743,290
Phthalate Plasticizers	-	2,166,949	-	-	-	2,166,949
BPA	-	4,242,172	-	-	-	4,242,172
EG	-	3,656,580	-	-	-	3,656,580
CCL	-	-	6,970,261	-	-	6,970,261
Epoxy	-	-	7,667,552	-	-	7,667,552
PCB	-	-	17,195,151	-	-	17,195,151
Polyester Staple Fiber	-	-	-	2,669,694	-	2,669,694
PET Resin	-	-	-	8,627,284	-	8,627,284
DTY	-	-	-	3,166,864	-	3,166,864
Machinery and Switchgear	-	-	-	-	1,231,783	1,231,783
Others	5,766,713	5,826,334	6,582,482	1,676,688	105,990	19,958,207
	<u>\$ 10,802,638</u>	<u>15,892,035</u>	<u>38,415,446</u>	<u>16,140,530</u>	<u>1,337,773</u>	<u>82,588,422</u>

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NAN YA PLASTICS CORPORATION AND SUBSIDIARIES

Notes to the Consolidated Financial Statements

For the three months ended September 30, 2021						
	Plastics industry	Chemical industry	Electronic industry	Polyester industry	Other industries	Total
Primary geographical markets						
Taiwan	\$ 4,662,738	10,135,014	9,860,507	2,834,690	1,045,185	28,538,134
China	3,551,821	14,111,014	29,470,818	1,042,721	481,648	48,658,022
Other	3,927,120	7,638,862	9,982,514	11,121,437	62,132	32,732,065
	<u>\$ 12,141,679</u>	<u>31,884,890</u>	<u>49,313,839</u>	<u>14,998,848</u>	<u>1,588,965</u>	<u>109,928,221</u>
Main Products						
PVC sheet	\$ 1,888,810	-	-	-	-	1,888,810
Rigid sheet	2,048,991	-	-	-	-	2,048,991
Pipes	1,978,052	-	-	-	-	1,978,052
Phthalate Plasticizers	-	4,794,791	-	-	-	4,794,791
BPA	-	9,629,748	-	-	-	9,629,748
EG	-	9,421,107	-	-	-	9,421,107
CCL	-	-	11,510,193	-	-	11,510,193
Epoxy	-	-	12,628,562	-	-	12,628,562
PCB	-	-	14,113,332	-	-	14,113,332
Polyester Staple Fiber	-	-	-	2,848,904	-	2,848,904
PET Resin	-	-	-	6,694,072	-	6,694,072
DTY	-	-	-	3,607,279	-	3,607,279
Machinery and Switchgear	-	-	-	-	1,481,397	1,481,397
Others	6,225,826	8,039,244	11,061,752	1,848,593	107,568	27,282,983
	<u>\$ 12,141,679</u>	<u>31,884,890</u>	<u>49,313,839</u>	<u>14,998,848</u>	<u>1,588,965</u>	<u>109,928,221</u>
For the nine months ended September 30, 2022						
	Plastics industry	Chemical industry	Electronic industry	Polyester industry	Other industries	Total
Primary geographical markets						
Taiwan	\$ 14,170,543	23,730,690	31,720,767	9,466,010	2,990,389	82,078,399
China	8,190,645	21,851,640	64,015,630	2,817,101	484,969	97,359,985
Other	11,103,366	23,637,600	25,710,100	39,351,674	171,456	99,974,196
	<u>\$ 33,464,554</u>	<u>69,219,930</u>	<u>121,446,497</u>	<u>51,634,785</u>	<u>3,646,814</u>	<u>279,412,580</u>
Main Products						
PVC sheet	\$ 4,685,882	-	-	-	-	4,685,882
Rigid sheet	6,122,602	-	-	-	-	6,122,602
Pipes	5,221,523	-	-	-	-	5,221,523
Phthalate Plasticizers	-	8,489,101	-	-	-	8,489,101
BPA	-	18,493,394	-	-	-	18,493,394
EG	-	19,168,631	-	-	-	19,168,631
CCL	-	-	23,874,947	-	-	23,874,947
Epoxy	-	-	27,172,838	-	-	27,172,838
PCB	-	-	46,941,896	-	-	46,941,896
Polyester Staple Fiber	-	-	-	8,792,150	-	8,792,150
PET Resin	-	-	-	27,000,285	-	27,000,285
DTY	-	-	-	10,618,684	-	10,618,684
Machinery and Switchgear	-	-	-	-	3,341,090	3,341,090
Others	17,434,547	23,068,804	23,456,816	5,223,666	305,724	69,489,557
	<u>\$ 33,464,554</u>	<u>69,219,930</u>	<u>121,446,497</u>	<u>51,634,785</u>	<u>3,646,814</u>	<u>279,412,580</u>

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

For the nine months ended September 30, 2021						
	Plastics industry	Chemical industry	Electronic industry	Polyester industry	Other industries	Total
Primary geographical markets						
Taiwan	\$ 16,194,090	29,366,849	28,217,235	9,736,142	2,701,187	86,215,503
China	10,101,518	34,832,125	80,482,254	3,183,815	1,165,049	129,764,761
Other	9,876,743	20,925,936	26,169,730	30,456,727	217,493	87,646,629
	<u>\$ 36,172,351</u>	<u>85,124,910</u>	<u>134,869,219</u>	<u>43,376,684</u>	<u>4,083,729</u>	<u>303,626,893</u>
Main Products						
PVC sheet	\$ 5,969,514	-	-	-	-	5,969,514
Rigid sheet	6,197,903	-	-	-	-	6,197,903
Pipes	5,845,466	-	-	-	-	5,845,466
Phthalate Plasticizers	-	12,722,488	-	-	-	12,722,488
BPA	-	26,275,377	-	-	-	26,275,377
EG	-	25,290,964	-	-	-	25,290,964
CCL	-	-	32,313,180	-	-	32,313,180
Epoxy	-	-	34,620,975	-	-	34,620,975
PCB	-	-	37,453,562	-	-	37,453,562
Polyester Staple Fiber	-	-	-	8,190,806	-	8,190,806
PET Resin	-	-	-	18,333,189	-	18,333,189
DTY	-	-	-	11,169,636	-	11,169,636
Machinery and Switchgear	-	-	-	-	3,777,036	3,777,036
Others	18,159,468	20,836,081	30,481,502	5,683,053	306,693	75,466,797
	<u>\$ 36,172,351</u>	<u>85,124,910</u>	<u>134,869,219</u>	<u>43,376,684</u>	<u>4,083,729</u>	<u>303,626,893</u>

(u) Employee compensation

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

The remunerations to employees amounted to \$2,821, \$25,623, \$34,548 and \$70,467, respectively, for the three months and nine months ended September 30, 2022 and 2021, respectively. These amounts were calculated using the Company's net income before tax without the remunerations to employees for each period, multiplied by the proposed percentage which is stated under the Company's proposed Article of Incorporation. These remunerations were expensed under operating costs or expenses for each period. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholder' meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

For the years ended December 31, 2021 and 2020, the remunerations to employees amounted to \$90,111 and \$27,657, respectively, which were paid in cash. There was no difference from the actual distribution. The information is available on the Market Observation Post System website.

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

(v) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Interest income from bank deposits	\$ 386,374	217,348	910,089	591,156
Other interest income	102,555	17,978	143,111	66,472
	<u>\$ 488,929</u>	<u>235,326</u>	<u>1,053,200</u>	<u>657,628</u>

(ii) Other income

The details of other income were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Dividend income	\$ 2,770,382	1,234,237	3,512,763	1,267,007
Other income	606,249	513,175	2,390,138	1,741,281
	<u>\$ 3,376,631</u>	<u>1,747,412</u>	<u>5,902,901</u>	<u>3,008,288</u>

(iii) Other gains and losses

The details of other gains and losses were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Gains (losses) on disposal of property, plant and equipment	\$ (56,973)	(21,785)	671,389	(181,893)
Foreign currency exchange gain (losses)	1,720,916	168,429	4,142,955	(522,500)
Gain (losses) on financial assets at fair value through profit or loss	(267,445)	2,861	(148,540)	(74,085)
Reversal of impairment on plant, property, and equipment	-	61	-	724
Others	(65,641)	(105,108)	(186,513)	(189,339)
	<u>\$ 1,330,857</u>	<u>44,458</u>	<u>4,479,291</u>	<u>(967,093)</u>

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

(iv) Finance costs

The details of finance costs were as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Interest expense	\$ 717,847	441,759	1,529,453	1,237,610
Less: interest capitalized	(32,380)	(16,504)	(82,668)	(89,936)
	\$ 685,467	425,255	1,446,785	1,147,674

(w) Financial Instruments

Except for the contention mentioned below, there was no significant change in the fair value of the Consolidated Company's financial instruments and degree of exposure to credit risk, liquidity risk and market risk arising from financial instruments. For the related information, please refer to note 6(w) of the consolidated financial statements for the year ended December 31, 2021.

(i) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years
September 30, 2022							
Non-derivative financial liabilities							
Short-term notes and bills payable	\$ 30,926,904	30,973,096	30,973,096	-	-	-	-
Notes and accounts payable	14,768,641	14,768,641	14,768,641	-	-	-	-
Accounts payables to related parties	6,095,309	6,095,309	6,095,309	-	-	-	-
Short-term borrowings	40,975,235	41,082,249	41,082,249	-	-	-	-
Long-term borrowings	39,369,561	43,429,272	7,718,627	1,178,168	5,066,571	29,465,906	-
Bonds payable	67,417,403	70,574,476	5,204,190	6,442,493	10,916,610	27,997,623	20,013,560
Lease liabilities	418,179	453,771	76,328	62,126	105,616	124,297	85,404
	\$ 199,971,232	207,376,814	105,918,440	7,682,787	16,088,797	57,587,826	20,098,964
December 31, 2021							
Non-derivative financial liabilities							
Short-term notes and bills payable	\$ 16,997,065	17,302,935	17,302,935	-	-	-	-
Notes and accounts payable	15,812,149	15,812,149	15,812,149	-	-	-	-
Accounts payables to related parties	8,132,144	8,132,144	8,132,144	-	-	-	-
Short-term borrowings	23,436,269	23,447,528	23,447,528	-	-	-	-
Long-term borrowings	24,609,459	26,183,710	2,307,190	939,123	1,638,609	21,298,788	-
Bonds payable	75,079,115	78,838,110	2,166,470	9,474,355	12,297,183	28,575,322	26,324,780
Lease liabilities	305,065	304,251	58,337	40,067	61,268	69,493	75,086
	\$ 164,371,266	170,020,827	69,226,753	10,453,545	13,997,060	49,943,603	26,399,866

(Continued)

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

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>Over 5 years</u>
September 30, 2021							
Non-derivative financial liabilities							
Short-term notes and bills payable	\$ 17,296,394	17,303,606	17,303,606	-	-	-	-
Notes and accounts payable	13,636,906	13,636,906	13,636,906	-	-	-	-
Accounts payables to related parties	9,601,831	9,601,831	9,601,831	-	-	-	-
Short-term borrowings	30,286,462	30,303,643	30,303,643	-	-	-	-
Long-term borrowings	25,079,680	26,514,047	2,189,846	941,447	1,825,693	21,557,061	-
Bonds payable	75,074,515	79,115,300	2,131,190	6,447,755	11,608,563	32,603,012	26,324,780
Lease liabilities	276,354	310,786	59,685	41,278	62,086	70,348	77,389
	<u>\$ 171,252,142</u>	<u>176,786,119</u>	<u>75,226,707</u>	<u>7,430,480</u>	<u>13,496,342</u>	<u>54,230,421</u>	<u>26,402,169</u>

The Consolidated Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(ii) Currency risk

1) Exposure to foreign currency risk

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

	September 30, 2022			
	Foreign Currency	Exchange Rate	TWD	
Financial assets				
Monetary items				
USD	\$	857,949	31.7430	27,233,875
JPY		453,445	0.2193	99,440
EUR		2,813	31.0969	87,476
HKD		2,116	4.0696	8,611
CNY		23,470	4.4709	104,932
Non-monetary items				
USD		128,193	31.7430	4,069,230
CNY		69,254	4.4709	309,628
IDR		128,435,168	0.0022	282,557
VND		6,051,764,163	0.0014	8,472,470
Financial liabilities				
Monetary items				
USD		115,255	31.7430	3,658,539
JPY		4,177,209	0.2193	916,062
EUR		5,452	31.0969	169,540
CNY		587	4.4709	2,624

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

December 31, 2021			
	Foreign Currency	Exchange Rate	TWD
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 1,150,580	27.6900	31,859,560
JPY	356,722	0.2404	85,756
EUR	5,533	31.3613	173,522
HKD	1,572	3.5500	5,581
CNY	8,371	4.3431	36,356
<u>Non-monetary items</u>			
USD	131,714	27.6900	3,647,161
CNY	68,534	4.3431	297,650
IDR	108,814,813	0.0020	217,630
VND	6,051,764,163	0.0012	7,262,117
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	295,865	27.6900	8,192,502
JPY	2,222,956	0.2404	534,399
EUR	4,063	31.3613	127,421
CNY	50	4.3431	217
September 30, 2021			
	Foreign Currency	Exchange Rate	TWD
<u>Financial assets</u>			
<u>Monetary items</u>			
USD	\$ 1,208,746	27.8660	33,682,916
JPY	553,148	0.2488	137,623
EUR	2,093	33.3037	96,685
HKD	2,165	3.5726	7,735
CNY	9,974	4.2968	42,856
<u>Non-monetary items</u>			
USD	131,113	27.8660	3,653,595
CNY	74,088	4.2968	318,341
IDR	127,137,766	0.0019	241,562
VND	6,051,764,163	0.0012	7,262,117
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD	230,424	27.8660	6,420,995
JPY	2,327,464	0.2488	579,073
EUR	2,302	33.3037	74,363
CNY	46	4.2968	198

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

2) Sensitivity analysis

The Consolidated Company's exposure to exchange rate risk arises from the foreign currency exchange fluctuations on cash and cash equivalents, accounts receivable, other receivables, loans and borrowings, accounts payable and other payables that are dominated in foreign currency. The overall effects to net income before tax for the nine months ended September 30, 2022 and 2021 assuming the TWD depreciated or appreciated by 1% against the USD, JPY, EUR, HKD and CNY as of September 30, 2022 and 2021 were as follows:

	For the nine months ended September 30,	
	2022	2021
Appreciation in value of 1%	\$ (227,825)	(268,949)
Depreciation in value of 1%	227,825	268,949

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

3) Foreign exchange gain and loss on monetary items

Since the Consolidated Company has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the nine months ended September 30, 2022 and 2021, the foreign exchange gain (loss) (including realized and unrealized portions) amounted to gain \$4,142,955 and loss \$522,500, respectively.

(iii) Other market price risks

For the nine months ended September 30, 2022 and 2021, the sensitivity analyses for the changes in the securities price at the reporting date were performed using the same basis for the comprehensive income as illustrated below:

	For the nine months ended September 30,	
	2022	2021
Prices of securities at the reporting date	Other comprehensive income after tax	Other comprehensive income after tax
Increasing 1%	\$ <u>352,390</u>	<u>452,486</u>
Decreasing 1%	\$ <u>(352,390)</u>	<u>(452,486)</u>

(Continued)

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

(iv) Fair value of financial instruments

1) Fair value hierarchy

The fair value of financial assets and liabilities at fair value through profit or loss and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Consolidated Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	September 30, 2022				
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Designated at fair value through profit or loss	\$ 1,953,788	-	1,600,384	353,404	1,953,788
Financial assets at fair value through other comprehensive income					
Stocks in listed companies	\$ 35,238,991	35,238,991	-	-	35,238,991
Unquoted equity instruments	20,506,518	-	-	20,506,518	20,506,518
Subtotal	\$ 55,745,509	35,238,991	-	20,506,518	55,745,509
Financial assets measured at amortized cost					
Cash and cash equivalent	\$ 86,894,663	-	-	-	-
Notes and accounts receivable (including related parties)	53,243,262	-	-	-	-
Other receivables (including related parties)	10,128,137	-	-	-	-
Subtotal	\$ 150,266,062	-	-	-	-
Financial liabilities at amortized cost					
Short-term borrowings	\$ 40,975,235	40,975,235	-	-	40,975,235
Lease liabilities	418,179	-	-	-	-
Short-term notes and bills payable	30,926,904	30,926,904	-	-	30,926,904
Notes and accounts payable (including related parties)	20,863,950	-	-	-	-
Bonds payable	67,417,403	67,417,403	-	-	67,417,403
Long-term borrowings	39,369,561	39,369,561	-	-	39,369,561
Subtotal	\$ 199,971,232	178,689,103	-	-	178,689,103

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

December 31, 2021					
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Designated at fair value through profit or loss	\$ <u>4,458,715</u>	<u>-</u>	<u>3,793,399</u>	<u>665,316</u>	<u>4,458,715</u>
Financial assets at fair value through other comprehensive income					
Stocks in listed companies	\$ 42,012,470	42,012,470	-	-	42,012,470
Unquoted equity instruments	<u>25,829,225</u>	<u>-</u>	<u>-</u>	<u>25,829,225</u>	<u>25,829,225</u>
Subtotal	<u>\$ 67,841,695</u>	<u>42,012,470</u>	<u>-</u>	<u>25,829,225</u>	<u>67,841,695</u>
Financial assets measured at amortized cost					
Cash and cash equivalent	\$ 74,549,426	-	-	-	-
Notes and accounts receivable (including related parties)	62,127,981	-	-	-	-
Other receivables (including related parties)	<u>9,951,423</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Subtotal	<u>\$ 146,628,830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities at amortized cost					
Short-term borrowings	\$ 23,436,269	23,436,269	-	-	23,436,269
Lease liabilities	305,065	-	-	-	-
Short-term notes and bills payable	16,997,065	16,997,065	-	-	16,997,065
Notes and accounts payable (including related parties)	23,944,293	-	-	-	-
Bonds payable	75,079,115	75,079,115	-	-	75,079,115
Long-term borrowings	<u>24,609,459</u>	<u>24,609,459</u>	<u>-</u>	<u>-</u>	<u>24,609,459</u>
Subtotal	<u>\$ 164,371,266</u>	<u>140,121,908</u>	<u>-</u>	<u>-</u>	<u>140,121,908</u>
September 30, 2021					
	Book Value	Fair Value			Total
		Level 1	Level 2	Level 3	
Financial assets at fair value through profit or loss					
Designated at fair value through profit or loss	\$ <u>4,360,455</u>	<u>-</u>	<u>3,814,798</u>	<u>545,657</u>	<u>4,360,455</u>
Financial assets at fair value through other comprehensive income					
Stocks in listed companies	\$ 45,248,616	45,248,616	-	-	45,248,616
Unquoted equity instruments	<u>24,403,671</u>	<u>-</u>	<u>-</u>	<u>24,403,671</u>	<u>24,403,671</u>
Subtotal	<u>\$ 69,652,287</u>	<u>45,248,616</u>	<u>-</u>	<u>24,403,671</u>	<u>69,652,287</u>

(Continued)

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

		September 30, 2021				
		Book Value	Fair Value			
			Level 1	Level 2	Level 3	Total
Financial assets measured at amortized cost						
Cash and cash equivalent	\$	67,321,587	-	-	-	-
Notes and accounts receivable (including related parties)		66,172,289	-	-	-	-
Other receivables (including related parties)		9,871,528	-	-	-	-
Subtotal	\$	<u>143,365,404</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Financial liabilities at amortized cost						
Short-term borrowings	\$	30,286,462	30,286,462	-	-	30,286,462
Lease liabilities		276,354	-	-	-	-
Short-term notes and bills payable		17,296,394	17,296,394	-	-	17,296,394
Notes and accounts payable (including related parties)		23,238,737	-	-	-	-
Bonds payable		75,074,515	75,074,515	-	-	75,074,515
Long-term borrowings		25,079,680	25,079,680	-	-	25,079,680
Subtotal	\$	<u>171,252,142</u>	<u>147,737,051</u>	<u>-</u>	<u>-</u>	<u>147,737,051</u>

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

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

a) Financial assets measured at amortized cost

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

b) Financial liabilities measured at amortized cost

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

(Continued)

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

3) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

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

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

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

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

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

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

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

4) Transfers between levels of the fair value hierarchy

There were no transfers between levels of the fair value hierarchy for the nine months ended September 30, 2022 and 2021.

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

5) Reconciliation of Level 3 fair value

	Fair value through profit and loss	Fair value through other comprehensive income
	Bond investment and others	Unquoted equity instruments
Balance at January 1, 2022	\$ 665,316	25,829,225
Total gains and losses recognized:		
In profit or loss	(378,220)	-
In other comprehensive income	-	(5,329,060)
Refund capital reduction	-	(4,250)
Effect of exchange rate changes	66,308	10,603
Balance at September 30, 2022	<u>\$ 353,404</u>	<u>20,506,518</u>
Balance at January 1, 2021	\$ 558,228	19,094,939
Total gains and losses recognized:		
In other comprehensive income	-	5,320,970
Refund capital reduction	-	(10,558)
Effect of exchange rate changes	(12,571)	(1,680)
Balance at September 30, 2021	<u>\$ 545,657</u>	<u>24,403,671</u>

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

Most of the Consolidated Company's financial instruments that use Level 3 inputs involve only one significant unobservable input. Only equity investment with no-active markets involves multiple significant unobservable inputs.

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

Quantified information of significant unobservable inputs was as follows:

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

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

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

	<u>Input</u>	<u>Change</u>	<u>Recognized in other comprehensive income</u>	
			<u>Favorable change</u>	<u>Unfavorable change</u>
September 30, 2022				
Financial assets at fair value through other comprehensive income – unquoted equity instruments	Price to earnings ratio multiple, price to book ratio multiple, enterprise value to operating income ratio multiple, enterprise value to EBITDA multiple, discount for lack of marketability	± 1%	\$ <u>352,390</u>	<u>(352,390)</u>
December 31, 2021				
Financial assets at fair value through other comprehensive income – unquoted equity instruments	Price to earnings ratio multiple, price to book ratio multiple, enterprise value to operating income ratio multiple, enterprise value to EBITDA multiple, discount for lack of marketability	± 1%	\$ <u>212,283</u>	<u>(212,283)</u>

(Continued)

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

			Recognized in other comprehensive income	
			Favorable change	Unfavorable change
September 30, 2021	Input	Change		
Financial assets at fair value through other comprehensive income – unquoted equity instruments	Price to earnings ratio multiple, price to book ratio multiple, enterprise value to operating income ratio multiple, enterprise value to EBITDA multiple, discount for lack of marketability	± 1%	\$ <u>199,381</u>	<u>(199,381)</u>

(x) Financial risk management

There were no significant changes in the Consolidated Company's financial risk management and policies as disclosed in note 6(x) of the consolidated financial statements for the year ended December 31, 2021.

(y) Capital Management

Management believes that the objectives, policies and processes of capital management of the Consolidated Company has been applied consistently with those described in the consolidated financial statements for the year ended December 31, 2021. Also, management believes that there were no significant changes in the Consolidated Company's capital management information as disclosed for the year ended December 31, 2021. Please refer to note 6(y) of the consolidated financial statements for the year ended December 31, 2021 for further details.

(z) Reconciliation of liabilities arising from financing activities

	Short-term borrowings	Short-term notes payable	Long-term borrowings (including current portion)	Bonds payable (including current portion)	Lease liabilities (including current portion)	Total liabilities arising from financing activities
Balance as of January 1, 2022	\$ 23,436,269	16,997,065	24,609,459	75,079,115	305,065	140,426,973
Change in cash from financing activities	17,447,832	13,950,000	11,547,753	(7,675,000)	(83,862)	35,186,723
Non-cash changes	-	(20,161)	25,036	13,288	162,907	181,070
Influence due to fluctuation of exchange rate	91,134	-	3,187,313	-	34,069	3,312,516
Balance as of September 30, 2022	\$ <u>40,975,235</u>	<u>30,926,904</u>	<u>39,369,561</u>	<u>67,417,403</u>	<u>418,179</u>	<u>179,107,282</u>

	Short-term borrowings	Short-term notes payable	Long-term borrowings (including current portion)	Bonds payable (including current portion)	Lease liabilities (including current portion)	Total liabilities arising from financing activities
Balance as of January 1, 2021	\$ 55,121,553	18,296,579	4,925,745	69,328,907	332,627	148,005,411
Change in cash from financing activities	(24,270,086)	(1,000,000)	20,170,163	5,732,080	(102,640)	529,517
Non-cash changes	-	(185)	-	13,528	51,295	64,638
Influence due to fluctuation of exchange rate	(565,005)	-	(16,228)	-	(4,928)	(586,161)
Balance as of September 30, 2021	\$ <u>30,286,462</u>	<u>17,296,394</u>	<u>25,079,680</u>	<u>75,074,515</u>	<u>276,354</u>	<u>148,013,405</u>

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

(7) Related-party transactions:

(a) Parent company and ultimate controlling party

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

(b) Names and relationship with related parties

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

<u>Name of related party</u>	<u>Relationship with the Consolidated Company</u>
Formosa Petrochemical Corporation	Associates
Nanya Technology Corporation	Associates
Formosa Resources Corporation	Associates
Formosa Heavy Industries Corporation	Associates
Formosa Heavy Industries (Ningbo) Co., Ltd.	Associates
Formosa Smart Energy Tech Corporation	Associates
Nan Ya Photonics Incorporation	Associates
Formosa Fairway Corporation	Associates
Formosa Industries Corporation	Associates
Formosa Group (Cayman) Limited	Associates
Formosa Environmental Technology Corporation	Associates
Nan Ya Plastics (Zhengzhou) Co., Ltd.	Joint ventures
Nanya Kyowa Plastics (Nantong) Co., Ltd.	Joint ventures
P.T. Indonesia Nanya Indah Plastics Co.	Joint ventures
Formosa Plastics Corporation	Other related parties
Formosa Chemicals and Fiber Corporation	Other related parties
Formosa Taffeta Co., Ltd.	Other related parties
Formosa Advanced Technologies Co., Ltd.	Other related parties
Formosa Taffeta Viet Nam Co.,Ltd	Other related parties
Formosa Ha Tinh (Cayman) Ltd.	Other related parties
Formosa Ha Tinh Steel Corporation	Other related parties
China Man-made Fiber Corporation	Other related parties
Formosa Industries (Ningbo) Co., Ltd.	Other related parties
Formosa Chemicals and Fiber (Ningbo) Corporation	Other related parties
Xiamen Haicang Investment Group Co., Ltd.	Other related parties
Formosa Plastics Marine Corporation	Other related parties

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

<u>Name of related party</u>	<u>Relationship with the Consolidated Company</u>
Formosa Plastics Corporation U.S.A.	Other related parties
Formosa Industries Corporation, U.S.A.	Other related parties
Formosa Electronic (Ningbo) Co., Ltd.	Other related parties
Formosa Ineos Chemicals Corporation	Other related parties
Ming Chi University Of Technology	Other related parties

(c) Significant related-party transactions

(i) Sales to related parties

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

	<u>For the three months ended September 30</u>		<u>For the nine months ended September 30</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Associates and joint ventures	\$ 1,380,070	1,509,940	3,938,381	3,996,181
Other related parties	<u>3,844,660</u>	<u>5,568,947</u>	<u>13,055,491</u>	<u>17,105,930</u>
	<u>\$ 5,224,730</u>	<u>7,078,887</u>	<u>16,993,872</u>	<u>21,102,111</u>

The receivables from related parties were as follows:

	<u>September 30, 2022</u>	<u>December 31, 2021</u>	<u>September 30, 2021</u>
Associates and joint ventures	\$ 487,135	627,864	621,063
Other related parties	<u>1,697,007</u>	<u>1,822,216</u>	<u>1,155,019</u>
	<u>\$ 2,184,142</u>	<u>2,450,080</u>	<u>1,776,082</u>

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

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

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

(ii) Purchase from related parties

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

	For the three months ended September 30		For the nine months ended September 30	
	2022	2021	2022	2021
Associates and joint ventures				
Formosa Petrochemical Corporation	\$ 5,906,676	11,898,348	25,687,908	32,073,969
Other associates and joint ventures	40,503	97,306	382,970	542,800
Other related parties				
Formosa Chemicals and Fiber Corporation	7,177,146	7,898,400	23,313,974	22,581,513
Other related parties	5,526,799	7,322,744	20,815,675	21,046,538
	<u>\$ 18,651,124</u>	<u>27,216,798</u>	<u>70,200,527</u>	<u>76,244,820</u>

The payables to related parties were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Associates and joint ventures			
Formosa Petrochemical Corporation	\$ 1,715,003	2,456,401	4,231,879
Other associates and joint ventures	15,612	31,697	57,259
Other related parties			
Formosa Chemicals and Fiber Corporation	2,393,320	2,790,716	2,456,031
Other related parties	1,966,559	2,853,228	2,853,476
	<u>\$ 6,090,494</u>	<u>8,132,042</u>	<u>9,598,645</u>

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

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

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

	For the three months ended September 30, 2022			For the three months ended September 30, 2021		
	Unrealized sales profit at beginning of period	(Realized) Unrealized sales profits	Unrealized sales profit at end of period	Unrealized sales profit at beginning of period	(Realized) Unrealized sales profits	Unrealized sales profit at end of period
Investee						
Associates and joint ventures	\$ 35,095	12,370	47,465	44,291	11,447	55,738

	For the nine months ended September 30, 2022			For the nine months ended September 30, 2021		
	Unrealized sales profit at beginning of period	(Realized) Unrealized sales profits	Unrealized sales profit at end of period	Unrealized sales profit at beginning of period	(Realized) Unrealized sales profits	Unrealized sales profit at end of period
Investee						
Associates and joint ventures	\$ 39,478	7,987	47,465	39,666	16,072	55,738

(iv) Construction

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

	For the three months ended September 30		For the nine months ended September 30	
	2022	2021	2022	2021
Associates and joint ventures				
Formosa Heavy Industries Corporation	\$ 38,690	31,011	236,659	215,719

The payables to related parties were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Formosa Heavy Industries Corporation	\$ 4,815	102	3,186

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(v) Utility expenses

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

	For the three months ended September 30		For the nine months ended September 30	
	2022	2021	2022	2021
Associates and joint ventures				
Formosa Petrochemical Corporation	\$ 2,459,463	1,898,809	5,743,337	5,063,487
Other related parties				
Other related parties	50,920	28,825	101,977	79,615
	<u>\$ 2,510,383</u>	<u>1,927,634</u>	<u>5,845,314</u>	<u>5,143,102</u>

The payables to related parties were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Associates and joint ventures			
Formosa Petrochemical Corporation	\$ <u>186,136</u>	<u>83,589</u>	<u>72,216</u>

(vi) Loans to related parties

The loans to related parties were as follows:

	Other receivables from related parties		
	September 30, 2022	December 31, 2021	September 30, 2021
Associates and joint ventures			
Other associates and joint ventures	\$ 162,830	174,891	158,826
Other related parties			
Formosa Plastics Marine Corporation	1,991,507	2,779,366	3,080,540
Other related parties	76,005	86,861	85,935
	<u>\$ 2,230,342</u>	<u>3,041,118</u>	<u>3,325,301</u>

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NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
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(vii) Property transaction

1) Acquisitions of financial assets

	Financial Statement Account	Transaction Shares (in thousands)	Transaction Items	For the nine months ended September 30, 2022
Associate - Formosa Smart Energy Tech Corporation	Investments accounted for using equity method	100,000	Shares of stock of Formosa Smart Energy Tech Corporation	\$ <u><u>1,000,000</u></u>
	Financial Statement Account	Transaction Shares (in thousands)	Transaction Items	For the nine months ended September 30, 2021
Associate - Formosa Resources Corporation	Investments accounted for using equity method	88,453	Shares of stock of Formosa Resources Corporation	\$ <u><u>884,531</u></u>

The Consolidated Company did not have such kind of transactions during the three months ended September 30, 2022 and 2021.

2) Acquisition of property, plant, and equipment

The amount of property, plant, and equipment acquired from the related parties was as follows:

	For the three months ended September 30,		For the nine months ended September 30,	
	2022	2021	2022	2021
Associates and joint ventures	\$ 131,596	-	131,596	459,435
Other related parties	-	-	5,683	-
	<u><u>\$ 131,596</u></u>	<u><u>-</u></u>	<u><u>137,279</u></u>	<u><u>459,435</u></u>

For the nine months ended September 30, 2022 and 2021, the Consolidated Company purchased property, plant, and equipment, amounting to \$137,279 and \$459,435, respectively. As of September 30, 2022 and 2021, there was no outstanding balance. For further description of property, plant and equipment, please refer to note 6(h).

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

		For the nine months ended September 30, 2022	
		Disposal price	Gain from disposal
Other related parties			
Formosa Plastics Corporation		<u>\$ 801,568</u>	<u>729,986</u>
		For the nine months ended September 30, 2021	
		Disposal price	Gain (loss) from disposal
Associates		<u>\$ 63</u>	<u>-</u>

The Consolidated Company did not have such kind of transactions during the three months ended September 30, 2022 and 2021.

(viii) Endorsements and guarantees

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

	September 30, 2022	December 31, 2021	September 30, 2021
Associates and joint ventures			
Formosa Group (Cayman) Limited	\$ 7,935,750	6,922,500	6,966,500
Other related parties			
Formosa Ha Tinh (Cayman) Ltd.	-	6,568,456	8,441,949
	<u>\$ 7,935,750</u>	<u>13,490,956</u>	<u>15,408,449</u>

(ix) Leases

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

		For the three months ended September 30		For the nine months ended September 30	
		2022	2021	2022	2021
Associates and joint ventures					
Nan Ya Technology Corporation	\$	<u>99,527</u>	<u>67,643</u>	<u>247,418</u>	<u>202,161</u>

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

(Continued)

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

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

The Consolidated Company rented an office building and a piece of land from Formosa Plastics Corporation. The rentals charged to related parties are determined based on the local market prices. For the three months and nine months ended September 30, 2022 and 2021, the Consolidated Company recognized the amount of \$5, \$8, \$17 and \$28 as interest expense, respectively. As of September 30, 2022, December 31 and September 30, 2021, the balance of lease liabilities amounted to \$1,300, \$2,155 and \$2,438, respectively.

The Consolidated Company rented an office building from Formosa Chemicals and Fiber Corporation, wherein the rentals charged to related parties were determined based on the local market prices. For the three months and nine months ended September 30, 2022 and 2021, the Consolidated Company recognized the amount to \$3, \$6, \$11 and \$18 as interest expense, respectively. As of September 30, 2022, December 31 and September 30, 2021, the balance of lease liabilities amounted to \$910, \$1,449 and 1,628, respectively.

The Consolidated Company rented an office building from Ming Chi University Of Technology. The rentals charged to related parties are determined based on the local market prices. For the three months and nine months ended September 30, 2022 and 2021, the Consolidated Company recognized the amount to \$211, \$223, \$642 and \$676 as interest expense, respectively. As of September 30, 2022, December 31 and September 30, 2021, the balance of lease liabilities amounted to \$59,205, \$61,623 and \$62,424, respectively.

- (d) Key management personnel compensation

Key management personnel compensation comprised:

	For the three months ended September 30		For the nine months ended September 30	
	2022	2021	2022	2021
Short-term employee benefits \$	<u>41,330</u>	<u>40,055</u>	<u>122,804</u>	<u>119,477</u>

(Continued)

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

(8) Pledged assets:

The carrying values of pledged assets were as follows:

Pledged assets	Object	Usage	September 30, 2022	December 31, 2021	September 30, 2021
Current Financial asset at fair value through other comprehensive income — stock of Formosa Plastics Corporation	Others	The collateral to provisional execution in litigation	\$ 1,102,938	1,324,544	1,445,536
Land (include idle land)	Bank loans credit line	Bank loans credit line	-	7,529,494	7,529,494
Building and Plant	Bank loans	Bank loans	40,952,923	36,523,081	-
Total			<u>\$ 42,055,861</u>	<u>45,377,119</u>	<u>8,975,030</u>

(9) Significant Commitments and contingencies:

	September 30, 2022	December 31, 2021	September 30, 2021
(a) Outstanding standby letter of credit	\$ 769,871	2,711,489	1,290,883
(b) Endorsements and guarantees	7,935,750	13,490,956	15,408,449
(c) Bonding guarantees by banks	42,000	39,000	39,000
(d) Letters of credit guarantees by banks	52,000	42,000	42,000
(e) Formosa Ha Tinh (Cayman) Ltd. (the Company's investee) and Formosa Ha Tinh Steel Corporation (a subsidiary of Formosa Ha Tinh (Cayman) Ltd.), each separately signed a syndicated line of credit with a group of financial institutions amounting to USD 3,647,500 thousand and USD 2,552,500 thousand, respectively, for their operational needs. According to the requirement of the consortium, the Company has to offer a letter of undertaking or a letter of support based on its ownership of 11.432% and commit to monitor the operations of both companies to ensure they fulfill their financial obligations.			
(f) Formosa Industries Corporation, a Company's investee, signed a syndicated line of credit with a group of financial institutions amounting to USD 250,000 thousand for its operational needs. According to the requirement of the consortium, the Company has to offer a letter of support based on its ownership of 42.50% and commit to monitor the operations of Formosa Industries Corporation to ensure that it completes its financial obligation.			
(g) Formosa Steel IB Pty Ltd. (a subsidiary of Formosa Resources Corporation), signed a syndicated line of credit with a group of financial institutions amounting to USD 200,000 thousand, for their operational needs. According to the requirement of the consortium, the Company has to offer a letter of support based on its ownership of 25.00% and commit to monitor the operations of Formosa Steel IB Pty Ltd. to ensure that it completes its financial obligation.			

(Continued)

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

- (h) Formosa Resources Corporation, a Company's investee company, signed a syndicated line of credit with various banks amounting to USD 430,000 thousand for its operational needs. According to the requirement of the banks, the Company has to offer a letter of support based on its 25.00% direct shareholding in Formosa Resources Corporation, and commit to monitor the operations of Formosa Resources Corporation to ensure that it completes its financial obligation.
- (i) Formosa Resources Australia Pty Ltd. (a subsidiary of Formosa Resources Corporation), signed a syndicated line of credit with various banks amounting to USD 550,000 thousand, for their operational needs. According to the requirement of the banks, the Company has to offer a letter of support based on its 25.00% indirect shareholding in Formosa Resources Australia Pty Ltd., and commit to monitor the operations of Formosa Resources Australia Pty Ltd. to ensure that it completes its financial obligation.
- (j) Litigation between the Company and DBTEL Incorporated(a)

The Company's client, DBTEL Inc. (DBTEL), placed several orders from the Company concerning LCD monitors since May 2003. However, in June 2004, it decided to cancel some of them, even demanding the Company to postpone its delivery; and in some cases, it went to a certain extent as to refuse accepting the goods delivered by the Company, resulting in a stock up of both raw materials and finished products in the Company's warehouse amounting to USD 5,409,815 and TWD 100,846,141. In light of this matter, the Company filed a lawsuit against DBTEL to the Taiwan High Court on April 6, 2006, demanding for compensation for the damage caused by DBTEL, who in turn filed a counterclaim to the Supreme Court against the Company requesting for either a refund or reduction of payment.

The Supreme Court made the following decisions on January 5, 2022:

- (i) The Supreme Court rejected DBTEL's counterclaim, and instead, ruled in favor of the Company and ordered DBTEL to pay a portion of the payment for schedule I amounting to USD 1,278,863, with the remaining amount of USD 14,492 being dismissed by the Taiwan High Court as the interest amount did not exceed TWD 1.5 million and could not be appealed to the Supreme Court.
- (ii) The Supreme Court handed the following cases over to the Taiwan High Court for reconsideration:
 - 1) The Company's request for the compensations of USD 4,116,460, TWD 73,616,980, and TWD 27,229,161 (all including principal and interest) from DBTEL concerning Schedules II, III, and IV, respectively.
 - 2) DBTEL's request for the refund on other declarations of provisional execution.

The Company will respond according based on the decision made by the court.

(Continued)

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

(k) Litigation between the Company and DBTEL Incorporated (b)

On June 29, 2018, DBREL Inc.(DBTEL) filed a lawsuit to the Taipei District Court against the Company, demanding for the original compensation of TWD 10 million, which was later increased to TWD 1 billion, for the losses it incurred resulting from the delay of its production and customer returns due to the deferred transaction and defective goods delivered by the Company. On April 29, 2021, the Taipei District Court ruled that the Company need not be responsible for any damage, and demanded DBTEL to pay for the litigation expenses. DBTEL disagreed with the decision made by the Taipei District Court and filed an appeal to the Taiwan High Court. However, DBTEL reduced the damage to TWD 350,000,000. This case was still in progress as of the reporting date, and the Company has engaged a law firm to handle the matter.

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(12) Other:

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

by function by item	For the three months ended September 30,							
	2022				2021			
	Operating Costs	Operating expenses	Non-Operating expenses	Total	Operating Costs	Operating expenses	Non-Operating expenses	Total
Employee benefit								
Salaries	6,592,956	1,650,194	-	8,243,150	6,941,830	1,794,249	-	8,736,079
Labor and health insurance	617,124	102,798	-	719,922	577,139	97,988	-	675,127
Pension expenses	422,307	91,173	-	513,480	403,036	88,995	-	492,031
Remuneration of directors	-	9,409	-	9,409	-	9,104	-	9,104
Others personnel expenses	391,131	76,122	-	467,253	342,301	67,415	-	409,716
Depreciation expenses	4,670,741	183,852	3,552	4,858,145	4,388,010	194,412	3,696	4,586,118
Amortization expenses	152,715	64,263	-	216,978	364,183	64,143	-	428,326

by function by item	For the nine months ended September 30,							
	2022				2021			
	Operating Costs	Operating expenses	Non-Operating expenses	Total	Operating Costs	Operating expenses	Non-Operating expenses	Total
Employee benefit								
Salaries	19,792,981	4,922,854	-	24,715,835	19,567,127	5,091,183	-	24,658,310
Labor and health insurance	1,805,939	304,464	-	2,110,403	1,742,170	297,381	-	2,039,551
Pension expenses	1,264,919	267,929	-	1,532,848	1,194,958	263,764	-	1,458,722
Remuneration of directors	-	28,176	-	28,176	-	26,834	-	26,834
Others personnel expenses	1,145,567	212,318	-	1,357,885	1,027,801	192,394	-	1,220,195
Depreciation expenses	14,038,256	525,442	11,012	14,574,710	12,900,762	554,628	11,475	13,466,865
Amortization expenses	643,972	192,117	-	836,089	1,056,294	192,308	-	1,248,602

(Continued)

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

(13) Other disclosures:

- (a) Information on significant transactions:
 - (i) Loan to other parties: Please see attached Table 1.
 - (ii) Guarantees and endorsements for other parties: Please see attached Table 2.
 - (iii) Information regarding securities held at the reporting date (excluding investment in subsidiaries, associates and joint ventures): Please see attached Table 3.
 - (iv) Information regarding individual securities acquired or disposed of with accumulated amount exceeding the lower of TWD300 million or 20% of the capital stock: Please see attached Table 4.
 - (v) Information regarding acquisition of individual real estate with amount exceeding the lower of TWD300 million or 20% of the capital stock: Please see attached Table 5.
 - (vi) Information regarding disposal of individual real estate with amount exceeding the lower of TWD300 million or 20% of the capital stock: Please see attached Table 6.
 - (vii) Information regarding related-party transactions for purchases and sales with amounts exceeding the lower of TWD100 million or 20% of the capital stock: Please see attached Table 7.
 - (viii) Information regarding receivables from related parties with amounts exceeding the lower of TWD100 million or 20% of the capital stock: Please see attached Table 8.
 - (ix) Information regarding trading in derivative financial instruments: None.
 - (x) Significant transactions and business relationship between the Company and its subsidiaries: Please see attached Table 9.
- (b) Information on investees: Please see attached Table 10.
- (c) Information on investment in mainland China: Please see attached Table 11.

(Continued)

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

(d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
Chang Gung Medical Foundation		876,733,453	11.05 %
Formosa Plastics Corporation		783,356,866	9.87 %
Formosa Chemicals and Fiber Corporation		413,327,750	5.21 %

- (i) The information on major shareholders, which is provided by the Taiwan Depository & Clearing Corporation, summarized the shareholders who held over 5% of total non-physical common stocks and preferred stocks (including treasury stocks) on the last business date of each quarter. The registered non-physical stocks may be different from the capital stocks disclosed in the financial statement due to different calculation basis.
- (ii) If share are entrusted, the above information regarding such shares will be revealed by each trustors of individual trust account. The shareholders holding more than 10% of the total shares of the company should declare insider's equity according to Securities and Exchange Act. The numbers of the shares declared by the insider include the shares of the trust assets which the insider has discretion over use. For details of the insider's equity announcement please refer to the TWSE website.

(14) Segment information:

		For the three months ended September 30, 2022					
		Plastics Product	Plastics Material	Electronic Materials	Polyester Product	Other Departments	Total
Revenue :							
Net revenue from external customers	\$	10,802,638	15,892,035	38,415,446	16,140,530	1,337,773	82,588,422
Net revenue from sales among intersegments		377,322	2,203,813	3,759,241	442,455	1,892,243	(8,675,074)
Total revenue	\$	<u>11,179,960</u>	<u>18,095,848</u>	<u>42,174,687</u>	<u>16,582,985</u>	<u>3,230,016</u>	<u>82,588,422</u>
Reportable segment profit or loss	\$	<u>410,901</u>	<u>(3,057,582)</u>	<u>6,831,937</u>	<u>800,234</u>	<u>3,949,674</u>	<u>6,353,961</u>
		For the three months ended September 30, 2021					
		Plastics Product	Plastics Material	Electronic Materials	Polyester Product	Other Departments	Total
Revenue :							
Net revenue from external customers	\$	12,141,679	31,884,890	49,313,839	14,998,848	1,588,965	109,928,221
Net revenue from sales among intersegments		443,711	4,976,491	7,371,711	360,655	1,313,531	(14,466,099)
Total revenue	\$	<u>12,585,390</u>	<u>36,861,381</u>	<u>56,685,550</u>	<u>15,359,503</u>	<u>2,902,496</u>	<u>109,928,221</u>
Reportable segment profit or loss	\$	<u>697,811</u>	<u>9,908,404</u>	<u>11,419,277</u>	<u>1,480,871</u>	<u>14,560,197</u>	<u>29,746,655</u>
		For the nine months ended September 30, 2022					
		Plastics Product	Plastics Material	Electronic Materials	Polyester Product	Other Departments	Total
Revenue :							
Net revenue from external customers	\$	33,464,554	69,219,930	121,446,497	51,634,785	3,646,814	279,412,580
Net revenue from sales among intersegments		1,183,961	5,186,695	15,920,323	1,277,199	5,553,615	(29,121,793)
Total revenue	\$	<u>34,648,515</u>	<u>74,406,625</u>	<u>137,366,820</u>	<u>52,911,984</u>	<u>9,200,429</u>	<u>279,412,580</u>
Reportable segment profit or loss	\$	<u>1,731,704</u>	<u>1,924,912</u>	<u>24,141,599</u>	<u>4,557,551</u>	<u>26,340,935</u>	<u>45,115,762</u>

(Continued)

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

For the nine months ended September 30, 2021							
	<u>Plastics Product</u>	<u>Plastics Material</u>	<u>Electronic Materials</u>	<u>Polyester Product</u>	<u>Other Departments</u>	<u>Reconciliations</u>	<u>Total</u>
Revenue :							
Net revenue from external customers	\$ 36,172,351	85,124,910	134,869,219	43,376,684	4,083,729	-	303,626,893
Net revenue from sales among intersegments	<u>1,198,696</u>	<u>12,752,267</u>	<u>20,739,777</u>	<u>949,728</u>	<u>2,754,528</u>	<u>(38,394,996)</u>	<u>-</u>
Total revenue	<u>\$ 37,371,047</u>	<u>97,877,177</u>	<u>155,608,996</u>	<u>44,326,412</u>	<u>6,838,257</u>	<u>(38,394,996)</u>	<u>303,626,893</u>
Reportable segment profit or loss	<u>\$ 2,844,119</u>	<u>25,749,277</u>	<u>29,802,404</u>	<u>4,848,814</u>	<u>38,872,549</u>	<u>(21,870,178)</u>	<u>80,246,985</u>
	<u>Plastics Product</u>	<u>Plastics Material</u>	<u>Electronic Materials</u>	<u>Polyester Product</u>	<u>Other Departments</u>	<u>Reconciliations</u>	<u>Total</u>
Reportable segment assets							
September 30, 2022	<u>\$ 40,256,572</u>	<u>105,274,699</u>	<u>207,838,228</u>	<u>35,876,313</u>	<u>505,300,345</u>	<u>(213,319,938)</u>	<u>681,226,219</u>
December 31, 2021	<u>\$ 42,508,441</u>	<u>124,316,898</u>	<u>196,074,484</u>	<u>34,869,445</u>	<u>475,275,228</u>	<u>(204,349,110)</u>	<u>668,695,386</u>
September 30, 2021	<u>\$ 41,432,324</u>	<u>116,096,967</u>	<u>185,801,113</u>	<u>34,447,990</u>	<u>469,900,922</u>	<u>(197,080,633)</u>	<u>650,598,683</u>
	<u>Plastics Product</u>	<u>Plastics Material</u>	<u>Electronic Materials</u>	<u>Polyester Product</u>	<u>Other Departments</u>	<u>Reconciliations</u>	<u>Total</u>
Reportable segment liabilities							
September 30, 2022	<u>\$ 11,342,575</u>	<u>54,749,361</u>	<u>52,980,269</u>	<u>11,746,886</u>	<u>154,327,346</u>	<u>(5,689,604)</u>	<u>279,456,833</u>
December 31, 2021	<u>\$ 10,977,265</u>	<u>11,450,746</u>	<u>41,933,319</u>	<u>11,048,308</u>	<u>171,272,883</u>	<u>(6,727,905)</u>	<u>239,954,616</u>
September 30, 2021	<u>\$ 11,217,044</u>	<u>47,267,984</u>	<u>41,313,642</u>	<u>10,952,304</u>	<u>135,911,780</u>	<u>(7,532,006)</u>	<u>239,130,748</u>

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
LENDING TO OTHER PARTIES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
(Expressed in thousands of New Taiwan Dollars)

TABLE 1

No.	Name of Lenders	Name of Borrowers	Account Name	Related Party	Highest Balance of Financing to Other Parties during the Period	Ending Balance	Actual Usage during the Period	Range of Interest Rates during the Period.	Purposes of Fund Financing for the Borrowers (Note 1)	Transaction Amount for Business Between Two Parties (Note 2)	Reasons for Short-term Financing	Allowance for Bad Debt	Collateral		Individual Funding Loan Limits (Note 3.4)	Maximum Limitation on Fund Financing (Note 3.4)
													Item	Value		
0	The Company	Formosa Plastics Group Investment Corp. (Note 6)	Other receivables from related parties	YES	100,000	100,000	-	-	2	-	Operating capital	-	-	-	96,128,141	192,256,281
0	The Company	Wellink Technology Corporation (Note 6)	Other receivables from related parties	YES	100,000	100,000	-	0.980257%-1.371541%	2	-	Operating capital	-	-	-	96,128,141	192,256,281
0	The Company	PFG Fiber Glass Corporation (Note 6)	Other receivables from related parties	YES	500,000	500,000	-	-	2	-	Operating capital	-	-	-	96,128,141	192,256,281
0	The Company	Nan Ya Plastics (Hong Kong) Co., Ltd. (Note 6)	Other receivables from related parties	YES	500,000	500,000	-	-	2	-	Operating capital	-	-	-	96,128,141	192,256,281
0	The Company	Formosa Heavy Industries Corporation	Other receivables from related parties	YES	9,200,000	5,700,000	-	1.369021%-1.419555%	2	-	Operating capital	-	-	-	96,128,141	192,256,281
0	The Company	Formosa Petrochemical Corporation	Other receivables from related parties	YES	11,500,000	4,500,000	-	-	2	-	Operating capital	-	-	-	96,128,141	192,256,281
0	The Company	Formosa Plastics Corporation	Other receivables from related parties	YES	7,500,000	4,500,000	-	-	2	-	Operating capital	-	-	-	96,128,141	192,256,281
0	The Company	Formosa Chemicals and Fiber Corporation	Other receivables from related parties	YES	7,500,000	4,500,000	-	-	2	-	Operating capital	-	-	-	96,128,141	192,256,281
0	The Company	Formosa Plastics Marine Corporation	Other receivables from related parties	YES	3,571,507	3,571,507	1,991,507	0.980257%-1.419555%	2	-	Operating capital	-	-	-	96,128,141	192,256,281
1	Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation Texas (Note 6)	Other receivables from related parties	YES	19,045,800	15,236,640	11,427,480	1.344%-3.803%	2	-	Operating capital	-	-	-	24,253,138	48,506,275
1	Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation U.S.A. (Note 6)	Other receivables from related parties	YES	952,290	952,290	334,542	1.344%-3.803%	2	-	Operating capital	-	-	-	24,253,138	48,506,275
2	Nan Ya PCB Corporation	Nan Ya PCB (HK) Corporation (Note 6)	Other receivables from related parties	YES	50,000	50,000	-	-	2	-	Operating capital	-	-	-	12,156,737	24,313,475
3	Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	1,788,345	1,788,345	1,788,345	0.7004%	2	-	Operating capital	-	-	-	55,628,521	111,257,042
4	Wen Fung Industrial Co., Ltd.	Wellink Technology Corporation (Note 6)	Other receivables from related parties	YES	23,000	23,000	-	-	2	-	Operating capital	-	-	-	26,558	265,575
4	Wen Fung Industrial Co., Ltd.	Formosa Environmental Technology Corporation	Other receivables from related parties	YES	60,000	60,000	60,000	0.980257%-1.419555%	2	-	Operating capital	-	-	-	106,230	265,575
4	Wen Fung Industrial Co., Ltd.	Formosa Fairway Corporation	Other receivables from related parties	YES	15,000	-	-	0.980257%-1.419555%	2	-	Operating capital	-	-	-	106,230	265,575
5	Nan Ya Plastics (Guangzhou) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	639,333	639,333	585,683	3.08%-3.08%	2	-	Operating capital	-	-	-	1,468,224	2,936,447
6	Nan Ya Plastics (Huizhou) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	983,590	983,590	983,590	2.96%-3.08%	2	-	Operating capital	-	-	-	1,818,639	3,637,278
7	Nan Ya Trading (Huizhou) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	26,825	-	-	2.96%-2.96%	2	-	Operating capital	-	-	-	30,286	60,571
8	Nan Ya Plastics (Xiamen) Co., Ltd.	Xiamen Haicang Investment Group Co., Ltd.	Other receivables from related parties	YES	89,417	76,005	76,005	2.96%-3.08%	2	-	Operating capital	-	-	-	558,600	698,250
8	Nan Ya Plastics (Xiamen) Co., Ltd.	Nan Ya Plastics (Zhengzhou) Co., Ltd.	Other receivables from related parties	YES	102,830	102,830	102,830	2.96%-3.08%	2	-	Operating capital	-	-	-	558,600	698,250
9	Nan Ya Plastics (Nantong) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	447,087	447,087	210,131	2.96%-2.96%	2	-	Operating capital	-	-	-	5,613,662	11,227,324
10	China Nantong Huafeng Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	174,364	174,364	174,364	3.08%-3.08%	2	-	Operating capital	-	-	-	175,580	351,155
11	Nantong Huafu Plastics Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	47,838	47,838	47,838	2.96%-2.96%	2	-	Operating capital	-	-	-	49,712	99,419
13	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	2,235,432	2,235,432	-	2.96%-3.08%	2	-	Operating capital	-	-	-	33,833,203	67,666,405
13	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd. (Note 6)	Other receivables from related parties	YES	9,522,937	9,522,937	6,393,333	2.92%-3.08%	2	-	Operating capital	-	-	-	33,833,203	67,666,405
14	Nan Ya Plastics (Ningbo) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd. (Note 6)	Other receivables from related parties	YES	1,200,427	1,200,427	1,200,427	2.96%-2.96%	2	-	Operating capital	-	-	-	5,794,184	11,588,368

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

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

Note 3 : Capital loaned to other parties should not exceed 50% of the lender's net worth, of which the sum loaned to non-interested parties for capital requirements should not exceed 40% of the net worth of borrower.

The cap amount of loans to associates and interested parties should not exceed 25% of the equity of the lenders. Other parties should not exceed 20% of the lender's net worth.

Note 4 : Subsidiaries' capital loaned to associates and interested parties should not exceed 50% of the equity of the lenders. Other parties should not exceed 40% of the lender's net worth.

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

Note 5 : Reporting currency of Nan Ya Plastics corporation, America and Nan Ya Plastics corporation USA are denominated in USD, and the exchange rate of TWD to USD as of September 30, 2022 (in average) is 31.743(29.333) : 1.

Reporting currency of Nan Ya Plastics (Hong Kong) Co., Ltd and Superior World Wide Trading Co., Ltd. are denominated in HKD, and the exchange rate of TWD to HKD as of September 30, 2022 (in average) is 4.0696(3.7607) : 1.

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

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
GUARANTEES AND ENDORSEMENTS FOR OTHER PARTIES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
(Expressed in thousands of New Taiwan Dollars)

TABLE 2

No	Endorsement Guarantee Provider	Counterparty of Guarantee and Endorsement		Limitation Amount of Guarantees and Endorsements for a Specific Enterprise	Highest Balance for Guarantee and Endorsements during the Period	Balance of Guarantees and Endorsements as of September 30, 2022	Amount Secured by Guaranteed and Endorsed Property	Amount of Endorsement /Guarantee Collateralized by Properties	Ratio of Accumulated Amounts of Guarantees and Endorsements to Net Worth of the Latest Financial Statements	Maximum Amounts for Guarantees and Endorsements	Parent Company Endorses /Guarantees to Third Parties on Behalf of Subsidiary	Subsidiary Endorses /Guarantees to Third Parties on Behalf of Parent Company	Endorsements /Guarantees to the Third Parties on Behalf of the Companies in Mainland China
		Name	Relationship with The Company (Note)										
0	The Company	Formosa Group (Cayman) Ltd.	6	249,933,166	7,935,750	7,935,750	7,935,750	-	2.06%	499,866,331	N	N	N
0	The Company	Formosa Ha Tinh (Cayman) Ltd.	6	249,933,166	7,529,884	-	-	-	-	499,866,331	N	N	N

Note1: The total amount of guarantees and endorsements by the company shall not exceed 1.3 times of the company's net value, and the amount of guarantees and endorsements for a specific enterprise shall not exceed one half of the foregoing total.

Note2: There are seven conditions in which the Company may have guarantees or endorsements for other parties as follows:

- (1)The Company has business relationship.
- (2)The Company holds directly and indirectly more than 50% of the voting shares of the subsidiaries.
- (3)In aggregate, the Company holds directly or its subsidiaries hold indirectly more than 50% of the investee.
- (4)Subsidiaries in which the Company holds directly or indirectly more than 90% of the voting shares make endorsement and guarantees for each other.
- (5)The Company is required to provide guarantees or endorsements for the construction project based on the construction contract.
- (6)The stockholders of the Company provide guarantees or endorsements for the investee in proportion to their stockholding percentage.
- (7)According to Consumer Protection Act, companies are required to provide guarantees and endorsements for joint and several liabilities if take part in business of preconstruction real estate.

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
INFORMATION REGARDING SECURITIES HELD AT THE REPORTING DATE
(SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES NOT INCLUDED)

SEPTEMBER 30, 2022

(Expressed in thousands of New Taiwan Dollars)

TABLE 3

Security Holder	Category and Name of Security	Relationship Between Issuer of Security and the Company which Holds Securities	Account Name	September 30, 2022				Notes
				Number of Shares (in thousands)	Carrying Value	Shareholding Percentage	Market Value or Net Asset Value	
The Company	Mega International Private USD Money Market	-	Financial assets valued at FVTPL — current	4,554	1,600,384	-	1,600,384	Note 1
The Company	Formosa Plastics Corporation	Other related parties	Financial assets valued at FVTOCI— current	294,793	25,529,083	4.63%	25,529,083	
The Company	Formosa Chemicals and Fiber Corporation	Other related parties	Financial assets valued at FVTOCI— current	140,520	9,709,908	2.40%	9,709,908	
The Company	Formosa Group Ocean Marine Investment Corporation	Other related parties	Financial assets valued at FVTOCI— non current	3	4,891,436	19.00%	4,891,436	
The Company	Formosa Plastics Corporation U.S.A.	Other related parties	Financial assets valued at FVTOCI— non current	2	1,138,803	0.51%	1,138,803	
The Company	Ostendo Technologies Inc.	-	Financial assets valued at FVTOCI— non current	150	-	0.12%	-	
The Company	Formosa Plastics Maritime Corp.	Other related parties	Financial assets valued at FVTOCI— non current	352	295,364	18.00%	295,364	
The Company	Formosa International Development Co., Ltd.	Other related parties	Financial assets valued at FVTOCI— non current	19,769	267,779	18.00%	267,779	
The Company	Mai Liao Harbor Administration Corp.	Other related parties	Financial assets valued at FVTOCI— non current	39,562	1,324,476	17.98%	1,324,476	
The Company	Formosa Plastics Marine Corporation	Other related parties	Financial assets valued at FVTOCI— non current	2,429	484,539	15.00%	484,539	
The Company	ASIA Pacific Investment Co.	Other related parties	Financial assets valued at FVTOCI— non current	63,717	2,104,191	14.99%	2,104,191	
The Company	Formosa Technologies Corporation	Other related parties	Financial assets valued at FVTOCI— non current	2,925	209,738	12.50%	209,738	
The Company	Central Leasing Corp.	-	Financial assets valued at FVTOCI— non current	1,779	-	1.07%	-	
The Company	Chinese Television System Inc.	-	Financial assets valued at FVTOCI— non current	1,769	43,823	1.04%	43,823	
The Company	China Investment & Development Company, Limited	-	Financial assets valued at FVTOCI— non current	1,287	7,721	0.80%	7,721	

Security Holder	Category and Name of Security	Relationship Between Issuer of Security and the Company which Holds Securities	Account Name	September 30, 2022				Notes
				Number of Shares (in thousands)	Carrying Value	Shareholding Percentage	Market Value or Net Asset Value	
The Company	Taiwan Aerospace Corp.	-	Financial assets valued at FVTOCI—non current	1,070	13,731	0.79%	13,731	
The Company	Guang Yuan Securities Investment Consulting Corporation	-	Financial assets valued at FVTOCI—non current	3,750	34,575	3.91%	34,575	
The Company	Mega Growth Capital Venture	-	Financial assets valued at FVTOCI—non current	2,075	17,248	1.97%	17,248	
The Company	Formosa Ha Tinh (Cayman) Ltd.	-	Financial assets valued at FVTOCI—non current	621,178	9,267,488	11.43%	9,267,488	
Nan Ya Plastics Corporation America	Sutton (Bonds)	-	Financial assets valued at FVTPL—non current	-	205,640	-	205,640	
Nan Ya Plastics Corporation America	American Overseas Reinsurance Co., Ltd. (Preferred Stock)	-	Financial assets valued at FVTPL—non current	-	105,927	-	105,927	
Nan Ya Plastics Corporation America	MBIA Insurance Corp. (Preferred Stock)	-	Financial assets valued at FVTPL—non current	-	41,837	-	41,837	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Hua Ya (Dong Ying) Plastics Corp.	-	Financial assets valued at FVTOCI—non current	-	228,951	15.00%	228,951	
Nan Ya Plastics (Hong Kong) Co., Ltd.	Hua Ya (Wu Hu) Plastics Corp.	-	Financial assets valued at FVTOCI—non current	-	176,655	15.00%	176,655	

Note 1 : The Company pledged its shares of Formosa Plastics Corporation of 12,736 thousand common shares amounting to \$1,102,938.

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
INFORMATION REGARDING INDIVIDUAL SECURITIES ACQUIRED OR DISPOSED OF WITH ACCUMULATED AMOUNT EXCEEDING THE LOWER OF TWD300 MILLION OR 20% OF THE CAPITAL STOCK
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
(Expressed in thousands of New Taiwan Dollars)

TABLE 4

Company Name	Category and Name of Security	Financial Statement Account	Counter-party	Relationship	Beginning Balance		Purchases		Sales				Ending Balance	
					Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Price	Carrying Value	Gain/Loss on Disposal	Shares (in thousands)	Amount
The Company	Mega International Private USD Money Market	Financial assets valued at FVTPL – current	-	-	12,479	3,793,399	-	-	7,925	2,422,695	2,602,065	- (Note1)	4,554	1,600,384 (Note)
The Company	Formosa Smart Energy Tech Corporation	Investments accounted for using equity method	Formosa Smart Energy Tech Corporation	Investments accounted for using equity method	-	-	100,000	1,000,000	-	-	-	-	100,000	1,001,404 (Note2)
Nan Ya PCB Corporation	Nan Ya PCB (HK) Corporation	Investments accounted for using equity method	Nan Ya PCB (HK) Corporation	Investments accounted for using equity method	1,598,220	14,256,899	553,800	2,118,214	-	-	-	-	2,152,020	21,169,956 (Note2.3)
Nan Ya PCB (HK) Corporation	Nan Ya PCB(Kunshan) Corporation	Investments accounted for using equity method	Nan Ya PCB(Kunshan) Corporation	Investments accounted for using equity method	-	14,244,263	-	2,118,214	-	-	-	-	-	21,155,494 (Note2.3)

Note : End of period amount includes effects measured by fair value.

Note 1 : The carrying value has been measured at the fair value before the disposition, with the loss on valuation amounting to (\$179,370), which was recognized under "Other gains and losses" in the consolidated statements of comprehensive income.

Note 2 : End of period amount includes investment income and transaction adjustment under equity method and the effect of exchange changes.

Note 3 : This transaction has been written off during the consolidation process.

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
INFORMATION REGARDING ACQUISITION OF INDIVIDUAL REAL ESTATE WITH AMOUNT EXCEEDING THE LOWER OF TWD300 MILLION OR 20% OF THE CAPITAL STOCK
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
(Expressed in thousands of New Taiwan Dollars)

TABLE 5

Company Name	Name of Property	Transaction Date	Transaction Amount	Status of Payment	Counter-party	Relationship with the Company	Disclosure of Information on Previous Transfer of Equipment is Required for Related Parties who are also the Counter Parties				References for Determining Price	Purpose of Acquisition and Current Condition	Others
							Owner	Relationship with the Company	Date of Transfer	Amount			
Nan Ya Plastics (Ningbo) Co., Ltd.	Construction in progress	2022.01~2022.07	466,458	Paid	China MCC20 Group Corporaion Ltd.	Unrelated party	-	-	-	-	Negotiation	Plant expansion	None

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
INFORMATION REGARDING DISPOSAL OF INDIVIDUAL REAL ESTATE WITH AMOUNT EXCEEDING THE LOWER OF TWD300 MILLION OR 20% OF THE CAPITAL STOCK
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
(Expressed in thousands of New Taiwan Dollars)

TABLE 6

Company Name	Name of Property	Transaction Date	Acquisition Date	Book Value	Transaction Amount(Note)	Status of Payment	Gains (Loss) on Disposal	Counter-party	Relationship	Purpose of Disposal	Reference for Determining Price	Others
The Company	Land and Building	2022.03.10	1972.07、1973.07、 1974.09、1975.04、 1978.01	1,790	731,776	Paid	729,986	Formosa Plastics Corporation	Other related parties	Disposal of Idle Land and Building	By the estimate of the appraiser	None

Note: Related costs of disposal is deducted.

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
FORMATION REGARDING RELATED-PARTY TRANSACTIONS FOR PURCHASES AND SALES WITH AMOUNTS EXCEEDING THE LOWER OF TWD100 MILLION OR 20% OF THE CAPITAL STOCK
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
(Expressed in thousands of New Taiwan Dollars)

TABLE 7

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts (Payable) Receivable		Notes
			Purchases (Sales)	Amount	% to total purchase/(sales)	Credit Period	Unit Price	Payment Term	Ending Balance	% to Total	
The Company	Formosa Plastics Corporation	Other related parties	(Sales)	(1,713,031)	(1.25)%	30 days	-	-	337,984	1.96%	
The Company	Formosa Chemicals and Fiber Corporation	Other related parties	(Sales)	(7,940,558)	(5.81)%	30 days	-	-	856,677	4.97%	
The Company	Nan Ya PCB Corporation	Subsidiaries	(Sales)	(1,309,660)	(0.96)%	30 days	-	-	248,057	1.44%	Note
The Company	Formosa Petrochemical Corporation	Associates	(Sales)	(1,182,247)	(0.87)%	30 days	-	-	187,006	1.09%	
The Company	Nanya Technology Corporation	Associates	(Sales)	(273,970)	(0.20)%	30 days	-	-	17,017	0.10%	
The Company	Formosa Heavy Industries Corporation	Associates	(Sales)	(419,780)	(0.31)%	30 days	-	-	7,061	0.04%	
The Company	Formosa Taffeta Co., Ltd.	Other related parties	(Sales)	(522,921)	(0.38)%	30 days	-	-	40,708	0.24%	
The Company	Formosa Industries (Ningbo) Co., Ltd.	Other related parties	(Sales)	(106,396)	(0.08)%	O/A150 days	-	-	1,498	0.01%	
The Company	Nan Ya Plastics Corporation U.S.A.	Subsidiaries	(Sales)	(852,808)	(0.62)%	O/A105 days	-	-	629,532	3.65%	Note
The Company	Nan Ya Plastics Corporation America	Subsidiaries	(Sales)	(260,118)	(0.19)%	O/A105 days	-	-	104,315	0.61%	Note
The Company	Nan Ya Electronic Materials (Huizhou) Co., Ltd.	Subsidiaries	(Sales)	(6,516,407)	(4.77)%	O/A180 days	-	-	661,483	3.84%	Note
The Company	Nan Ya Plastics (Nantong) Co., Ltd.	Subsidiaries	(Sales)	(214,064)	(0.16)%	O/A150 days	-	-	72,528	0.42%	Note
The Company	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Subsidiaries	(Sales)	(3,180,746)	(2.33)%	O/A150 days	-	-	466,187	2.71%	Note
The Company	Formosa Industries Corporation	Associates	(Sales)	(1,572,666)	(1.15)%	O/A150 days	-	-	110,208	0.64%	
The Company	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	Subsidiaries	(Sales)	(201,792)	(0.15)%	O/A150 days	-	-	38,343	0.22%	Note
The Company	Nan Ya Plastics (Ningbo) Co., Ltd.	Subsidiaries	(Sales)	(510,435)	(0.37)%	O/A150 days	-	-	11,179	0.06%	Note
The Company	Nan Chung Petrochemical Corporation	Subsidiaries	(Sales)	(148,435)	(0.11)%	30 days	-	-	30,293	0.18%	Note
The Company	Formosa Plastics Corporation	Other related parties	Purchases	11,260,272	12.92%	30 days	-	-	(907,309)	(8.76)%	
The Company	Formosa Chemicals and Fiber Corporation	Other related parties	Purchases	22,696,420	26.05%	30 days	-	-	(2,248,025)	(21.70)%	
The Company	Formosa Petrochemical Corporation	Associates	Purchases	24,241,170	27.82%	30 days	-	-	(1,289,444)	(12.45)%	
The Company	PFG Fiber Glass Corporation	Subsidiaries	Purchases	1,983,791	2.28%	30 days	-	-	(157,345)	(1.52)%	Note
The Company	Nan Chung Petrochemical Corporation	Subsidiaries	Purchases	1,102,003	1.26%	30 days	-	-	(330,296)	(3.19)%	Note
The Company	Formosa Industries Corporation	Associates	Purchases	229,852	0.26%	O/A150 days	-	-	(15,612)	(0.15)%	
The Company	Formosa Ineos Chemicals Corporation	Other related parties	Purchases	182,618	0.21%	30 days	-	-	(5,261)	(0.05)%	
The Company	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Subsidiaries	Purchases	297,181	0.34%	O/A150 days	-	-	(119,774)	(1.16)%	Note
The Company	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	Subsidiaries	Purchases	663,659	0.76%	O/A150 days	-	-	(187,598)	(1.81)%	Note
Nan Ya PCB Corporation	The Company	Parent	Purchases	1,309,660	10.30%	30 days	-	-	(248,057)	(7.36)%	Note
Nan Ya PCB Corporation	Nan Ya PCB (Kunshan) Corporation	Subsidiaries	Purchases	5,638,527	44.36%	30 days	-	-	(752,071)	(22.31)%	Note
Nan Ya PCB Corporation	Formosa Advanced Technologies Co., Ltd.	Associates	(Sales)	(433,078)	(1.24)%	70 days	-	-	50,157	0.47%	
Nan Ya PCB (Kunshan) Corporation	Nan Ya PCB Corporation	Subsidiaries	(Sales)	(5,638,527)	(31.74)%	30 days	-	-	752,071	18.26%	Note
Nan Ya PCB (Kunshan) Corporation	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Same chairman	Purchases	774,073	10.51%	60 days	-	-	(76,406)	(2.15)%	Note
Nan Ya PCB (Kunshan) Corporation	Formosa Advanced Technologies Co., Ltd.	Associates	(Sales)	(372,903)	(2.10)%	70 days	-	-	65,986	1.60%	
Nan Ya PCB (Kunshan) Corporation	Wellink Technology Corporation	Same chairman	Purchases	107,476	1.46%	60 days	-	-	(29,472)	(0.83)%	Note
Nan Chung Petrochemical Corporation	The Company	Parent	(Sales)	(1,102,003)	(50.75)%	30 days	-	-	330,296	51.75%	Note
Nan Chung Petrochemical Corporation	China Man-made Fiber Corporation	Other related parties	(Sales)	(1,068,085)	(49.19)%	15th day of next month	-	-	307,998	48.25%	
Nan Chung Petrochemical Corporation	Formosa Petrochemical Corporation	Associates	Purchases	1,445,349	62.34%	15th day of next month	-	-	(425,542)	(93.29)%	
Nan Chung Petrochemical Corporation	The Company	Parent	Purchases	148,435	6.40%	30 days	-	-	(30,293)	(6.64)%	Note
Wellink Technology Corporation	Nan Ya PCB (Kunshan) Corporation	Subsidiaries	(Sales)	(107,476)	(0.07)%	O/A 150 days	-	-	29,472	77.15%	Note
PFG Fiber Glass Corporation	The Company	Parent	(Sales)	(1,983,791)	(66.99)%	30 days	-	-	157,345	40.12%	Note
PFG Fiber Glass Corporation	Formosa Chemicals and Fiber Corporation	Other related parties	Purchases	469,317	30.47%	30 days	-	-	(114,346)	(38.39)%	
Nan Ya Plastics Corporation U.S.A.	Formosa Plastics Corporation U.S.A.	Other related parties	Purchases	1,068,395	36.84%	payment within one month	-	-	(116,759)	(12.55)%	
Nan Ya Plastics Corporation U.S.A.	The Company	Parent	Purchases	852,808	29.41%	O/A 105 days	-	-	(629,532)	(67.67)%	Note
Nan Ya Plastics Corporation U.S.A.	Nan Ya Plastics Corporation America	Subsidiaries	Purchases	139,470	4.81%	payment within one month	-	-	(3,009)	(0.32)%	Note
Nan Ya Plastics Corporation America	Formosa Plastics Corporation U.S.A.	Other related parties	(Sales)	(285,125)	(0.86)%	payment within one month	-	-	-	-	
Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation U.S.A.	Subsidiaries	(Sales)	(139,470)	(0.42)%	payment within one month	-	-	3,009	0.06%	Note
Nan Ya Plastics Corporation America	Formosa Plastics Corporation U.S.A.	Other related parties	Purchases	208,153	0.68%	payment within one month	-	-	(17,673)	(3.15)%	
Nan Ya Plastics Corporation America	The Company	Parent	Purchases	260,118	0.85%	O/A105 days	-	-	(104,315)	(18.58)%	Note
Nan Ya Plastics Corporation America	Formosa Chemicals and Fiber Corporation	Other related parties	Purchases	144,720	0.47%	30 days	-	-	(30,949)	(5.51)%	

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts (Payable) Receivable		Notes
			Purchases / (Sales)	Amount	% to total purchase/(sales)	Credit Period	Unit Price	Payment Term	Ending Balance	% to Total	
Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation Texas	Subsidiaries	Purchases	233,248	0.76%	payment within one month	-	-	-	-	Note
Nan Ya Plastics Corporation Texas	Nan Ya Plastics Corporation America	Subsidiaries	(Sales)	(233,248)	(3.72)%	payment within one month	-	-	-	-	Note
Nan Ya Plastics Corporation Texas	Formosa Plastics Corporation U.S.A.	Other related parties	(Sales)	(297,208)	(4.74)%	payment within one month	-	-	-	-	
PFG Fiber Glass (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Subsidiaries	(Sales)	(1,959,816)	(70.07)%	60 days	-	-	175,083	39.39%	Note
PFG Fiber Glass (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.	Subsidiaries	(Sales)	(136,068)	(4.86)%	60 days	-	-	74,798	16.83%	Note
PFG Fiber Glass (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Subsidiaries	Purchases	147,644	13.22%	60 days	-	-	(17,897)	(13.19)%	Note
Nan Ya Plastics (Xiamen) Co., Ltd.	Formosa Industries (Ningbo) Co., Ltd.	Other related parties	Purchases	276,817	33.16%	60 days	-	-	(27,254)	(49.63)%	
Nan Ya Plastics (Guangzhou) Co., Ltd.	Formosa Plastics Corporation	Other related parties	Purchases	261,893	20.49%	O/A150 days	-	-	(4,037)	(3.20)%	
Nan Ya Plastics (Guangzhou) Co., Ltd.	Formosa Industries (Ningbo) Co., Ltd.	Other related parties	Purchases	349,568	27.34%	60 days	-	-	(43,594)	(34.60)%	
Nan Ya Electronic Materials (Huizhou) Co., Ltd.	The Company	Parent	Purchases	6,516,407	58.99%	O/A180 days	-	-	(661,483)	(28.36)%	Note
Nan Ya Electronic Materials (Huizhou) Co., Ltd.	Nan Ya Electric (Nantong) Co., Ltd.	Subsidiaries	Purchases	175,729	1.59%	60 days	-	-	(15,325)	(0.66)%	Note
Nan Ya Electronic Materials (Huizhou) Co., Ltd.	PFG Fiber Glass (Kunshan) Co., Ltd.	Subsidiaries	Purchases	136,068	1.23%	60 days	-	-	(74,798)	(3.21)%	Note
Nan Ya Electronic Materials (Huizhou) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Subsidiaries	Purchases	3,445,691	31.19%	180 days	-	-	(1,282,226)	(54.97)%	Note
Nan Ya Plastics (Nantong) Co., Ltd.	The Company	Parent	Purchases	214,064	6.68%	O/A150 days	-	-	(72,528)	(12.50)%	Note
Nan Ya Plastics (Nantong) Co., Ltd.	Formosa Industries (Ningbo) Co., Ltd.	Other related parties	Purchases	690,027	21.52%	60 days	-	-	(108,768)	(18.75)%	
Nan Ya Plastics (Nantong) Co., Ltd.	Nanya Kyowa Plastics (Nantong) Co., Ltd.	Joint ventures	(Sales)	(164,860)	(4.36)%	60 days	-	-	60,084	3.79%	
Nan Ya Electric (Nantong) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.	Subsidiaries	(Sales)	(175,729)	(23.56)%	60 days	-	-	15,325	13.65%	Note
Nan Ya Electric (Nantong) Co., Ltd.	Formosa Industries (Ningbo) Co., Ltd.	Other related parties	(Sales)	(172,734)	(23.16)%	60 days	-	-	2,628	2.34%	
Nan Ya Plastics (Ningbo) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Subsidiaries	(Sales)	(3,301,300)	(28.88)%	60 days	-	-	84,032	19.27%	Note
Nan Ya Plastics (Ningbo) Co., Ltd.	Formosa Chemicals and Fiber (Ningbo) Corporation	Other related parties	Purchases	6,202,981	67.22%	60 days	-	-	(690,583)	(63.90)%	
Nan Ya Plastics (Ningbo) Co., Ltd.	Formosa Heavy Industries (Ningbo) Co., Ltd.	Associates	Purchases	148,822	1.61%	60 days	-	-	-	-	
Nan Ya Plastics (Ningbo) Co., Ltd.	The Company	Parent	Purchases	510,435	5.53%	O/A150 days	-	-	(11,179)	(1.03)%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	The Company	Parent	(Sales)	(297,181)	(0.75)%	O/A150 days	-	-	119,774	0.91%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.	Subsidiaries	(Sales)	(3,445,691)	(8.65)%	180 days	-	-	1,282,226	9.79%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya PCB (Kunshan) Corporation	Same chairman	(Sales)	(774,073)	(1.94)%	60 days	-	-	76,406	0.58%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	PFG Fiber Glass (Kunshan) Co., Ltd.	Subsidiaries	(Sales)	(147,644)	(0.37)%	60 days	-	-	17,897	0.14%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	Subsidiaries	(Sales)	(279,470)	(0.70)%	60 days	-	-	32,520	0.25%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	The Company	Parent	Purchases	3,180,746	9.63%	O/A150 days	-	-	(466,187)	(20.04)%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	PFG Fiber Glass (Kunshan) Co., Ltd.	Subsidiaries	Purchases	1,959,816	5.93%	60 days	-	-	(175,083)	(7.52)%	Note
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Plastics (Ningbo) Co., Ltd.	Subsidiaries	Purchases	3,301,300	10.00%	60 days	-	-	(84,032)	(3.61)%	Note
Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	The Company	Parent	Purchases	201,792	10.56%	O/A150 days	-	-	(38,343)	(23.26)%	Note
Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Subsidiaries	Purchases	279,470	14.63%	60 days	-	-	(32,520)	(19.73)%	Note
Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	Formosa Industries Corporation	Associates	(Sales)	(170,883)	(6.24)%	O/A151 days	-	-	48,924	14.49%	
Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	The Company	Parent	(Sales)	(663,659)	(24.22)%	O/A150 days	-	-	187,598	55.55%	Note

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

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
INFORMATION REGARDING RECEIVABLES FROM RELATED-PARTIES WITH AMOUNTS EXCEEDING THE LOWER OF TWD100 MILLION OR 20% OF THE CAPITAL STOCK
SEPTEMBER 30, 2022
(Expressed in thousands of New Taiwan Dollars)

TABLE 8

Company Name	Related Party	Relationship	Ending Balance		Turnover Rate	Overdue		Amounts Received in Subsequent Periods	Allowance for Bad Debts
						Amount	Action Taken		
The Company	Formosa Plastics Corporation	Other related parties	Receivables from related parties :	337,984	9.23	-	-	239,051	-
The Company	Formosa Chemicals and Fiber Corporation	Other related parties	Receivables from related parties :	856,677	10.90	-	-	856,677	-
The Company	Nan Ya PCB Corporation(Note 1)	Subsidiaries	Receivables from related parties :	248,057	10.28	-	-	248,057	-
The Company	Formosa Petrochemical Corporation	Assosiates	Receivables from related parties :	187,006	11.04	-	-	145,848	-
The Company	Nan Ya Plastics Corporation U.S.A.(Note 1)	Subsidiaries	Receivables from related parties :	629,532	2.16	-	-	5,409	-
The Company	Nan Ya Plastics Corporation America(Note 1)	Subsidiaries	Receivables from related parties :	104,315	3.22	-	-	-	-
The Company	Nan Ya Electronic Materials (Huizhou) Co., Ltd.(Note 1)	Subsidiaries	Receivables from related parties :	661,483	6.47	-	-	661,483	-
The Company	Nan Ya Electronic Materials (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Receivables from related parties :	466,187	4.54	-	-	381,795	-
The Company	Formosa Industries Corporation	Assosiates	Receivables from related parties :	110,208	9.30	-	-	110,208	-
Nan Ya PCB (Kunshan) Corporation	Nan Ya PCB Corporation(Note 1)	Subsidiaries	Receivables from related parties :	752,071	9.93	-	-	752,071	-
Nan Chung Petrochemical Corporation	The Company(Note 1)	Parent	Receivables from related parties :	330,296	3.98	-	-	330,296	-
Nan Chung Petrochemical Corporation	China Man-made Fiber Corporation	Other related parties	Receivables from related parties :	307,998	4.13	-	-	307,998	-
PFG Fiber Glass Corporation	The Company(Note 1)	Parent	Receivables from related parties :	157,345	12.20	-	-	157,345	-
PFG Fiber Glass (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Receivables from related parties :	175,083	10.04	-	-	534	-
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	The Company(Note 1)	Parent	Receivables from related parties :	119,774	6.62	-	-	59,815	-
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.(Note 1)	Subsidiaries	Receivables from related parties :	1,282,226	2.96	-	-	332,519	-
Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.	The Company(Note 1)	Parent	Receivables from related parties :	187,598	5.41	-	-	43,153	-
The Company	Formosa Plastics Marine Corporation	Other related parties	Other receivables from related parties :	1,991,507	note	-	-	-	-
Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation Texas(Note 1)	Subsidiaries	Other receivables from related parties :	11,427,480	note	-	-	-	-
Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation U.S.A.(Note 1)	Subsidiaries	Other receivables from related parties :	334,542	note	-	-	-	-
Nan Ya Plastics (Hong Kong) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	1,788,345	note	-	-	-	-
Nan Ya Plastics (Huizhou) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	983,590	note	-	-	-	-
Nan Ya Plastics (Xiamen) Co., Ltd.	Nan Ya Plastics (Zhengzhou) Co., Ltd.	Joint ventures	Other receivables from related parties :	102,830	note	-	-	-	-
Nan Ya Plastics (Ningbo) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	1,200,427	note	-	-	-	-
Nan Ya Plastics (Guangzhou) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	585,683	note	-	-	-	-
Nan Ya Electronic Materials (Kunshan) Co., Ltd.	Nan Ya Electronic Materials (Huizhou) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	6,393,333	note	-	-	-	-
Nan Ya Plastics (Nantong) Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	210,131	note	-	-	-	-
China Nantong Huafeng Co., Ltd.	Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note 1)	Subsidiaries	Other receivables from related parties :	174,364	note	-	-	-	-

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

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

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
SIGNIFICANT TRANSACTIONS AND BUSINESS RELATIONSHIP BETWEEN THE COMPANY AND ITS SUBSIDIARIES
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
(Expressed in thousands of New Taiwan Dollars)

TABLE 9

No. (Note 1)	Company Name	Counter-party	Relationship (Note 2)	Intercompany Transactions			
				Financial Statement Item	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets
0	The Company	Nan Ya PCB Corporation and its subsidiaries	1	Sales	1,316,139	30-150 days	0.47%
0	The Company	Nan Chung Petrochemical Corporation	1	Sales	148,435	30 days	0.05%
0	The Company	PFG Fiber Glass Corporation	1	Sales	88,004	30 days	0.03%
0	The Company	Nan Ya Plastics Corporation U.S.A	1	Sales	852,808	O/A 105 days	0.31%
0	The Company	Nan Ya Plastics Corporation America	1	Sales	260,118	O/A 105 days	0.09%
0	The Company	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	1	Sales	10,759,784	O/A 150-180 days	3.85%
0	The Company	PFG Fiber Glass (Hong Kong) Corporation Limited and its subsidiaries	1	Sales	14,759	O/A 150 days	0.01%
1	Nan Chung Petrochemical Corporation	The Company	2	Sales	1,102,003	30 days	0.39%
2	Wen Fung Industrials Co., Ltd. and its subsidiaries	Nan Ya PCB Corporation and its subsidiaries	3	Sales	136,382	30 days	0.05%
3	PFG Fiber Glass Corporation	The Company	2	Sales	1,983,791	30 days	0.71%
3	PFG Fiber Glass Corporation	PFG Fiber Glass (Hong Kong) Co., Ltd. and its subsidiaries	3	Sales	25,521	30 days	0.01%
3	PFG Fiber Glass Corporation	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	3	Sales	20,485	30 days	0.01%
4	Nan Ya Plastics Corporation U.S.A.	The Company	2	Sales	74,966	O/A 105 days	0.03%
5	Nan Ya Plastics Corporation America	Nan Ya Plastics Corporation U.S.A	3	Sales	139,470	payment within one month	0.05%
5	Nan Ya Plastics Corporation America	The Company	2	Sales	28,091	O/A 105 days	0.01%
6	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	The Company	2	Sales	1,070,062	O/A 150-180 days	0.38%
6	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	Nan Ya PCB Corporation and its subsidiaries	3	Sales	1,050,008	60 days	0.38%
6	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	PFG Fiber Glass (Hong Kong) Corporation Limited and its subsidiaries	3	Sales	174,002	60 days	0.06%
7	PFG Fiber Glass (Hong Kong) Corporation Limited and its subsidiaries	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	3	Sales	2,126,499	60 days	0.76%
8	Nan Ya Plastics Corporation Texas	Nan Ya Plastics Corporation America	3	Sales	233,248	payment within one month	0.08%
0	The Company	Nan Ya PCB Corporation and its subsidiaries	1	Accounts receivable	250,508	30-150 days	0.04%
0	The Company	Nan Ya Plastics Corporation U.S.A	1	Accounts receivable	629,532	O/A 105 days	0.09%
0	The Company	Nan Ya Plastics Corporation America	1	Accounts receivable	104,315	O/A 105 days	0.02%
0	The Company	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	1	Accounts receivable	1,272,038	O/A 150-180 days	0.19%

No. (Note 1)	Company Name	Counter-party	Relationship (Note 2)	Intercompany Transactions			
				Financial Statement Item	Amount	Terms	Percentage of Consolidated Total Gross Sales or Total Assets
1	Nan Chung Petrochemical Corporation	The Company	2	Accounts receivable	330,296	30 days	0.05%
3	PFG Fiber Glass Corporation	The Company	2	Accounts receivable	157,345	30 days	0.02%
6	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	The Company	2	Accounts receivable	357,895	O/A 150-180 days	0.05%
6	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	Nan Ya PCB Corporation and its subsidiaries	3	Accounts receivable	112,600	60 days	0.02%
7	PFG Fiber Glass (Hong Kong) Corporation Limited and its subsidiaries	Nan Ya Plastics (Hong Kong) Co., Ltd. and its subsidiaries	3	Accounts receivable	252,903	60 days	0.04%
0	The Company	Nan Ya PCB Corporation and its subsidiaries	1	Rent revenue	190,585	30-150 days	0.07%

Note 1: The appointed numbers represent:

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

Note 2: Transactions are categorized as follows:

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

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

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
INFORMATION ON INVESTEEES (EXCLUDING THOSE IN MAINLAND CHINA)
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
(Expressed in thousands of New Taiwan Dollars)

TABLE 10

Investor Company	Investee Company	Location	Major Operations	Original Investment Amount		Balance as of September 30, 2022			Net Income of Investee	Investment Income (Loss) Recognized by the Investor Company	Notes
				September 30, 2022	December 31, 2021	Shares (in thousands)	%	Carrying Value			
The Company	Nan Ya Plastics Corporation U.S.A. (Note)	U.S.A.	production of plastic products	313,920	313,920	2	100.00%	2,269,185	116,607	116,607	Note 3.4
The Company	Nan Ya Plastics Corporation America (Note)	U.S.A.	production of plastic, polyester and chemical	7,853,605	7,853,605	60	100.00%	48,506,275	(73,235)	(73,235)	Note 3.4
The Company	Nan Ya Plastics (Hong Kong) Co., Ltd. (Note 1)	Hong Kong	plastics, electronic products trading, and investment	41,450,832	41,450,832	1,015,653	100.00%	111,204,137	3,677,604	3,677,604	Note 3.4
The Company	Superior World Wide Trading Co., Ltd. (Note 1)	Hong Kong	plastics trading and investment	33,677	33,677	14	100.00%	901,626	42,482	42,482	Note 3.4
The Company	Formosa Synthetic Rubber (Hong Kong) Corporation Limited (Note)	Hong Kong	production of synthetic rubber products	4,213,864	4,213,864	138,333	33.33%	2,135,989	(378,193)	(126,064)	Note 3
The Company	PFG Fiber Glass (Hong Kong) Corporation Limited (Note 1)	Hong Kong	investment	4,495,987	4,495,987	76	100.00%	8,833,228	177,033	162,016	Note 3.4
The Company	Formosa Industries Corporation (Note 2)	Vietnam	chemical fiber, dyeing and finishing and electric power	8,435,875	8,435,875	-	42.50%	7,629,513	(1,032,092)	(438,639)	Note 3
The Company	Nan Ya PCB Corporation	Taiwan	production of printed circuit board	4,480,417	4,480,417	432,745	66.97%	32,554,565	14,265,133	9,556,620	Note 3.4
The Company	Formosa Plastics Group Investment Corp.	Taiwan	investment	26,959	26,959	10	100.00%	1,189	(31)	(31)	Note 3.4
The Company	Nanya Technology Corporation	Taiwan	semiconductor production and marketing	52,438,472	52,438,472	907,304	29.29%	53,791,587	15,765,450	4,617,954	Note 3
The Company	Formosa Environmental Technology Corporation	Taiwan	environmental protection	672,370	672,370	46,257	26.99%	255,855	7,903	2,133	Note 3
The Company	Formosa Petrochemical Corporation	Taiwan	production of chemical products	24,647,480	24,647,480	2,201,306	23.11%	75,391,669	24,305,970	5,617,359	Note 3
The Company	PFG Fiber Glass Corporation	Taiwan	production of glass fiber	2,648,131	2,648,131	100,000	100.00%	3,763,739	178,931	49,088	Note 3.4
The Company	Nan Chung Petrochemical Corporation	Taiwan	production of chemical products	1,000,002	1,000,002	100,000	50.00%	1,022,099	(209,885)	(105,539)	Note 3.4
The Company	Wen Fung Industrial Co., Ltd.	Taiwan	production of electronic components	214,236	214,236	17,523	100.00%	271,832	12,355	12,326	Note 3.4
The Company	Formosa Automobile Sales Corporation	Taiwan	production of automobile	945,028	945,028	27,046	45.00%	452,470	359,002	161,556	Note 3
The Company	Ya Tai Development Corporation	Taiwan	development industry	53,941	53,941	1,304	44.96%	19,229	(235)	(106)	Note 3
The Company	Formosa Heavy Industries Corporation	Taiwan	machinery industry	2,497,721	2,497,721	661,334	32.91%	6,930,529	(930,442)	(306,216)	Note 3
The Company	Formosa Fairway Corporation	Taiwan	transportation business	33,340	33,340	4,699	33.34%	23,574	(22,234)	(7,413)	Note 3
The Company	Formosa Plastics Transport Corporation	Taiwan	transportation business	67,254	67,254	6,566	33.33%	1,360,420	348,787	116,263	Note 3

Investor Company	Investee Company	Location	Major Operations	Original Investment Amount		Balance as of September 30, 2022			Net Income of Investee	Investment Income (Loss) Recognized by the Investor Company	Notes
				September 30, 2022	December 31, 2021	Shares (in thousands)	%	Carrying Value			
The Company	Hwa Ya Science Park Management Consulting Co., Ltd.	Taiwan	service business	359	359	34	34.00%	3,307	45	15	Note 3
The Company	Yi Jih Development Corporation	Taiwan	construction business	13,335	13,335	1,221	29.22%	20,016	(39)	(11)	Note 3
The Company	Mai Liao Power Corporation	Taiwan	electricity generation business	5,985,465	5,985,465	764,193	24.94%	10,633,354	(4,149,127)	(1,034,869)	Note 3
The Company	Nan YA Photonics Inc.	Taiwan	LED equipment manufacturer	761,820	761,820	10,609	23.02%	288,052	118,441	27,263	Note 3
The Company	Formosa Resources Corporation	Taiwan	mining industry	8,300,471	8,300,471	830,047	25.00%	8,051,121	(956,805)	(239,201)	Note 3
The Company	Formosa Group (Cayman) Limited (Note)	Cayman Islands	investment	377	377	13	25.00%	790,834	117,628	29,407	Note 3
The Company	Formosa Plastics Construction Corporation	Taiwan	construction business	600,000	600,000	60,000	33.33%	570,363	(15,054)	(5,018)	Note 3
The Company	FG Inc. (Note)	U.S.A.	investment	1,137,655	1,137,655	2	10.00%	1,142,411	(66,110)	(6,611)	Note 3
The Company	Formosa Smart Energy Tech Corporation	Taiwan	green batteries	1,000,000	-	100,000	25.00%	1,001,404	5,616	1,404	Note 3
Nan Ya Plastics Corporation America (Note)	Formosa Utility Venture, Ltd.(Note)	U.S.A.	electricity generation and trading	253,944	253,944	-	12.10%	2,584,067	624,674	81,124	Note 3
Nan Ya Plastics Corporation America (Note)	Nan Ya Plastics Corporation Texas (Note)	U.S.A.	production of chemical products	15,554,070	15,554,070	3	100.00%	7,690,744	(3,911,960)	(3,911,960)	Note 3.4
Nan Ya Plastics Corporation Texas (Note)	Formosa Olefins, L.L.C. (Note)	U.S.A.	chemical business	2,183,125	2,183,125	-	21.00%	3,564,419	(1,313,163)	(275,764)	Note 3
Nan Ya PCB Corporation	Nan Ya PCB (Hong Kong) Corporation	Hong Kong	production of electronic products and investment	8,595,674	6,477,460	2,152,020	100.00%	21,169,956	4,350,732	4,350,732	Note 3.4
Nan Ya PCB Corporation	Nan Ya PCB (U.S.A.) Corporation	U.S.A.	retargeting	3,479	3,479	1,000	100.00%	19,119	1,726	1,726	Note 3.4
Nan Ya PCB Corporation	Formosa Advanced Technologies Co.,LTD.	Taiwan	IC packaging, testing and modules	472,968	472,968	13,267	3.00%	505,006	1,773,263	53,262	Note 3
Nan Ya PCB (Hong Kong) Corporation	Nan Ya PCB (Kunshan) Corporation	China	production of printed circuit board	8,592,495	6,474,281	-	100.00%	21,155,494	4,350,754	4,350,754	Note 3.4
Wen Fung Industrial Co., Ltd.	Wellink Technology Corporation	Taiwan	production of electronic components	212,017	212,017	12,739	100.00%	149,789	11,607	11,607	Note 3.4
Superior World Wide Trading Co., Ltd. (Note 1)	P.T.Indonesia Nanya Indah Plastics Co.	Indonesia	production of plastic products	128,461	128,461	5	50.00%	285,156	51,254	38,441	Note 3

Note : The reporting currency of Nan Ya Plastics Corporation U.S.A, Nan Ya Plastics Corporation America, Formosa Synthetic Rubber (Hong Kong) Corporation Limited, Formosa Group (Cayman) Limited, FG Inc., Formosa Utility Venture, Ltd., Nan Ya Plastics Corporation Texas, and Formosa Olefins, L.L.C is denominated in USD, and the exchange rate of TWD to USD as of September 30, 2022 (in average) is 31.743(29.333) : 1.

Note 1 : The reporting currency of Nan Ya Plastics (Hong Kong) Co., Ltd., Superior World Wide Trading Co., Ltd. and PFG Fiber Glass (Hong Kong) Corporation Limited is denominated in HKD, and the exchange rate of TWD to HKD as of J September 30, 2022 (in average) is 4.0696(3.7607) : 1.

Note 2 : The reporting currency of Formosa Industries Corporation, Vietnam is denominated in VND, and the exchange rate of TWD to VND as of September 30, 2022 (in average) is 0.001332060(0.001268948) : 1.

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

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

NAN YA PLASTICS CORPORATION AND SUBSIDIARIES
INFORMATON ON INVESTMENT IN MAINLAND CHINA
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022
(Expressed in thousands of New Taiwan Dollars)

TABLE 11**(a) Information regarding investments in Mainland China :**

Name of the PRC Investee Company	Primary Business Scope	Amount of Paid-in Capital	Method of Investment	Investment Transferred from Taiwan as of January 1, 2022	For The Year Ended September 30, 2022		Investment Transferred from Taiwan as of September 30, 2022	Current Income of Investees	Direct and Indirect Shareholding Percentage by the Company	Investment Gain (Loss)	Carrying Value of Investment as of September 30, 2022	Accumulated Inward Remittance of Earnings as of September 30, 2022
					Outflow	Inflow						
Nan Ya Plastics (Guangzhou) Co., Ltd.(Note1)	production of polyester products	1,998,681	Indirect investment	1,998,681	-	-	1,998,681	(77,231)	100.00%	(77,231)	1,902,525	1,208,243
Nan Ya Plastics (Xiamen) Co., Ltd.(Note1)	production of plastic products	775,457	Indirect investment	738,752	-	-	738,752	74,848	85.00%	63,621	992,586	72,820
Nan Ya Plastics (Huizhou) Co., Ltd.(Note1)	production of polyester products	2,527,462	Indirect investment	2,418,397	-	-	2,418,397	59,177	100.00%	59,177	3,494,416	191,257
Nan Ya Electronic Materials (Huizhou) Co., Ltd.(Note1)	production of copper clad laminate	5,489,509	Indirect investment	5,489,509	-	-	5,489,509	(55,148)	100.00%	(55,148)	8,634,458	-
Nan Ya Trading (Huizhou) Co., Ltd.(Note1)	trading	32,267	Indirect investment	32,267	-	-	32,267	513	100.00%	513	61,212	-
Nan Ya Plastics (Nantong) Co., Ltd.(Note1)	sale of plastic products, steam and electricity	4,540,736	Indirect investment	3,008,918	-	-	3,008,918	(98,799)	100.00%	(98,799)	10,514,602	103,612
China Nantong Huafeng Co., Ltd.(Note1)	trading	93,004	Indirect investment	99,636	-	-	99,636	4,468	100.00%	4,468	358,095	-
Nantong Huafu Plastics Co., Ltd.(Note1)	trading	79,111	Indirect investment	71,503	-	-	71,503	2,034	100.00%	2,034	102,543	-
Nan Ya Electric (Nantong) Co., Ltd.(Note1)	production of switch gear and control panel	339,275	Indirect investment	339,275	-	-	339,275	71,606	100.00%	71,606	1,057,862	303,107
Nan Ya Kyowa Plastics (Nantong) Co., Ltd.	interior decorating business	200,988	Indirect investment	100,494	-	-	100,494	21,385	50.00%	10,693	243,026	-
Nan Ya Electronic Materials (Kunshan) Co., Ltd.(Note1)	production of copper clad laminate, polyester products, steam and electricity, copper clad, epoxy	15,159,216	Indirect investment	15,159,216	-	-	15,159,216	2,367,972	100.00%	2,367,972	68,663,099	8,472,334
Nan Ya Draw Textured Yarn (Kunshan) Co., Ltd.(Note1)	production of polyester products	7,035,085	Indirect investment	7,035,085	-	-	7,035,085	(469,659)	100.00%	(469,659)	(1,077,571)	-
Nan Ya Plastics (Zhengzhou) Co., Ltd.	production of plastic products	261,737	Indirect investment	130,869	-	-	130,869	(14,982)	50.00%	(7,491)	66,600	-
Nan Ya Plastics (Ningbo) Co., Ltd.(Note1)	production of BPA and plasticizer	4,472,993	Indirect investment	4,273,467	-	-	4,273,467	1,883,286	100.00%	1,883,286	13,433,455	-
PFG Fiber Glass (Kunshan) Co., Ltd.(Note1)	production of glass fiber	4,668,263	Indirect investment	4,487,409	-	-	4,487,409	193,733	100.00%	193,733	8,965,815	282,300

Name of the PRC Investee Company	Primary Business Scope	Amount of Paid-in Capital	Method of Investment	Investment Transferred from Taiwan as of January 1, 2022	For The Year Ended September 30, 2022		Investment Transferred from Taiwan as of September 30, 2022	Current Income of Investees	Direct and Indirect Shareholding Percentage by the Company	Investment Gain (Loss)	Carrying Value of Investment as of September 30, 2022	Accumulated Inward Remittance of Earnings as of September 30, 2022
					Outflow	Inflow						
Hua Ya (Dong Ying) Plastics Corp.	production of plastic products	254,190	Indirect investment	34,591	-	-	34,591	-	15.00%	-	228,951	23,020
Hua Ya (Wu Hu) Plastics Corp.	production of plastic products	624,948	Indirect investment	34,591	-	-	34,591	-	15.00%	-	176,655	12,687
Formosa Synthetic Rubber (Ningbo) Limited Corporation	synthetic rubber	12,777,590	Indirect investment	4,162,010	-	-	4,162,010	(378,193)	33.33%	(126,064)	2,135,989	-

Note: All companies disclosed within the investment income of the current year column are recognized according to the audited financial statements of the Company, except for Formosa Synthetic Rubber (Ningbo) Co., Ltd., which are recognized according to the financial statements audited by an international accounting firm.

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

(b) Quota for investments in Mainland China :

Accumulative Remittance from Taiwan to Mainland China as of September 30, 2022 (Note 1)	Amount of Investment Approved by Investment Commission, Ministry of Economic Affairs (Note 2)	Limit on the Amount of Investment in Mainland China (Note 3)
49,875,128	59,478,190	-

Note 1 : Reporting currency of Chinese subsidiaries is CNY, and the monetary amount is first translated to HKD using the exchange rate as of September 30, 2022 (in average) is 1 : 1.0986(1.1819), and translated to TWD using the exchange rate as of September 30, 2022 (in average) is 1 : 4.0696(3.7607).

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

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

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

(c) Information on significant transactions :

For more information concerning the direct or indirect significant transactions between the Company and its Chinese investees for the year ended September 30, 2022, please refer to the attachment of note 13 for "Information on material transaction items".