

**Nan Pao Resins Chemical Co., Ltd. and  
Subsidiaries**

**Consolidated Financial Statements for the  
Nine Months Ended September 30, 2022 and 2021 and  
Independent Auditors' Review Report**

## **INDEPENDENT AUDITORS' REVIEW REPORT**

The Board of Directors and Shareholders  
Nan Pao Resins Chemical Co., Ltd.

### **Introduction**

We have reviewed the accompanying consolidated balance sheets of Nan Pao Resins Chemical Co., Ltd. (the "Company") and its subsidiaries (collectively, the "Group") as of September 30, 2022 and 2021, the related consolidated statements of comprehensive income for the three months ended September 30, 2022 and 2021 and for the nine months ended September 30, 2022 and 2021, the consolidated statements of changes in equity and cash flows for the nine months then ended, and the related 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 following paragraph, we conducted our reviews in accordance with Statement of Auditing Standards No. 65 "Review of Financial Information Performed by the Independent Auditor of the Entity". A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Basis for Qualified Conclusion**

As disclosed in Note 14 to the consolidated financial statements, the financial statements of some non-significant subsidiaries were not reviewed. The total assets of these subsidiaries amounted to NT\$4,982,556 thousand and NT\$4,223,571 thousand as of September 30, 2022 and 2021, respectively, accounting for 20% and 18% of total consolidated assets, respectively. Total liabilities were NT\$1,380,932 thousand and NT\$1,277,275 thousand as of September 30, 2022 and 2021, respectively, accounting for 15% and 14% of total consolidated liabilities, respectively. Comprehensive income was NT\$74,749 thousand, NT\$32,774 thousand, NT\$230,566 thousand and NT\$79,326 thousand for the three months ended September 30, 2022 and 2021 and for the nine months ended September 30, 2022 and 2021, respectively, accounting for (903%), 7%, 49% and 2% of the consolidated comprehensive income, respectively. Furthermore, as disclosed in Note 15 to the consolidated financial statements, the financial statements of some non-significant investments for using the equity method were not reviewed. Investments accounted for using the equity method were NT\$375,648 thousand as of September 30, 2021 and share of profit for using

the equity method was NT\$10,246 thousand and NT\$30,395 thousand for the three months ended September 30, 2021 and for the nine months ended September 30, 2021, respectively.

### **Qualified Conclusion**

Based on our and others reviews (see Other Matter), except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not give a true and fair view of (or “do not present fairly, in all material respects,”) the consolidated financial position of the Group as of September 30, 2022 and 2021, its consolidated financial performance for the three months ended September 30, 2022 and 2021, and its consolidated financial performance and 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**

Among the subsidiaries included in the consolidated financial statements of the Group, the financial statements of NP Australia Pty Ltd. and its subsidiaries were reviewed by other auditors. Thus, our opinion, insofar as it relates to the amounts and related information included for these subsidiaries, is based solely on the report of other auditors. The total assets of these subsidiaries amounted to NT\$2,191,751 thousand and NT\$1,677,359 thousand as of September 30, 2022 and 2021, respectively, and accounting for 9% and 7%, respectively of total consolidated assets. Net sales income was NT\$748,794 thousand, NT\$592,891 thousand, NT\$2,013,062 thousand and NT\$1,729,770 thousand, respectively, and accounting for 13%, 14%, 12% and 13%, respectively of the consolidated net sales income for the three months ended September 30, 2022 and 2021 and for the nine months ended September 30, 2022 and 2021.

The engagement partners on the reviews resulting in this independent auditors’ review report are Hung Ju Liao and Chi Chen Lee.

Deloitte & Touche  
Taipei, Taiwan  
Republic of China  
November 9, 2022

### Notice to Readers

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

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

# NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED BALANCE SHEETS (In Thousands of New Taiwan Dollars)

ASSETS	September 30, 2022 (Reviewed)		December 31, 2021 (Audited)		September 30, 2021 (Reviewed)	
	Amount	%	Amount	%	Amount	%
<b>CURRENT ASSETS</b>						
Cash and cash equivalents (Note 6)	\$ 3,523,121	14	\$ 3,231,306	13	\$ 2,760,636	12
Financial assets at amortized cost - current (Notes 9, 10 and 36)	671,542	3	1,064,825	4	1,237,007	5
Notes receivable (Note 11)	307,093	1	308,657	1	247,299	1
Accounts receivable (Notes 11 and 27)	4,436,514	18	3,746,166	15	3,374,910	14
Accounts receivable from related parties (Notes 11, 27 and 35)	391,226	1	322,182	1	257,315	1
Other receivables (Note 11)	151,559	1	108,967	-	112,722	1
Current tax assets	28,286	-	1,910	-	22,019	-
Inventories (Note 12)	2,842,588	11	2,949,236	11	2,987,325	12
Non-current assets held for sale (Note 13)	-	-	378,477	2	-	-
Other current assets (Note 21)	712,484	3	539,602	2	498,744	2
<b>Total current assets</b>	<b>13,064,413</b>	<b>52</b>	<b>12,651,328</b>	<b>49</b>	<b>11,497,977</b>	<b>48</b>
<b>NON-CURRENT ASSETS</b>						
Financial assets at fair value through profit or loss - non-current (Note 7)	73,732	-	36,135	-	24,793	-
Financial assets at fair value through other comprehensive income - non-current (Note 8)	4,782,839	19	6,284,859	24	5,183,726	22
Financial assets at amortized cost - non-current (Notes 9, 10 and 36)	139,804	-	127,243	1	126,546	1
Investments accounted for using the equity method (Note 15)	-	-	-	-	375,648	2
Property, plant and equipment (Notes 16 and 36)	5,371,375	21	4,931,769	19	4,845,347	20
Right-of-use assets (Notes 17)	1,152,680	5	1,040,157	4	1,081,494	4
Investment properties (Note 18)	17,760	-	17,760	-	17,760	-
Goodwill (Notes 19)	244,714	1	238,377	1	233,916	1
Other intangible assets (Note 20)	122,923	-	138,482	1	144,792	1
Deferred tax assets	199,020	1	346,509	1	319,121	1
Other non-current assets (Note 21)	146,989	1	115,016	-	125,024	-
<b>Total non-current assets</b>	<b>12,251,836</b>	<b>48</b>	<b>13,276,307</b>	<b>51</b>	<b>12,478,167</b>	<b>52</b>
<b>TOTAL</b>	<b>\$ 25,316,249</b>	<b>100</b>	<b>\$ 25,927,635</b>	<b>100</b>	<b>\$ 23,976,144</b>	<b>100</b>
<b>LIABILITIES AND EQUITY</b>						
<b>CURRENT LIABILITIES</b>						
Short-term borrowings (Notes 22 and 36)	\$ 2,493,873	10	\$ 2,157,674	8	\$ 2,103,493	9
Contract liabilities - current (Note 27)	35,927	-	44,959	-	33,900	-
Notes payable (Note 23)	2,309	-	1,036	-	2,327	-
Accounts payable (Notes 23 and 35)	2,227,631	9	2,590,168	10	2,185,556	9
Other payables (Note 35)	932,557	4	912,530	3	798,318	3
Current tax liabilities	252,790	1	178,428	1	176,308	1
Lease liabilities - current (Note 17)	84,491	-	78,256	-	75,821	-
Current portion of long-term borrowings (Notes 22 and 36)	115,422	-	193,146	1	113,123	1
Other current liabilities (Notes 24 and 35)	207,359	1	205,724	1	192,556	1
<b>Total current liabilities</b>	<b>6,352,359</b>	<b>25</b>	<b>6,361,921</b>	<b>24</b>	<b>5,681,402</b>	<b>24</b>
<b>NON-CURRENT LIABILITIES</b>						
Long-term borrowings (Notes 22 and 36)	1,424,644	6	1,935,075	8	2,049,627	9
Deferred tax liabilities	868,983	4	786,425	3	736,414	3
Lease liabilities-non-current (Note 17)	601,128	2	471,967	2	444,177	2
Net defined benefit liabilities - non-current	35,872	-	51,816	-	72,193	-
Other non-current liabilities (Notes 24 and 37)	9,181	-	50,392	-	50,689	-
<b>Total non-current liabilities</b>	<b>2,939,808</b>	<b>12</b>	<b>3,295,675</b>	<b>13</b>	<b>3,353,100</b>	<b>14</b>
<b>Total liabilities</b>	<b>9,292,167</b>	<b>37</b>	<b>9,657,596</b>	<b>37</b>	<b>9,034,502</b>	<b>38</b>
<b>EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 26)</b>						
Share capital - ordinary shares	1,205,707	5	1,205,707	5	1,205,707	5
Capital surplus	2,113,855	8	2,101,673	8	2,101,673	9
Retained earnings						
Legal reserve	1,388,123	6	1,300,961	5	1,300,961	6
Special reserve	313,321	1	313,321	1	313,321	1
Unappropriated earnings	5,638,221	22	5,021,383	20	4,883,652	20
Total retained earnings	7,339,665	29	6,635,665	26	6,497,934	27
Other equity	4,241,548	17	5,334,802	20	4,203,240	17
<b>Total equity attributable to owners of the Company</b>	<b>14,900,775</b>	<b>59</b>	<b>15,277,847</b>	<b>59</b>	<b>14,008,554</b>	<b>58</b>
<b>NON-CONTROLLING INTERESTS</b>	<b>1,123,307</b>	<b>4</b>	<b>992,192</b>	<b>4</b>	<b>933,088</b>	<b>4</b>
<b>Total equity</b>	<b>16,024,082</b>	<b>63</b>	<b>16,270,039</b>	<b>63</b>	<b>14,941,642</b>	<b>62</b>
<b>TOTAL</b>	<b>\$ 25,316,249</b>	<b>100</b>	<b>\$ 25,927,635</b>	<b>100</b>	<b>\$ 23,976,144</b>	<b>100</b>

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

(With Deloitte & Touche review report dated November 9, 2022)

# NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
OPERATING REVENUE (Notes 27 and 35)	\$ 5,867,352	100	\$ 4,207,604	100	\$ 16,426,305	100	\$ 13,099,675	100
OPERATING COSTS (Notes 12, 28 and 35)	4,444,259	76	3,291,159	78	12,621,631	77	9,973,110	76
GROSS PROFIT	1,423,093	24	916,445	22	3,804,674	23	3,126,565	24
OPERATING EXPENSES (Note 28)								
Selling and marketing expenses	528,217	9	424,084	10	1,493,436	9	1,278,063	9
General and administrative expenses	226,389	4	197,453	5	656,049	4	621,883	5
Research and development expenses	128,497	2	119,650	3	376,722	2	366,349	3
Expected credit loss	6,856	-	8,456	-	2,440	-	9,528	-
Total operating expenses	889,959	15	749,643	18	2,528,647	15	2,275,823	17
PROFIT FROM OPERATIONS	533,134	9	166,802	4	1,276,027	8	850,742	7
NON-OPERATING INCOME AND EXPENSES (Note 15 and 28)								
Interest income	9,636	-	10,632	-	28,286	-	32,785	-
Other income	9,406	-	8,723	-	540,386	3	104,813	1
Other gains and losses	64,328	1	6,846	-	125,742	1	(12,133)	-
Finance costs	(26,435)	-	(14,079)	-	(58,561)	-	(39,672)	-
Share of profit of associates	-	-	10,246	-	-	-	30,395	-
Total non-operating income and expenses	56,935	1	22,368	-	635,853	4	116,188	1
PROFIT BEFORE INCOME TAX	590,069	10	189,170	4	1,911,880	12	966,930	8
INCOME TAX EXPENSE (Notes 4 and 29)	185,697	3	63,083	1	388,700	3	202,200	2
NET PROFIT FOR THE PERIOD	404,372	7	126,087	3	1,523,180	9	764,730	6
OTHER COMPREHENSIVE INCOME (LOSS)								
Items that will not be reclassified subsequently to profit or loss:								
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	(662,942)	(11)	400,175	10	(1,535,507)	(9)	4,024,148	31
	(662,942)	(11)	400,175	10	(1,535,507)	(9)	4,024,148	31
Items that may be reclassified subsequently to profit or loss:								

(Continued)

# NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

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

	For the Three Months Ended September 30				For the Nine Months Ended September 30			
	2022		2021		2022		2021	
	Amount	%	Amount	%	Amount	%	Amount	%
Exchange differences on translating foreign operations	306,397	5	(31,366)	(1)	594,895	4	(225,202)	(2)
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 29)	(56,109)	(1)	7,137	-	(110,563)	(1)	43,021	-
	<u>250,288</u>	<u>4</u>	<u>(24,229)</u>	<u>(1)</u>	<u>484,332</u>	<u>3</u>	<u>(182,181)</u>	<u>(2)</u>
Other comprehensive income (loss) for the period, net of income tax	(412,654)	(7)	375,946	9	(1,051,175)	(6)	3,841,967	29
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>\$ (8,282)</u>	<u>-</u>	<u>\$ 502,033</u>	<u>12</u>	<u>\$ 472,005</u>	<u>3</u>	<u>\$ 4,606,697</u>	<u>35</u>
NET PROFIT ATTRIBUTABLE TO:								
Owners of the Company	\$ 370,890	6	\$ 116,234	3	\$ 1,427,425	9	\$ 733,886	6
Non-controlling interests	<u>33,482</u>	<u>1</u>	<u>9,853</u>	<u>-</u>	<u>95,755</u>	<u>-</u>	<u>30,844</u>	<u>-</u>
	<u>\$ 404,372</u>	<u>7</u>	<u>\$ 126,087</u>	<u>3</u>	<u>\$ 1,523,180</u>	<u>9</u>	<u>\$ 764,730</u>	<u>6</u>
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:								
Owners of the Company	\$ (67,616)	(1)	\$ 487,860	12	\$ 334,171	2	\$ 4,585,948	35
Non-controlling interests	<u>59,334</u>	<u>1</u>	<u>14,173</u>	<u>-</u>	<u>137,834</u>	<u>1</u>	<u>20,749</u>	<u>-</u>
	<u>\$ (8,282)</u>	<u>-</u>	<u>\$ 502,033</u>	<u>12</u>	<u>\$ 472,005</u>	<u>3</u>	<u>\$ 4,606,697</u>	<u>35</u>
EARNINGS PER SHARE (Note 30)								
Basic	<u>\$ 3.08</u>		<u>\$ 0.96</u>		<u>\$ 11.84</u>		<u>\$ 6.09</u>	
Diluted	<u>\$ 3.07</u>		<u>\$ 0.96</u>		<u>\$ 11.80</u>		<u>\$ 6.07</u>	

(Concluded)

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

(With Deloitte & Touche review report dated November 9, 2022)

# NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY  
 NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021  
 (Reviewed, Not Audited)  
 (In Thousands of New Taiwan Dollars, Except Dividends Per Share)

	Equity Attributable to Owners of the Company						Other Equity		Total	Non-controlling Interests	Total Equity
	Retained Earnings			Unappropriated Earnings			Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Other Equity			
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Other Equity	Total	Non-controlling Interests	Total Equity
BALANCE, JANUARY 1, 2022	\$ 1,205,707	\$ 2,101,673	\$ 1,300,961	\$ 313,321	\$ 5,021,383	\$ (644,475)	\$ 5,979,277	\$ 5,334,802	\$ 15,277,847	\$ 992,192	\$ 16,270,039
Appropriations of 2021 earnings (Note 26)											
Legal reserve	-	-	87,162	-	(87,162)	-	-	-	-	-	-
Cash dividends distributed by Company - \$6 per share	-	-	-	-	(723,425)	-	-	-	(723,425)	-	(723,425)
Difference between consideration received or paid and the carrying amount of the subsidiaries net assets during actual disposal or acquisition (Note 32)	-	10,852	-	-	-	-	-	-	10,852	(13,352)	(2,500)
Changes in percentage of ownership interests in subsidiaries (Note 32)	-	1,330	-	-	-	-	-	-	1,330	12,578	13,908
Net profit for nine months ended September 30, 2022	-	-	-	-	1,427,425	-	-	-	1,427,425	95,755	1,523,180
Other comprehensive income (loss) for the nine months ended September 30, 2022, net of income tax	-	-	-	-	-	442,253	(1,535,507)	(1,093,254)	(1,093,254)	42,079	(1,051,175)
Total comprehensive income (loss) for the nine months ended September 30, 2022	-	-	-	-	1,427,425	442,253	(1,535,507)	(1,093,254)	334,171	137,834	472,005
Decrease in non-controlling interests (Note 26)	-	-	-	-	-	-	-	-	-	(5,945)	(5,945)
BALANCE, SEPTEMBER 30, 2022	\$ 1,205,707	\$ 2,113,855	\$ 1,388,123	\$ 313,321	\$ 5,638,221	\$ (202,222)	\$ 4,443,770	\$ 4,241,548	\$ 14,900,775	\$ 1,123,307	\$ 16,024,082
BALANCE, JANUARY 1, 2021	\$ 1,205,707	\$ 2,101,673	\$ 1,178,822	\$ 313,321	\$ 5,115,900	\$ (487,817)	\$ 838,995	\$ 351,178	\$ 10,266,601	\$ 929,683	\$ 11,196,284
Appropriations of 2020 earnings (Note 26)											
Legal reserve	-	-	122,139	-	(122,139)	-	-	-	-	-	-
Cash dividends distributed by Company -\$7 per share	-	-	-	-	(843,995)	-	-	-	(843,995)	-	(843,995)
Net profit for the nine months ended September 30, 2021	-	-	-	-	733,886	-	-	-	733,886	30,844	764,730
Other comprehensive loss for the nine months ended September 30, 2021, net of income tax	-	-	-	-	-	(172,086)	4,024,148	3,852,062	3,852,062	(10,095)	3,841,967
Total comprehensive income (loss) for the nine months ended September 30, 2021	-	-	-	-	733,886	(172,086)	4,024,148	3,852,062	4,585,948	20,749	4,606,697
Increase in non-controlling interests (Note 26)	-	-	-	-	-	-	-	-	-	(17,344)	(17,344)
BALANCE, SEPTEMBER 30, 2021	\$ 1,205,707	\$ 2,101,673	\$ 1,300,961	\$ 313,321	\$ 4,883,652	\$ (659,903)	\$ 4,863,143	\$ 4,203,240	\$ 14,008,554	\$ 933,088	\$ 14,941,642

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

(With Deloitte & Touche review report dated November 9, 2022)

# NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	<b>Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	\$ 1,911,880	\$ 966,930
Adjustments for:		
Depreciation expenses	353,552	331,841
Amortization expenses	22,329	22,386
Expected credit loss recognized on trade receivables	2,440	9,528
Net loss on fair value changes of financial assets at fair value through profit or loss	2,403	207
Finance costs	58,561	39,672
Interest income	(28,286)	(32,785)
Dividend income	(477,714)	(66,143)
Share of loss (gain) of associates	-	(30,395)
Loss (gain) on disposal of property, plant and equipment	31,083	(66)
(Gain) on disposal of right-of-use assets	(1,374)	-
(Gain) on disposal of associates	(26,523)	-
Write downs of inventories	-	73,690
(Gain) on lease modification	(86)	(19)
Changes in operating assets and liabilities		
Notes receivable	1,564	44,656
Accounts receivable	(425,242)	(141,851)
Accounts receivable from related parties	(69,044)	31,250
Other receivables	(45,541)	36,186
Inventories	274,788	(909,632)
Other current assets	(172,882)	(113,916)
Other non-current assets	(2,577)	(1,504)
Contract liabilities	(9,032)	3,319
Notes payable	1,234	(11,919)
Accounts payables	(469,795)	(47,334)
Other payables	27,336	(67,669)
Other current liabilities	1,635	(14,071)
Net defined benefit liabilities	(15,944)	(23,508)
Other non-current liabilities	(39,230)	(1,783)
Cash generated from operations	905,535	97,070
Interest received	32,060	34,469
Interest paid	(53,375)	(37,882)
Income tax paid	(221,230)	(310,871)
Net cash generated from (used in) operating activities	<u>662,990</u>	<u>(217,214)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of financial assets at fair value through other comprehensive income	(33,487)	(29,880)
Refunded capital of financial assets at fair value through other comprehensive income	-	868
Decrease in financial assets at amortized cost	434,653	41,585
Purchase of financial assets at fair value through profit or loss	(40,000)	(25,000)
Net cash outflow for acquisition of business	-	(203,268)
Proceeds from disposal of non-current assets held for sale	405,000	-
Payments for property, plant and equipment	(675,289)	(492,689)

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# NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

## CONSOLIDATED STATEMENTS OF CASH FLOWS

(In Thousands of New Taiwan Dollars)

(Reviewed, Not Audited)

	<b>Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>
Proceeds from disposal of property, plant and equipment	3,189	8,441
Increase in refundable deposits	(3,697)	(3,169)
Payments for intangible assets	(6,628)	(3,952)
Proceeds from disposal of right-of-use assets	55,332	-
Dividends received	<u>477,714</u>	<u>88,643</u>
Net cash generated from (used in) investing activities	<u>616,787</u>	<u>(618,421)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	7,666,722	6,340,675
Repayments of short-term borrowings	(7,381,031)	(5,564,750)
Proceeds from long-term borrowings	2,389,572	1,802,744
Repayments of long-term borrowings	(2,982,269)	(1,362,236)
Refund of guarantee deposits received	(2,714)	(65)
Repayment of the principal portion of lease liabilities	(42,188)	(42,501)
Payment of cash dividends	(729,370)	(861,339)
Change in non-controlling interests	<u>11,408</u>	<u>-</u>
Net cash generated from (used in) financing activities	<u>(1,069,870)</u>	<u>312,528</u>
<b>EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES</b>		
	<u>81,908</u>	<u>(37,494)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	291,815	(560,601)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<u>3,231,306</u>	<u>3,321,237</u>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	<u>\$ 3,523,121</u>	<u>\$ 2,760,636</u>

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

(With Deloitte & Touche review report dated November 9, 2022)

(Concluded)

# NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022 AND 2021 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise) (Reviewed, Not Audited)

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### 1. GENERAL INFORMATION

Nan Pao Resins Chemical Co., Ltd. (the “Company”) was founded in October 1963, and is mainly engaged in the manufacturing, wholesale, and retail sale of synthetic resins, synthetic plastics, adhesives, resin coatings, dyes, and pigments.

The Company obtained approval for the public issuance of its shares in May 2017, and obtained approval for the trading of its shares on the emerging stock board (ESB) of the Taipei Exchange (TPEX) in July of the same year. Since November 2018, the Company's shares started trading on the Taiwan Stock Exchange.

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

### 2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The accompanying consolidated financial statements were reported to the Board of Directors and issued on November 9, 2022.

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

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

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

- b. The IFRSs endorsed by the FSC for application starting from 2023

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 1)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that will be recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments will be applied prospectively to transactions that occur on or after January 1, 2022.

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

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

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

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

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

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

#### 4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- a. Statement of compliance

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

- b. Basis of preparation

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

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

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for assets or liabilities, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- 3) Level 3 inputs are unobservable inputs for assets or liabilities.

c. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 14, Tables 5 and 6 for detailed information on subsidiaries (including percentages of ownership and main businesses).

d. Other significant accounting policies

Except for the following, refer to the consolidated financial statements for the year ended December 31, 2021.

1) Retirement benefits

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

2) Taxation

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

## **5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY**

The same critical accounting judgments and key sources of estimation uncertainty have been followed in these consolidated financial statements as were applied in the preparation of the Group's consolidated financial statements for the year ended December 31, 2021.

## 6. CASH AND CASH EQUIVALENTS

	September 30, 2022	December 31, 2021	September 30, 2021
Cash on hand	\$ 5,817	\$ 6,742	\$ 9,476
Checking accounts and demand deposits	3,301,508	3,038,582	2,553,970
Cash equivalents (investments with original maturities within 3 months)			
Time deposits	<u>215,796</u>	<u>185,982</u>	<u>197,190</u>
	<u>\$ 3,523,121</u>	<u>\$ 3,231,306</u>	<u>\$ 2,760,636</u>

The market rate intervals of time deposits were as follows:

	September 30, 2022	December 31, 2021	September 30, 2021
Time deposits	0.79% - 5.35%	1.60% - 8.25%	0.56% - 3.30%

## 7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	September 30, 2022	December 31, 2021	September 30, 2021
Financial assets at FVTPL -non-current			
Non-derivative financial assets			
Limited partnership	<u>\$ 73,732</u>	<u>\$ 36,135</u>	<u>\$ 24,793</u>

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

	September 30, 2022	December 31, 2021	September 30, 2021
Domestic investments			
Unlisted stock	<u>\$ 4,782,839</u>	<u>\$ 6,284,859</u>	<u>\$ 5,183,726</u>

These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

The equity instruments measured at FVTOCI held by the Group are not pledged as security.

## 9. FINANCIAL ASSETS AT AMORTIZED COST

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Current</u>			
Time deposits with original maturities of more than 3 months (a)	\$ 514,338	\$ 530,245	\$ 595,247
Pledged time deposits (a)	33,250	20,775	4,085
Restricted demand deposits (b)	120,135	509,655	634,397
Refundable deposits	<u>3,819</u>	<u>4,150</u>	<u>3,278</u>
	<u>\$ 671,542</u>	<u>\$ 1,064,825</u>	<u>\$ 1,237,007</u>
<u>Non-current</u>			
Time deposits with original maturities of more than 12 months (a)	\$ 102,870	\$ 95,599	\$ 94,605
Pledged time deposits (a)	4,808	4,489	4,444
Restricted demand deposits	2,539	2,468	2,439
Refundable deposits	<u>29,587</u>	<u>24,687</u>	<u>25,058</u>
	<u>\$ 139,804</u>	<u>\$ 127,243</u>	<u>\$ 126,546</u>

- a. The ranges of interest rates for time deposits were approximately 0.15% - 6.30%, 0.15%- 8.25% and 0.15% - 8.25% per annum as of September 30, 2022, December 31, 2021 and September 30, 2021, respectively.
- b. Restricted demand deposits as of September 30, 2022, December 31, 2021 and September 30, 2021 are funds that the Group put into the dedicated bank account in accordance with “the Management, Utilization, and Taxation of Repatriated Offshore Funds Act”.
- c. Refer to Note 10 for information relating to the credit risk management and impairment of investments in financial assets at amortized cost.
- d. Refer to Note 36 for information relating to investments in financial assets at amortized cost pledged as security.

## 10. CREDIT RISK MANAGEMENT OF INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments were classified as at amortized cost.

	September 30, 2022	December 31, 2021	September 30, 2021
Amortized cost - current	\$ 671,542	\$ 1,064,825	\$ 1,237,007
Amortized cost - non-current	<u>139,804</u>	<u>127,243</u>	<u>126,546</u>
	<u>\$ 811,346</u>	<u>\$ 1,192,068</u>	<u>\$ 1,363,553</u>

The Group invests only in debt instruments that have low credit risk for the purpose of impairment assessment. In determining the expected credit losses for debt instrument investments, the Group considers the historical default loss rates of each credit rating, the current financial condition of debtors, and the future prospects of the industries. Because counterparties have a low risk of default and a strong capacity to

meet contractual cash flows, the Group did not make any provision for expected credit losses with respect to financial assets at amortized cost as of September 30, 2022, December 31, 2021 and September 30, 2021.

#### 11. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE (INCLUDING FROM RELATED PARTIES) AND OTHER RECEIVABLES

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Notes receivable - operating</u>			
At amortized cost			
Gross carrying amount	\$ 307,093	\$ 308,657	\$ 247,299
<u>Accounts receivable (including related parties)</u>			
At amortized cost			
Gross carrying amount	\$ 4,879,461	\$ 4,117,118	\$ 3,687,594
Less: Allowance for impairment loss	<u>51,721</u>	<u>48,770</u>	<u>55,369</u>
	<u>\$ 4,827,740</u>	<u>\$ 4,068,348</u>	<u>\$ 3,632,225</u>
Other receivables			
Others	<u>\$ 151,559</u>	<u>\$ 108,967</u>	<u>\$ 112,722</u>

The average credit period of sales of goods was 15 to 180 days. No interest was charged on accounts receivable. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, and the industry outlook. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off trade receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

#### Notes receivable

As of September 30, 2022, December 31, 2021, and September 30, 2021, the notes receivable analyzed by the Group based on past due status were not overdue, and the Group did not measure any loss allowance for notes receivable.

## Accounts receivable (including related parties)

The following table details the loss allowance of accounts receivable.

### September 30, 2022

	Not Past Due	1 to 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0.01% - 0.1%	0.2% - 5.0%	2.76% - 31%	8% - 67%	37% - 100%	100%	
Gross carrying amount	\$ 4,156,650	\$ 593,988	\$ 73,995	\$ 16,436	\$ 6,302	\$ 32,090	\$ 4,879,461
Loss allowance (Lifetime ECLs)	<u>(1,750)</u>	<u>(5,175)</u>	<u>(3,758)</u>	<u>(4,432)</u>	<u>(4,516)</u>	<u>(32,090)</u>	<u>(51,721)</u>
Amortized cost	<u>\$ 4,154,900</u>	<u>\$ 588,813</u>	<u>\$ 70,237</u>	<u>\$ 12,004</u>	<u>\$ 1,786</u>	<u>\$ -</u>	<u>\$ 4,827,740</u>

### December 31, 2021

	Not Past Due	1 to 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0.01% - 0.35%	0.2% - 6.2%	3% - 31%	8% - 67%	37% - 100%	100%	
Gross carrying amount	\$ 3,435,939	\$ 585,866	\$ 47,216	\$ 13,717	\$ 5,302	\$ 29,078	\$ 4,117,118
Loss allowance (Lifetime ECLs)	<u>(1,494)</u>	<u>(5,471)</u>	<u>(4,695)</u>	<u>(4,203)</u>	<u>(3,829)</u>	<u>(29,078)</u>	<u>(48,770)</u>
Amortized cost	<u>\$ 3,434,445</u>	<u>\$ 580,395</u>	<u>\$ 42,521</u>	<u>\$ 9,514</u>	<u>\$ 1,473</u>	<u>\$ -</u>	<u>\$ 4,068,348</u>

### September 30, 2021

	Not Past Due	1 to 90 Days	91 to 180 Days	181 to 270 Days	271 to 365 Days	Over 365 Days	Total
Expected credit loss rate	0.01% - 0.35%	0.2% - 6.19%	3% - 31%	8% - 67%	37% - 100%	100%	
Gross carrying amount	\$ 2,954,029	\$ 620,940	\$ 62,598	\$ 12,697	\$ 5,425	\$ 31,905	\$ 3,687,594
Loss allowance (Lifetime ECLs)	<u>(1,041)</u>	<u>(8,360)</u>	<u>(6,987)</u>	<u>(3,699)</u>	<u>(3,377)</u>	<u>(31,905)</u>	<u>(55,369)</u>
Amortized cost	<u>\$ 2,952,988</u>	<u>\$ 612,580</u>	<u>\$ 55,611</u>	<u>\$ 8,998</u>	<u>\$ 2,048</u>	<u>\$ -</u>	<u>\$ 3,632,225</u>

The movements of the loss allowance of accounts receivable were as follows:

	<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 48,770	\$ 47,676
Net remeasurement	2,440	9,528
Less: Amounts written off	(2,498)	(812)
Foreign exchange gains and losses	<u>3,009</u>	<u>(1,023)</u>
Balance at September 30	<u>\$ 51,721</u>	<u>\$ 55,369</u>

## **12. INVENTORIES**

	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
Goods	\$ 144,193	\$ 104,741	\$ 123,256
Finished goods and semi-finished goods	1,081,226	1,057,813	1,024,151
Work-in-process	118,060	152,851	85,030
Raw materials and supplies	1,324,981	1,226,211	1,565,929
Inventory in transit	<u>174,128</u>	<u>407,620</u>	<u>188,959</u>
	<u>\$ 2,842,588</u>	<u>\$ 2,949,236</u>	<u>\$ 2,987,325</u>

The cost of inventories recognized as cost of goods sold for the three months ended September 30, 2022 and 2021 and for the nine months ended September 30, 2022 and 2021 was \$4,443,173 thousand, \$3,290,821 thousand, \$12,611,818 thousand and \$9,973,176 thousand, respectively. Besides, the amount of inventory write-downs included in cost of goods sold for the three months ended September 30, 2021 and for



the nine months ended September 30, 2021 was \$37,682 thousand and \$73,690 thousand respectively.

### 13. NON-CURRENT ASSETS HELD FOR SALE-December 31, 2021

	<b>Amount</b>
Investments accounted for using the equity method held for sale	\$ <u>378,477</u>

In November 2021, the board of directors resolved to dispose of the 30% of the associate shareholdings, Total Acrylic Polymer Industry (TAPI) Corporation, to the non-related party, SEIKO PMC CORPORATION. Accordingly, the carrying amount \$378,477 thousand of investments accounted for using the equity method was reclassified as non-current assets held for sale and was presented separately in the consolidated balance sheets as of December 31, 2021.

The above transactions were completed the disposal process in January 2022, and the gain on disposal of associates of \$26,523 thousand was recognized (recognized as other gains and losses).

### 14. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements were as follows:

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			September 30, 2022	December 31, 2021	September 30, 2021	
Nan Pao Resins Chemical Co., Ltd.	Nan Pao Chemical Company Ltd.	Trading of chemical substances	100	100	100	1
	Nan Pao Application Material Co., Ltd.	Trading of chemical substances	100	100	100	1
	Nan Pao Electronic Materials Co., Ltd.	Production and trading of electronic materials	100	100	100	1
	ITLS International Development Co., Ltd.	Trading of construction materials and chemical substances	100	100	100	
	Prince Pharmaceutical Co., Ltd.	Manufacturing, packaging, and processing of raw materials for various pharmaceutical and health food	50.51	50.51	50.51	1
	Phymed Bio-tec Co., Ltd.	R&D and trading of health food	100	100	100	1
	Biorich Biotechnology Co., Ltd.	R&D, production, and trading of new high protein business and health food	57.1	57.1	57.1	1
	Nan Pao Advanced Materials Co., Ltd.	Trading of adhesives and chemicals	70	70	70	1
	Nan Pao Fine Materials Co., Ltd.	Production and trading of adhesives and chemicals	55	55	55	1
	Fuqing Nan Pao Investment Ltd.	General investment	100	100	100	
	Thai Nan Pao Investments Ltd.	General investment	100	100	100	
	Nan Pao Resins India Pvt Ltd.	Trading of adhesives	100	100	100	1
	Nan Pao Materials Vietnam Co., Ltd.	Production and trading of adhesives and chemicals	100	100	100	
	Nan Pao Advanced Materials Vietnam Co., Ltd.	Production and trading of adhesives and chemicals	100	100	100	1
	Nan Pao Overseas Holdings Ltd.	General investment	100	100	100	
	Profit Land Ltd.	General investment	73.75	73.75	73.75	a
	All Saints Enterprises Ltd.	General investment	54.53	54.53	54.53	a
	Ongoing Profits Ltd.	General investment	32.18	32.18	32.18	a

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			September 30, 2022	December 31, 2021	September 30, 2021	
	PT. Indo Nan Pao Resins Chemical Co., Ltd.	Production and trading of adhesives	49	49	49	b, l
	Progrouops Technology Co., Ltd.	Trading of water-based PU resin	100	91.99	91.99	i, l
	Nan Pao Philippines Export Inc.	Trading of adhesives	100	100	100	l
	Earnest Wealth Co., Ltd.	General investment	51.11	51.11	-	d, l
	FlexUP Technologies Corp.	Production and trading of polyimide materials	96.87	96.87	7.11	e, l
	Nan Pao Resins Chemical (Bangladesh) Co., Ltd.	Trading of adhesives	100	100	-	f, l
ITLS International Development Co., Ltd.	ITLS Holding Pte. Ltd.	General investment	100	100	100	
	Aftek Materials Vietnam Co., Ltd.	Production and trading of construction materials	70	70	70	l
ITLS Holding Pte. Ltd.	PT. ITLS Indonesia	Production and trading of construction materials	100	100	100	l
	ITLS Vietnam Co., Ltd.	Production and trading of construction materials	100	100	100	l
Fuqing Nan Pao Investment Ltd.	Wealth Castle Development Ltd.	General investment	100	100	100	
Wealth Castle Development Ltd.	Fuqing Nan Pao Resins Co., Ltd.	Production and trading of adhesives	100	100	100	
Thai Nan Pao Investments Ltd.	Thai Nanpao Resins Chemical Co., Ltd.	Production and trading of adhesives	100	100	100	l
Nan Pao Overseas Holdings Ltd.	Nan Pao Group Holdings Ltd.	General investment	100	100	100	
Earnest Wealth Co., Ltd.	Apex polytech Co., Ltd.	Production and trading of adhesives	100	100	-	d, l
Nan Pao Group Holdings Ltd.	Greatwill Materials (HK) Ltd.	General investment	100	67.68	67.68	j
	Profit Land Ltd.	General investment	26.25	26.25	26.25	a
	Nan Pao Resins (Holdings) Ltd.	General investment	100	100	100	
	All Saints Enterprises Ltd.	General investment	45.47	45.47	45.47	a
	NP Australia Pty Ltd.	General investment	100	100	100	
	Ongoing Profits Ltd.	General investment	67.82	67.82	67.82	a
	Treasure Wealth (HK) Ltd.	General investment	100	100	100	
	Goldford Investments Ltd.	General investment	100	100	100	
	Nan Pao Resins Chemical Philippines, Inc.	Trading of adhesives	100	100	100	l
	Nan Pao Resins International Ltd.	Trading of chemical substances and related products	100	100	100	
	Nan Pao Advanced Investment Co., Ltd.	General investment	100	100	100	
	Nan Pao Resins (HK) Limited	Production and trading of adhesives	100	100	100	
Greatwill Materials (HK) Ltd.	Foshan Nan Pao Advanced Materials Co., Ltd.	Production and trading of adhesives	59.58	88.03	88.03	j
Profit Land Ltd.	Giant Profit Development Ltd.	General investment	100	100	100	
Giant Profit Development Ltd.	Nan Pao Resins (Foshan) Co., Ltd.	Production and trading of adhesives	100	100	100	
Nan Pao Resins (Foshan) Co., Ltd.	Goaden Nan Pao Material Technology Co., Ltd.	Trading of footwear materials	51	51	51	
	Foshan Nan Pao Advanced Materials Co., Ltd.	Production and trading of adhesives	0.89	0.89	0.89	
Nan Pao Resins (Holdings) Ltd.	Eastlion Enterprises Ltd.	General investment	100	100	100	
	Nan Pao Resins Development Ltd.	General investment	100	100	100	
Eastlion Enterprises Ltd.	Nan Pao Resins (Dongguan) Co., Ltd.	Processing of adhesive products	100	100	100	
Nan Pao Resins Development Ltd.	Dongguan Jia Chin Electronics Co., Ltd.	Production and trading of coatings and advanced resins	100	100	100	
All Saints Enterprises Ltd.	Great Mount Enterprises Ltd.	General investment	100	100	100	
Great Mount Enterprises Ltd.	Nan Pao Resins (China) Co., Ltd.	Production and trading of adhesives and coatings	100	100	100	

(Continued)

Investor	Investee	Nature of Activities	Proportion of Ownership (%)			Remark
			September 30, 2022	December 31, 2021	September 30, 2021	
NP Australia Pty Ltd.	RLA Polymers Pty Ltd.	Production and trading of construction materials and chemical substances	100	100	100	
RLA Polymers Pty Ltd.	RLA Polymers (M) SDN BHD	Production and trading of construction materials and chemical substances	100	100	100	
Ongoing Profits Ltd.	Rising Sun Associates Ltd.	General investment	100	100	100	
Rising Sun Associates Ltd.	Nan Pao Resins (Vietnam) Enterprise Ltd.	Production and trading of adhesives and coatings	100	100	100	
Goldford Investments Ltd.	PT. Indo Nan Pao Resins Chemical Co., Ltd.	Production and trading of adhesives	18.5	18.5	18.5	b, l
Treasure Wealth (HK) Ltd.	Noroo-Nan Pao Paints & Coatings (Vietnam) Co., Ltd.	Production and trading of coatings	50	50	50	l
Nan Pao Advanced Investment Co., Ltd.	Nan Pao (Kunshan) E-commerce Ltd.	Agency of online business and general merchandise	100	100	100	
	Nantong Nan Pao Resins Materials Co., Ltd.	Production and trading business of adhesives	100	100	100	
	Nan Pao Resins (Yunan) Co., Ltd.	Production and trading business of adhesives	-	100	100	h
	Nan Pao New Material (Huaian) Co., Ltd.	Production and trading business of carbon fiber	95.24	100	100	g
	Nan Pao Optoelectronic Materials (Kunshan) Co., Ltd.	Production and trading business of adhesives and chemical substances	100	100	100	c
	Nan Pao Fine Chemical Materials (Anhui) Co., Ltd.	Production and trading of coatings and chemical substances	-	-	-	k

(Concluded)

- a. Direct and indirect shareholdings totaled 100%.
- b. Direct and indirect shareholdings totaled 67.5%.
- c. The Group invested in and established Nan Pao Optoelectronic Materials (Kunshan) Co., Ltd. in China in May 2021. In August 2021, the group invested capital in the subsidiary.
- d. The Group acquired 51.11% shareholdings of Earnest Wealth Co., Ltd. in December 2021, and simultaneously obtained the control of its subsidiary Apex polytech Co., Ltd.
- e. The Group acquired 89.76% shareholdings of FlexUP Technologies Corp. in November 2021, resulting in an increase in the shareholding ratio from 7.11% to 96.87%.
- f. The Group established Nan Pao Resins Chemical (Bangladesh) Co., Ltd. in December 2021, and shareholdings were totaled 100%.
- g. In January 2022, Nan Pao New Materials (Huaian) Co., Ltd. processed a cash capital increase, which was not subscribed by the Group, resulting in a decrease in shareholding from 100% to 95.24% (refer to Note 32).
- h. Nan Pao Resins (Yunan) Co., Ltd. had been liquidated in June 2022.
- i. The Group acquired 8.01% shareholdings of Progroups Technology Co., Ltd. in September 2022, resulting in an increase in the shareholding ratio from 91.99% to 100% (refer to Note 32).
- j. The Group repurchased and retired 32.32% shareholdings of Greatwill Materials (HK) Ltd. in September 2022, resulting in an increase in Nan Pao Group Holdings Ltd.'s shareholding ratio from 67.68% to 100%. In addition, Greatwill Materials (HK) Ltd. transferred 28.45% shareholdings of Foshan Nan Pao Advanced Materials Co., Ltd. to external shareholder, resulting in an decrease in the shareholding ratio from 88.03% to 59.58%. The amount received and paid for the transaction is the

same, and the change have not affect the shareholding ratio of Foshan Nan Pao Advanced Materials Co., Ltd. by the Group (refer to Note 32).

- k. The Group invested in and established Nan Pao Fine Chemical Materials (Anhui) Co., Ltd. in China in August 2022. As of September 2022, the group have not been invested capital in the subsidiary.
- l. Such companies are immaterial subsidiaries, and their financial statements have not been reviewed by the accountants.

## 15. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	September 30, 2022	December 31, 2021	September 30, 2021
Investments in associates			
Associates that are not individually material	\$ <u>                    </u> -	\$ <u>                    </u> -	\$ <u>          375,648</u>

Aggregate information of associates that are not individually material was as follows:

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
The Group's share of:				
Total net income and comprehensive income for the year	\$ <u>                    </u> -	\$ <u>          10,246</u>	\$ <u>                    </u> -	\$ <u>          30,395</u>

The Group reclassified investments accounted for using the equity method to non-current assets held for sale at the end of December 2021. Refer to Note 13.

## 16. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Land improvements	4 - 20 years
Buildings	2 - 60 years
Machinery	2 - 30 years
Transportation equipment	2 - 20 years
Miscellaneous equipment	2 - 20 years

Refer to Table 10 for the detailed information of changes in property, plant and equipment.

No impairment assessment was performed for the nine months ended September 30, 2022 and 2021 as there were no indication of impairment.

Property, plant and equipment pledged as collateral for bank borrowings were set out in Note 36.

## 17. LEASE ARRANGEMENTS

### a. Right-of-use assets

	September 30, 2022	December 31, 2021	September 30, 2021	
<u>Carrying amounts</u>				
Land	\$ 696,685	\$ 709,038	\$ 754,791	
Buildings	415,478	298,960	295,094	
Machinery	87	178	79	
Transportation equipment	37,200	28,709	30,837	
Miscellaneous equipment	<u>3,230</u>	<u>3,272</u>	<u>693</u>	
	<u>\$ 1,152,680</u>	<u>\$ 1,040,157</u>	<u>\$ 1,081,494</u>	
	<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>
Additions to right-of-use assets			<u>\$ 169,245</u>	<u>\$ 39,129</u>
Depreciation charge for right-of-use assets				
Land	\$ 4,681	\$ 5,289	\$ 14,235	\$ 15,920
Buildings	14,207	9,731	36,372	31,276
Machinery	20	28	91	99
Transportation equipment	3,885	3,351	11,103	10,833
Miscellaneous equipment	<u>171</u>	<u>273</u>	<u>380</u>	<u>816</u>
	<u>\$ 22,964</u>	<u>\$ 18,672</u>	<u>\$ 62,181</u>	<u>\$ 58,944</u>

Except for the aforementioned addition and recognized depreciation, the Group did not have significant sublease or impairment of right-of-use assets during the nine months ended September 30, 2022 and 2021.

### b. Lease liabilities

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Carrying amounts</u>			
Current	<u>\$ 84,491</u>	<u>\$ 78,256</u>	<u>\$ 75,821</u>
Non-current	<u>\$ 601,128</u>	<u>\$ 471,967</u>	<u>\$ 444,177</u>

Range of discount rate for lease liabilities was as follows:

	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
Land	1.56%	1.56%	1.56%
Buildings	0.81% - 5.37%	0.77% - 5.37%	0.81% - 5.37%
Machinery	1.05% - 2%	1.05% - 2%	1.05% - 2%
Transportation equipment	1.3% - 5.37%	1.3% - 5.37%	1.3% - 5.37%
Miscellaneous equipment	5.37% - 11.2%	5.37% - 11.2%	5.37% - 11.2%

c. Material lease-in activities and terms (the Group is lessee)

The Group leases several land, buildings, and equipment for operating use under lease terms of 2 to 89 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Expenses relating to short-term leases	<u>\$ 12,095</u>	<u>\$ 8,654</u>	<u>\$ 38,419</u>	<u>\$ 32,445</u>
Expenses relating to low-value asset leases	<u>\$ 515</u>	<u>\$ 360</u>	<u>\$ 1,571</u>	<u>\$ 881</u>
Total cash outflow for leases			<u>\$ 92,546</u>	<u>\$ 85,440</u>

## 18. INVESTMENT PROPERTIES

	<b>Land</b>
Balance at September 30, 2022, December 31, 2021 and September 30, 2021	<u>\$ 17,760</u>

Investment properties measured at fair value were both \$78,764 thousand as of December 31, 2021 and 2020. The Group's management determined their fair values with reference to the closing prices of similar properties in the vicinity of the Group's investment properties. Furthermore, management of the Group had assessed and determined that there were no significant changes in the fair value as of September 30, 2022 and 2021.

These investment properties were not pledged as collateral or restricted in any way.

## 19. GOODWILL

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Cost</u>			
Balance at January 1	\$ 238,377	\$ 117,930	\$ 117,930
Business combinations that occurred during the period (Note 31)	-	139,382	135,020
Effect of foreign currency exchange differences, net	<u>6,337</u>	<u>(18,935)</u>	<u>(19,034)</u>
Balance at September 30 and December 31	<u>\$ 244,714</u>	<u>\$ 238,377</u>	<u>\$ 233,916</u>

The Group tests for impairment on recoverable amount of goodwill at year-end, using value-in-use as basis for calculation of recoverable amount. Calculation of value-in-use is based on the cash flows of the Company's future financial projections as an estimate to reflect specific risks of relevant cash generating units.

No impairment loss was recognized for the nine months ended September 30, 2022 and 2021.

## 20. OTHER INTANGIBLE ASSETS

	Client Relationships	Computer Software	Others	Total
<u>Cost</u>				
Balance at January 1, 2022	\$ 117,759	\$ 61,168	\$ 78,209	\$ 257,136
Additions	-	6,628	-	6,628
Effect of foreign currency exchange differences, net	3,402	295	2,010	5,707
Balance at September 30, 2022	<u>\$ 121,161</u>	<u>\$ 68,091</u>	<u>\$ 80,219</u>	<u>\$ 269,471</u>
<u>Accumulated amortization and impairment</u>				
Balance at January 1, 2022	\$ 52,408	\$ 47,778	\$ 18,468	\$ 118,654
Amortization expenses	9,039	5,128	8,162	22,329
Effect of foreign currency exchange differences, net	1,501	213	3,851	5,565
Balance at September 30, 2022	<u>\$ 62,948</u>	<u>\$ 53,119</u>	<u>\$ 30,481</u>	<u>\$ 146,548</u>
Carrying amount at December 31, 2021 and January 1, 2022, net	<u>\$ 65,351</u>	<u>\$ 13,390</u>	<u>\$ 59,741</u>	<u>\$ 138,482</u>
Carrying amount at September 30, 2022, net	<u>\$ 58,213</u>	<u>\$ 14,972</u>	<u>\$ 49,738</u>	<u>\$ 122,923</u>

(Continued)

	<b>Client Relationships</b>	<b>Computer Software</b>	<b>Others</b>	<b>Total</b>
<u>Cost</u>				
Balance at January 1, 2021	\$ 73,313	\$ 53,447	\$ 37,153	\$ 163,913
Additions	-	6,239	159	6,398
Acquisitions through business combinations (Note 31)	45,590	-	54,274	99,864
Disposal	-	(101)	-	(101)
Reclassifications	9,047	-	(9,163)	(116)
Effect of foreign currency exchange differences, net	(10,244)	(85)	(4,421)	(14,750)
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Balance at September 30, 2021	<u>\$ 117,706</u>	<u>\$ 59,500</u>	<u>\$ 78,002</u>	<u>\$ 255,208</u>
<u>Accumulated amortization and impairment</u>				
Balance at January 1, 2021	\$ 46,520	\$ 38,959	\$ 5,055	\$ 90,534
Amortization expenses	8,724	6,755	6,907	22,386
Disposal	-	(101)	-	(101)
Reclassifications	342	-	(458)	(116)
Effect of foreign currency exchange differences, net	(4,510)	(57)	2,280	(2,287)
	<u>                    </u>	<u>                    </u>	<u>                    </u>	<u>                    </u>
Balance at September 30, 2021	<u>\$ 51,076</u>	<u>\$ 45,556</u>	<u>\$ 13,784</u>	<u>\$ 110,416</u>
Carrying amount at September 30, 2021, net	<u>\$ 66,630</u>	<u>\$ 13,944</u>	<u>\$ 64,218</u>	<u>\$ 144,792</u>

(Concluded)

Other intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Client Relationships	9-11 years
Computer software	2-10 years
Others	2-15 years

## 21. OTHER ASSETS

	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
<u>Current</u>			
Input tax	\$ 245,353	\$ 299,665	\$ 270,204
Prepayments	139,390	121,663	111,968
Prepaid expenses	79,551	70,902	81,640
Overpaid tax retained for offsetting the future tax payable	224,971	34,287	20,626
Others	<u>23,219</u>	<u>13,085</u>	<u>14,306</u>
	<u>\$ 712,484</u>	<u>\$ 539,602</u>	<u>\$ 498,744</u>

(Continued)



	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
<u>Non-current</u>			
Prepayments for equipment	\$ 137,707	\$ 108,311	\$ 118,250
Others	<u>9,282</u>	<u>6,705</u>	<u>6,774</u>
	<u>\$ 146,989</u>	<u>\$ 115,016</u>	<u>\$ 125,024</u> (Concluded)

## 22. BORROWINGS

### a. Short-term borrowings

	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
Secured bank loans (Note 36)	\$ 97,079	\$ 97,843	\$ 102,943
Unsecured bank loans	<u>2,396,794</u>	<u>2,059,831</u>	<u>2,000,550</u>
	<u>\$ 2,493,873</u>	<u>\$ 2,157,674</u>	<u>\$ 2,103,493</u>

The range of interest rates of short-term borrowings was as follows:

	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
Secured bank loans	1.77% - 3.82%	1.27% - 4.9%	1.27% - 3.82%
Unsecured bank loans	1.18% - 4.97%	0.72% - 4.9%	0.63% - 4.45%

### b. Long-term borrowings

	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
Secured bank loans (1)	\$ 338,644	\$ 362,062	\$ 370,030
Unsecured bank loans (2)	<u>1,201,422</u>	<u>1,766,159</u>	<u>1,792,720</u>
	1,540,066	2,128,221	2,162,750
Decrease: current portion of long-term borrowings	<u>115,422</u>	<u>193,146</u>	<u>113,123</u>
	<u>\$ 1,424,644</u>	<u>\$ 1,935,075</u>	<u>\$ 2,049,627</u>

1) As of September 30, 2022, December 31, 2021 and September 30, 2021, the range of weighted average effective interest rates of the bank borrowings secured by the Group's freehold land, buildings, and deposit certificates (see Note 36), were 1.825% - 1.93%, 1.255% - 1.35% and 0.96% - 2.17% per annum, respectively. Long-term borrowings mentioned above will expire June 2035, and payments of interest and principal are made on schedule.

2) As of September 30, 2022, December 31, 2021 and September 30, 2021, the range of weighted average effective interest rates of unsecured bank loans were 0.9% - 4.5%, 0.38% - 4.45% and 0.38% - 4.45% per annum, respectively. Long-term borrowings mentioned above will expire March

2025, and payments of interest and principal are made on schedule.

### 23. NOTES PAYABLE AND ACCOUNTS PAYABLE

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Notes payable</u>			
Operating	\$ 2,309	\$ 1,036	\$ 2,327
<u>Accounts payable</u>			
Operating	\$ 2,227,631	\$ 2,590,168	\$ 2,185,556

The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

### 24. OTHER LIABILITIES

	September 30, 2022	December 31, 2021	September 30, 2021
<u>Current</u>			
Other liabilities			
Refund liabilities	\$ 168,592	\$ 138,571	\$ 128,641
Others	38,767	67,153	63,915
	<u>\$ 207,359</u>	<u>\$ 205,724</u>	<u>\$ 192,556</u>
<u>Non-current</u>			
Other liabilities			
Guarantee deposit	\$ 2,217	\$ 4,198	\$ 3,779
Others	6,964	46,194	46,910
	<u>\$ 9,181</u>	<u>\$ 50,392</u>	<u>\$ 50,689</u>

### 25. RETIREMENT BENEFIT PLANS

For the three months ended September 30, 2022 and 2021 and for the nine months ended September 30, 2022 and 2021, the pension expenses of defined benefit plans were \$1,172 thousand, \$1,780 thousand, \$3,481 thousand and \$5,368 thousand, respectively, and these were calculated based on the pension cost rate determined by the actuarial calculation on December 31, 2021 and 2020, respectively.

## 26. EQUITY

### a. Share capital

#### Ordinary shares

	September 30, 2022	December 31, 2021	September 30, 2021
Number of shares authorized (in thousands)	200,000	200,000	200,000
Shares authorized	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>
Number of shares issued and fully paid (in thousands)	120,570	120,570	120,570
Shares issued	<u>\$ 1,205,707</u>	<u>\$ 1,205,707</u>	<u>\$ 1,205,707</u>

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

### b. Capital surplus

	September 30, 2022	December 31, 2021	September 30, 2021
<u>May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)</u>			
Issuance of ordinary shares	\$ 2,040,204	\$ 2,040,204	\$ 2,040,204
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	10,854	2	2
Employee share options	44,083	44,083	44,083
Expired employee share options	135	135	135
<u>May only be used to offset a deficit</u>			
Changes in percentage of ownership interests in subsidiaries (2)	<u>18,579</u>	<u>17,249</u>	<u>17,249</u>
	<u>\$ 2,113,855</u>	<u>\$ 2,101,673</u>	<u>\$ 2,101,673</u>

1) Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

2) Such capital surplus arises from the effects of changes in ownership interests in subsidiaries resulting from equity transactions other than actual disposals or acquisitions or from changes in capital surplus of subsidiaries accounted for using the equity method.

### c. Retained earnings and dividends policy

The shareholders of the Company held their regular meeting on June 23, 2022, resolving the amendments to the Company's Articles of Incorporation (the "Articles") in the shareholders' meeting. The amendments explicitly stipulate the proposal for profit distribution or offsetting losses that should

be made at the end of each quarter of the fiscal year. The profit distribution in cash shall be resolved by the board of directors in accordance with Article 228-1 and Article 240-5 of the Company Act which should be submitted in the shareholders' meeting.

Under the dividends policy as set forth in the Articles after the amendments, when the Company distributed profit, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit (This shall not apply if the accumulated legal reserve has reached the Company's paid-in capital), setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of compensation of employees and remuneration of directors after the amendment, refer to compensation of employees and remuneration of directors in Note 28-g.

The Company is in a period of stable growth. In order to cope with the future operational expansion plan, the total amount of dividends distributed should not be less than 10% of the year's remaining profit. The profit can be distributed as cash dividends or stock dividends, and the issuance of cash dividends takes precedence over the payment of stock dividends. In principle, stock dividends are limited to 80% of the total dividends distributed.

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

The special reserve is appropriated and reversed from the prior unappropriated earnings by the Company under the Rules.

The appropriations of earnings for 2021 and 2020 that had been resolved in the shareholders' meetings in June 2022 and July 2021, respectively, were as follows:

	<b>Earnings appropriation proposal</b>		<b>Dividends per share (NT\$)</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
Legal reserve	\$ 87,162	\$ 122,139		
Cash dividends	723,425	843,995	\$ 6	\$ 7

d. Special reserve

Upon initial application of IFRSs, the recognized unrealized revaluation adjustments, cumulative translation adjustments, and capital surplus transferred to retained earnings amounted to \$313,321 thousand, while an equivalent amount has been appropriated as special reserve.

e. Other equity items

1) Exchange differences on translating the financial statements of foreign operations

	<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ (644,475)	\$ (487,817)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	<u>442,253</u>	<u>(172,086)</u>
Balance at September 30	<u>\$ (202,222)</u>	<u>\$ (659,903)</u>

2) Unrealized valuation gain or loss on financial assets at FVTOCI

	<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 5,979,277	\$ 838,995
Recognized for the year		
Unrealized gain (loss) - equity instruments	<u>(1,535,507)</u>	<u>4,024,148</u>
Balance at September 30	<u>\$ 4,443,770</u>	<u>\$ 4,863,143</u>

f. Non-controlling interests

	<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 992,192	\$ 929,683
Share in profit for the period	95,755	30,844
Other comprehensive income or loss during the period		
Exchange differences on translating the financial statements of foreign operations	42,079	(10,095)
Changes in percentage of ownership interests in subsidiaries (Note 32)	(774)	-
Dividend payout from subsidiaries	<u>(5,945)</u>	<u>(17,344)</u>
Balance at September 30	<u>\$ 1,123,307</u>	<u>\$ 933,088</u>

## 27. REVENUE

### a. Disaggregation of revenue

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Adhesives	\$ 4,291,190	\$ 2,895,472	\$ 11,978,729	\$ 9,209,705
Construction materials	887,926	691,623	2,419,852	2,044,355
Coatings	437,737	416,143	1,251,306	1,306,972
Others	<u>250,499</u>	<u>204,366</u>	<u>776,418</u>	<u>538,643</u>
	<u>\$ 5,867,352</u>	<u>\$ 4,207,604</u>	<u>\$ 16,426,305</u>	<u>\$ 13,099,675</u>

### b. Contract balances

	September 30, 2022	December 31, 2021	September 30, 2021	January 1, 2021
Accounts receivable (including related parties)	<u>\$ 4,879,461</u>	<u>\$ 4,117,118</u>	<u>\$ 3,687,594</u>	<u>\$ 3,671,006</u>
Contract liabilities - current Sale of goods	<u>\$ 35,927</u>	<u>\$ 44,959</u>	<u>\$ 33,900</u>	<u>\$ 30,581</u>

The changes in the balance of contract assets and contract liabilities primarily result from the timing difference between the Group's satisfaction of performance obligations and the respective customer's payment.

## 28. NET PROFIT

### a. Interest income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Bank deposits	<u>\$ 9,636</u>	<u>\$ 10,632</u>	<u>\$ 28,286</u>	<u>\$ 32,785</u>

### b. Other income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Dividends income	\$ 347	\$ 579	\$ 477,714	\$ 66,143
Lawsuit preparation reversal	-	-	15,199	-
Grant income	2,969	2,106	10,652	15,966
Rental income	659	478	1,589	1,236
Other	<u>5,431</u>	<u>5,560</u>	<u>35,232</u>	<u>21,468</u>
	<u>\$ 9,406</u>	<u>\$ 8,723</u>	<u>\$ 540,386</u>	<u>\$ 104,813</u>

c. Other gains and losses

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Net foreign exchange gains (losses)	\$ 60,082	\$ 7,544	\$ 126,100	\$ (9,223)
Gain on disposal of associates	-	-	26,523	-
Gain on disposal of right-of-use assets (Note)	-	-	1,374	-
Fair value changes of financial assets - financial assets mandatorily classified as at FVTPL	5,010	(207)	(2,403)	(207)
Loss on disposal of property, plant and equipment (Note)	-	-	(21,270)	-
Others	<u>(764)</u>	<u>(491)</u>	<u>(4,582)</u>	<u>(2,703)</u>
	<u>\$ 64,328</u>	<u>\$ 6,846</u>	<u>\$ 125,742</u>	<u>\$ (12,133)</u>

Note: The gains or losses on disposal of assets of Nan Pao Resins (Yunan) Co., Ltd. is due to industrial restructuring by the government of China.

d. Finance costs

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Interest on bank loans	\$ 22,508	\$ 11,014	\$ 48,193	\$ 30,059
Interest on lease liabilities	<u>3,927</u>	<u>3,065</u>	<u>10,368</u>	<u>9,613</u>
	<u>\$ 26,435</u>	<u>\$ 14,079</u>	<u>\$ 58,561</u>	<u>\$ 39,672</u>

e. Depreciation and amortization

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
An analysis of depreciation by function				
Operating costs	\$ 90,963	\$ 84,717	\$ 266,969	\$ 249,631
Operating expenses	<u>30,383</u>	<u>26,877</u>	<u>86,583</u>	<u>82,210</u>
	<u>\$ 121,346</u>	<u>\$ 111,594</u>	<u>\$ 353,552</u>	<u>\$ 331,841</u>
An analysis of amortization by function				
Operating costs	\$ 292	\$ 283	\$ 876	\$ 760
Operating expenses	<u>7,091</u>	<u>8,015</u>	<u>21,453</u>	<u>21,626</u>
	<u>\$ 7,383</u>	<u>\$ 8,298</u>	<u>\$ 22,329</u>	<u>\$ 22,386</u>

f. Employee benefits expense

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Short-term employee benefits				
Salaries	\$ 550,558	\$ 490,611	\$ 1,580,711	\$ 1,456,406
Labor and health insurance	38,524	33,318	107,643	96,513
Others	43,892	32,553	123,989	112,857
	<u>632,974</u>	<u>556,482</u>	<u>1,812,343</u>	<u>1,665,776</u>
Post-employment benefits				
Defined contribution plans	27,907	15,748	80,665	70,617
Defined benefit plans (Note 25)	1,172	1,780	3,481	5,368
	<u>29,079</u>	<u>17,528</u>	<u>84,146</u>	<u>75,985</u>
	<u>\$ 662,053</u>	<u>\$ 574,010</u>	<u>\$ 1,896,489</u>	<u>\$ 1,741,761</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 252,752	\$ 215,335	\$ 706,855	\$ 634,524
Operating expenses	409,301	358,675	1,189,634	1,107,237
	<u>\$ 662,053</u>	<u>\$ 574,010</u>	<u>\$ 1,896,489</u>	<u>\$ 1,741,761</u>

g. Employees' compensation and remuneration of directors

According to the Company's Articles, the Company accrued employees' compensation and remuneration of directors at rates of 2% to 6% and no higher than 3%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. For the three months ended September 30, 2022 and 2021 and for the nine months ended September 30, 2022 and 2021, the employees' compensation and the remuneration of directors are as follows:

Accrual rate

	<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>
Employees' compensation	2.35%	3.26%
Remuneration of directors	0.85%	1.58%

Amount

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Employees' compensation	\$ 17,032	\$ 7,000	\$ 39,202	\$ 28,000
Remuneration of directors	3,900	3,400	14,100	13,600

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.



The appropriations of employees' compensation and remuneration of directors for 2021 and 2020 that were resolved by the board of directors in March 2022 and 2021, respectively, and the amounts of employees' compensation and remuneration of directors recognized in the consolidated financial statements, are as shown below:

	<b>For the Year Ended December 31</b>			
	<b>2021</b>		<b>2020</b>	
	<b>Employees' compensation</b>	<b>Remuneration of directors</b>	<b>Employees' compensation</b>	<b>Remuneration of directors</b>
The Board of Directors resolves the allocation amount	\$ 36,960	\$ 16,000	\$ 42,000	\$ 20,000
Amounts recognized in the annual financial statements	<u>36,960</u>	<u>17,600</u>	<u>42,000</u>	<u>20,000</u>
Differences	<u>\$ -</u>	<u>\$ (1,600)</u>	<u>\$ -</u>	<u>\$ -</u>

The differences for the year ended December 31, 2021 were adjusted to profit and loss for the year ended December 31, 2022.

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

h. Gain or loss on foreign currency exchange

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	Foreign exchange gains	\$ 152,306	\$ 35,743	\$ 335,844
Foreign exchange losses	<u>(92,224)</u>	<u>(28,199)</u>	<u>(209,744)</u>	<u>(127,205)</u>
	<u>\$ 60,082</u>	<u>\$ 7,544</u>	<u>\$ 126,100</u>	<u>\$ (9,223)</u>

## 29. INCOME TAXES

a. Major components of income tax expense recognized in profit or loss are as follows:

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	Current tax			
In respect of the current year	\$ 146,266	\$ 102,802	\$ 306,163	\$ 248,745
Adjustments for prior year	<u>(103)</u>	<u>(1,204)</u>	<u>(36,947)</u>	<u>(32,950)</u>
	<u>146,163</u>	<u>101,598</u>	<u>269,216</u>	<u>215,795</u>
Deferred tax				
In respect of the current year	<u>39,534</u>	<u>(38,515)</u>	<u>119,484</u>	<u>(13,595)</u>
	<u>\$ 185,697</u>	<u>\$ 63,083</u>	<u>\$ 388,700</u>	<u>\$ 202,200</u>

b. Income tax recognized in other comprehensive income

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
<u>Deferred tax</u>				
In respect of the current year				
Translation of foreign operations	\$ (56,109)	\$ 7,137	\$ (110,563)	\$ 43,021

c. Income tax assessments

Expect the income tax returns of Nan Pao Chemical Company Ltd. through 2019, the Company and domestic subsidiaries through 2020 have been assessed by the tax authorities.

### 30. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share are as follows:

Net profit for the year

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Profit for the year attributable to owners of the Company	\$ 370,890	\$ 116,234	\$ 1,427,425	\$ 733,886

The weighted average number of ordinary shares outstanding (in thousands of shares) is as follows:

	For the Three Months Ended September 30		For the Nine Months Ended September 30	
	2022	2021	2022	2021
Weighted average number of ordinary shares used in the computation of basic earnings per share	120,571	120,571	120,571	120,571
Effect of potentially dilutive ordinary share: Employees' compensation or bonuses issued to employees	86	51	368	282
Weighted average number of ordinary shares used in the computation of diluted earnings per share	120,657	120,622	120,939	120,853

If the Group offered to settle compensation paid to employees in cash or shares, the Group assumed the entire amount of the compensation would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

### 31. BUSINESS COMBINATIONS

#### a. Acquisition of business

	<b>Principal Operating Activities</b>	<b>Date of Acquisition</b>
Axis Manufacture Pty Ltd. (Axis)	Production and sale of liquid formulations and compounds	March 15, 2021
Gripset Industries Pty Ltd. (Gripset)	Production and sale of waterproof membranes, protective coatings, adhesives and sealants, etc., related to the construction industry	March 15, 2021

The Group acquired the business and asset portfolio from its unrelated party, Axis and Gripset (both established in Australia) in March 2021, which includes the inputs and substantive processes which together significantly contribute to the ability to create outputs; the acquisition was handled in accordance with IFRS 3: Business Combinations. The purpose of the acquisition was to expand the business and strengthen the product portfolio.

#### b. Consideration transferred

	<b>Amount</b>
Cash	\$ 203,268
Contingent consideration agreement (Note)	<u>41,248</u>
	<u>\$ 244,516</u>

Note: According to the contingent consideration agreement, if the gross profit between March 2021 and March 2022 of Axis Manufacture Pty Ltd and Gripset Industries Pty Ltd meets the promised level, the Group should pay additional payment to the seller. The fair value of the obligation at the acquisition date was estimated to be \$41,248 thousand.

c. Assets acquired and liabilities assumed at the date of acquisition

	<b>Amount</b>
Current assets	
Inventories	\$ 39,627
Non-current assets	
Intangible assets	99,864
Property, plant and equipment	1,303
Deferred tax assets	1,488
Current liabilities	
Other current liabilities	(2,436)
Non-current liabilities	
Deferred tax liabilities	<u>(30,350)</u>
	<u>\$ 109,496</u>

d. Goodwill recognized on acquisition

	<b>Amount</b>
Consideration transferred	\$ 244,516
Less: Fair value of identifiable net assets acquired	<u>(109,496)</u>
Goodwill recognized on acquisition	<u>\$ 135,020</u>

The goodwill recognized in the acquisition of Axis and Gripset mainly represents the control premium included in the cost of the combination. In addition, the consideration paid for the combination effectively included amounts attributed to the benefits of expected synergies, revenue growth, future market development and the assembled workforces. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

The total amount of acquired goodwill is not tax-deductible.

**32. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS - SEPTEMBER 30, 2022**

	Nan Pao New Materials (Huaian) Co., Ltd(a)	Progroups Technology Co., Ltd(b)	Nan Pao Group Holding Ltd.(c)
Consideration received (paid)	\$ 13,908	\$ (2,500)	\$ -
The proportionate share of the carrying amount of the net assets of the subsidiary transferred (from) to non-controlling interests	<u>(12,578)</u>	<u>5,591</u>	<u>7,761</u>
Differences recognized from equity transactions	<u>\$ 1,330</u>	<u>\$ 3,091</u>	<u>\$ 7,761</u> (Continued)

<u>Line items adjusted for equity transactions</u>	Nan Pao New Materials (Huaian) Co., Ltd(a)	Progroups Technology Co., Ltd(b)	Nan Pao Group Holding Ltd.(c)
Capital surplus - difference between consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	\$ -	\$ 3,091	\$ 7,761
Capital surplus - changes in percentage of ownership interests in subsidiaries	<u>1,330</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,330</u>	<u>\$ 3,091</u>	<u>\$ 7,761</u>
			(Concluded)

- a. In January 2022, the Group did not subscribe the issuance of ordinary shares in the amount of RMB 3,184 thousand for cash of Nan Pao New Materials (Huaian) Co., Ltd. in accordance with the shareholding ratio, decreasing its shareholding ratio from 100% to 95.24%.
- b. The Group acquired minority shareholdings of Progroups Technology Co., Ltd. in September 2022, resulting in an increase in the shareholding ratio from 91.99% to 100%.
- c. The Group repurchased and retired 32.32% shareholdings of Greatwill Materials (HK) Ltd. in September 2022, resulting in an increase in Nan Pao Group Holdings Ltd.'s shareholding ratio from 67.68% to 100%. In addition, Greatwill Materials (HK) Ltd. transferred 28.45% shareholdings to external shareholder of Foshan Nan Pao Advanced Materials Co., Ltd., resulting in an decrease in the shareholding ratio from 88.03% to 59.58%. The amount received and paid for the transaction is the same, and the change have not affect the shareholding ratio of Foshan Nan Pao Advanced Materials Co., Ltd. by the Group.

The above transactions were accounted for as equity transactions, since the Group did not cease to have control over these subsidiaries.

### 33. CAPITAL MANAGEMENT

The Group has to maintain large capital for plants and equipment expansion, therefore the Group manages its capital to ensure that entities in the Group will have sufficient financial resources and operating plans to fund its working capital needs, capital asset purchases, stock dividends and other business requirements associated with its existing operations.

### 34. FINANCIAL INSTRUMENTS

- a. Fair value of financial instruments not measured at fair value

The Group believes that the carrying amounts of financial instruments not measured at fair value recognized in the consolidated financial statements approximate their fair values.

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

1) Fair value hierarchy

September 30, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Limited partnership	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>  73,732</u>	\$ <u>  73,732</u>

Financial assets at FVTOCI

Investment in equity instruments				
Unlisted shares	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>4,782,839</u>	\$ <u>4,782,839</u>

December 31, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Limited partnership	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>  36,135</u>	\$ <u>  36,135</u>

Financial assets at FVTOCI

Investment in equity instruments				
Unlisted shares	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>6,284,859</u>	\$ <u>6,284,859</u>

September 30, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Limited partnership	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>  24,793</u>	\$ <u>  24,793</u>

Financial assets at FVTOCI

Investment in equity instruments				
Unlisted shares	\$ <u>          -</u>	\$ <u>          -</u>	\$ <u>5,183,726</u>	\$ <u>5,183,726</u>

2) Reconciliation of Level 3 fair value measurements of financial instruments

Financial Assets at FVTPL

	<b>For the Nine Months Ended</b>	
	<b>September 30</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 36,135	\$ -
Recognized in profit or loss	(2,403)	(207)
Purchases	<u>40,000</u>	<u>25,000</u>
Balance at September 30	<u>\$ 73,732</u>	<u>\$ 24,793</u>

Financial Assets at FVTOCI

	<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>
Balance at January 1	\$ 6,284,859	\$ 1,109,267
Recognized in other comprehensive income (included in unrealized valuation gain (loss) on financial assets at FVTOCI)	(1,535,507)	4,024,148
Purchases	33,487	51,179
Refunded capital	-	(868)
Balance at September 30	<u>\$ 4,782,839</u>	<u>\$ 5,183,726</u>

3) Valuation techniques and inputs used in Level 3 fair value measurement

- a) The market approach is used to estimate the fair values of some of the domestic unlisted shares, and the determination of fair value takes into consideration the industry type, valuation of comparable companies and the operating situation, or based on the company's net value.
- b) The asset approach is used to estimate the fair values of some of the domestic unlisted equity investments, and the fair values are determined by assessing the total value of individual assets and liabilities covered by the valuation target, in order to reflect the overall value of the business or equity.

c. Categories of financial instruments

	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
<u>Financial assets</u>			
Financial assets at amortized cost (1)	\$ 9,620,859	\$ 8,909,346	\$ 8,116,435
Financial asset at FVTPL - Mandatorily classified as at FVTPL	73,732	36,135	24,793
Financial assets at FVTOCI	4,782,839	6,284,859	5,183,726
<u>Financial liabilities</u>			
Amortized cost (2)	7,198,653	7,793,827	7,256,223

- 1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, debt investments, accounts receivable (including related parties) and other receivables.
- 2) The balances include financial liabilities at amortized cost, which comprise short-term borrowings, accounts payable, other payables, long-term borrowings (including current portion of long-term borrowings) and refund of guarantee deposits (non-current liabilities).

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, accounts receivable, accounts payable, short-term bills payable, borrowings, and lease liabilities. The Group's Corporate Treasury function provides services to the business departments, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of

the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

Major financing activities of the Group are reviewed by the board of directors based on relevant regulations and the internal control system. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

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

There have been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

The Group enter into foreign currency sales and purchases, which expose the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are set out in Note 38.

Sensitivity analysis

The Group was mainly exposed to the USD and the VND.

The following table details the Group's sensitivity to a 1% increase and decrease in the functional currency against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign-currency denominated monetary items. A positive number below indicates an increase in profit before income tax that would result when the functional currency weakens by 1% against the relevant currency. For a 1% strengthening of the functional currency against the relevant currency, there would be an equal and opposite impact on profit before income tax and the balances below would be negative.

	<b>USD Impact</b>		
	<b>For the Nine Months Ended</b>		
	<b>September 30</b>		
	<b>2022</b>	<b>2021</b>	
Profit or loss	\$ 11,941	\$ 8,829	(i)

  

	<b>VND Impact</b>		
	<b>For the Nine Months Ended</b>		
	<b>September 30</b>		
	<b>2022</b>	<b>2021</b>	
Profit or loss	\$ 7,542	\$ 5,054	(ii)

- i. This was mainly attributable to the exposure on outstanding foreign monetary items in USD that were not hedged at the end of the year. The Group's sensitivity to foreign currency increased during the current year mainly due to the borrowings for purchasing materials in USD and decrease in accounts payable.



ii. This was mainly attributable to the exposure on outstanding foreign monetary items in VND that were not hedged at the end of the year. The Group's sensitivity to foreign currency increased during the current year mainly due to increase in accounts receivable.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
Fair value interest rate risk			
Financial assets	\$ 904,468	\$ 865,927	\$ 923,907
Financial liabilities	1,103,059	623,484	570,778
Cash flow interest rate risk			
Financial assets	3,137,348	3,371,404	2,987,099
Financial liabilities	3,616,499	4,212,634	4,215,463

Sensitivity analysis

The sensitivity analysis below was based on the Group's exposure to interest rates for non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming that the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year.

If interest rates had been 0.25% higher/lower and all other variables were held constant, the Group's profit before tax for the nine months ended September 30, 2022 and 2021 would have decreased/increased by NT\$898 thousand and NT\$2,303 thousand, respectively; the change would be mainly attributable to variable-rate bank borrowings.

c) Other price risk

The Group was exposed to equity price risk through its investments in domestic unlisted shares. As there is no open market quotation for such equity pricing, the price risk is immaterial.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which could cause a financial loss to the Group due to the failure of a counterparty to discharge its obligation, could at most amount to the carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets.

Since the counterparties of the Group are all creditworthy business organizations, there is no anticipated material credit risk. The Group also continues to evaluate the financial status of clients for accounts receivable.

The Group's concentration of credit risk in accounts receivable was set out as follows:

	<u>September 30, 2022</u>		<u>December 31, 2021</u>		<u>September 30, 2021</u>	
	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>	<u>Amount</u>	<u>%</u>
Group A	<u>\$ 391,226</u>	8	<u>\$ 322,182</u>	8	<u>\$ 257,315</u>	7

### 3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents and liquid financial assets deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group's working capital and the credit line which the Group has obtained are sufficient to support future operational needs, so there is no liquidity risk due to the inability to raise funds to fulfill contractual obligations.

#### a) Liquidity and interest rate risk table for non-derivative financial liabilities

The following tables detail the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause are included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities are based on the agreed repayment dates.

To the extent that interest flows are at floating rates, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

#### September 30, 2022

	<b>Less than 1 Year</b>	<b>1 - 5 Years</b>	<b>Over 5 Years</b>
<u>Non-derivative financial liabilities</u>			
Non-interest bearing liabilities	\$ 3,331,089	\$ 2,217	\$ -
Lease liabilities	100,194	255,243	460,654
Fixed interest rate liabilities	424,914	1,611	-
Variable interest rate liabilities	<u>2,217,839</u>	<u>1,253,382</u>	<u>241,132</u>
	<u>\$ 6,074,036</u>	<u>\$ 1,512,453</u>	<u>\$ 701,786</u>

Additional information about the maturity analysis for lease liabilities:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>6-10 Years</b>	<b>11-20 Years</b>	<b>Over 21 Years</b>
Lease liabilities	<u>\$ 100,194</u>	<u>\$ 255,243</u>	<u>\$ 243,248</u>	<u>\$ 119,550</u>	<u>\$ 97,856</u>

December 31, 2021

	<b>Less than 1 Year</b>	<b>1 - 5 Years</b>	<b>Over 5 Years</b>
<u>Non-derivative financial liabilities</u>			
Non-interest bearing liabilities	\$ 3,642,305	\$ 4,198	\$ -
Lease liabilities	90,029	179,462	398,513
Fixed interest rate liabilities	73,261	-	-
Variable interest rate liabilities	<u>2,289,915</u>	<u>1,727,310</u>	<u>246,658</u>
	<u>\$ 6,095,510</u>	<u>\$ 1,910,970</u>	<u>\$ 645,171</u>

Additional information about the maturity analysis for lease liabilities:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>6-10 Years</b>	<b>11-20 Years</b>	<b>Over 21 Years</b>
Lease liabilities	<u>\$ 90,029</u>	<u>\$ 179,462</u>	<u>\$ 159,137</u>	<u>\$ 138,767</u>	<u>\$ 100,609</u>

September 30, 2021

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>Over 5 Years</b>
<u>Non-derivative financial liabilities</u>			
Non-interest bearing liabilities	\$ 2,986,201	\$ 3,779	\$ -
Lease liabilities	87,416	171,726	357,604
Fixed interest rate liabilities	50,780	-	-
Variable interest rate liabilities	<u>2,186,439</u>	<u>1,830,202</u>	<u>266,551</u>
	<u>\$ 5,310,836</u>	<u>\$ 2,005,707</u>	<u>\$ 624,155</u>

Additional information about the maturity analysis for lease liabilities:

	<b>Less than 1 Year</b>	<b>1-5 Years</b>	<b>6-10 Years</b>	<b>11-20 Years</b>	<b>Over 21 Years</b>
Lease liabilities	<u>\$ 87,416</u>	<u>\$ 171,726</u>	<u>\$ 159,551</u>	<u>\$ 145,736</u>	<u>\$ 52,317</u>

The amounts included for variable interest rate instruments for both non-derivative financial assets and liabilities would change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the reporting period.

b) Financing facilities

	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
Unsecured bank overdraft facilities, reviewed annually and payable on demand			
Amount used	\$ 3,709,856	\$ 3,935,385	\$ 3,857,404
Amount unused	<u>6,938,007</u>	<u>5,560,540</u>	<u>5,413,588</u>
	<u>\$ 10,647,863</u>	<u>\$ 9,495,925</u>	<u>\$ 9,270,992</u>
Secured bank overdraft facilities:			
Amount used	\$ 468,367	\$ 479,854	\$ 514,475
Amount unused	<u>276,006</u>	<u>257,302</u>	<u>248,378</u>
	<u>\$ 744,373</u>	<u>\$ 737,156</u>	<u>\$ 762,853</u>

### 35. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are the related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

a. Related party name and category

<b>Name of Related Party</b>	<b>Related Party Category</b>
Total Acrylic Polymer Industry (Tapi) Corporation	Associate before January 2022 (Note 13)
Pou Chen Corporation and Subsidiaries	Investors with significant influence
Opulence Optronics Co., Ltd.	The Group is an executive of the Company
Shenglin Investment Co., Ltd.	Other related party

b. Sale of goods

<b>Related Party Category</b>	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Investors with significant influence	<u>\$ 367,406</u>	<u>\$ 210,601</u>	<u>\$ 1,026,541</u>	<u>\$ 758,883</u>

The sales prices were not significantly different from those with third parties. The credit term is 30 to 105 days, which is not significantly different from that for non-related parties.

c. Purchases of goods

<b>Related Party Category</b>	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Associate	<u>\$ -</u>	<u>\$ 953</u>	<u>\$ -</u>	<u>\$ 3,597</u>

There were no comparable purchase prices of similar products with third parties. The payment term is 30 days to 45 days, which is not significantly different from that for non-affiliates.

d. Receivables from related parties

<b>Line Item</b>	<b>Related Party Category</b>	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
Accounts receivable from related parties	Investors with significant influence	<u>\$ 391,226</u>	<u>\$ 322,182</u>	<u>\$ 257,315</u>

The outstanding accounts receivable from related parties are unsecured.

e. Payables to related parties

<b>Line Item</b>	<b>Related Party Category</b>	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
Accounts payable	Associate	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50</u>
Other payables	Investors with significant influence	<u>\$ 132</u>	<u>\$ 129</u>	<u>\$ 127</u>

The outstanding accounts payable to related parties are unsecured.

f. Others - refund liabilities

<b>Line Item</b>	<b>Related Party Category / Name</b>	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
Other current liabilities	Investors with significant influence Pou Chen Corporation and Subsidiaries	<u>\$ 68,005</u>	<u>\$ 62,274</u>	<u>\$ 60,168</u>

g. Lease arrangements - the Group is lessee - for the nine months ended September 30, 2022

<b>Line Item</b>	<b>Related Party Category</b>	<b>Amount</b>
Lease expense	Other related party	<u>\$ 1,295</u>

The Group leased the buildings from related parties, and the rental is based on similar asset's market rates and fixed lease payments are paid monthly.

h. Compensation of key management personnel

	<b>For the Three Months Ended September 30</b>		<b>For the Nine Months Ended September 30</b>	
	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
Short-term employee benefits	\$ 17,602	\$ 11,219	\$ 45,351	\$ 39,848
Post-employment benefits	<u>6,092</u>	<u>521</u>	<u>6,892</u>	<u>1,453</u>
	<u>\$ 23,694</u>	<u>\$ 11,740</u>	<u>\$ 52,243</u>	<u>\$ 41,301</u>

The remuneration of directors and key executives, as determined by the remuneration committee, was based on industry standards, the performance of individuals and the Company and the related reasonable determination of future risks.

### 36. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for tariff, letters of credit, and long-term or short-term bank borrowings:

	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
Property, plant and equipment, net	\$ 662,217	\$ 675,459	\$ 609,260
Pledged deposit (recognized as financial assets at amortized cost - current)	<u>38,058</u>	<u>25,264</u>	<u>8,529</u>
	<u>\$ 700,275</u>	<u>\$ 700,723</u>	<u>\$ 617,789</u>

### 37. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to disclosures in other notes, significant commitments and contingencies of the Group as of September 30, 2022, December 31 and September 30, 2021 were as follows:

- a. As of September 30, 2022, December 31 and September 30, 2021, the unused letters of credit of the Group for purchasing raw materials and equipment were \$142,917 thousand, \$127,133 thousand and \$103,145 thousand, respectively.
- b. Unrecognized commitments were as follows:

	<b>September 30, 2022</b>	<b>December 31, 2021</b>	<b>September 30, 2021</b>
Acquisition of property, plant and equipment	\$ 296,953	\$ 357,452	\$ 463,316
Acquisition of raw material	<u>74,544</u>	<u>84,066</u>	<u>68,070</u>
	<u>\$ 371,497</u>	<u>\$ 441,518</u>	<u>\$ 531,386</u>

- c. Material lawsuits

The Company had won the bid for land, plant, and machinery equipment owned by He Kui Chemical Company from Changhua District Court in 2007 and sold the above assets to its subsidiary, Nan Pao Chemical Co., Ltd., for production purposes. On January 31, 2008, third-party Fu-Chien Management Consulting Company claimed to be the mortgagee of the aforementioned machinery equipment at Taiwan Changhua District Court and seized the batch of machinery and equipment. Nan Pao Chemical Co., Ltd. has filed for Third Party of Dissent Action arguing that Fu-Chien Management Consulting Company's claims over the above-mentioned machinery and equipment were false. Nevertheless, a fire broke out in Nan Pao Chemical Co., Ltd. in January 2010, with all plants and machinery burnt down. Therefore, the content of litigation was changed to confirming whether the machinery had belonged to Nan Pao Chemical Co., Ltd. If the court believed that machinery was not the property of Nan Pao Chemical Co., Ltd., but was destroyed due to its negligence, Nan Pao Chemical Co., Ltd. would be liable for damage. In June 2017, the Supreme Court of Taiwan ruled in a civil lawsuit that machinery and equipment did not belong to Nan Pao Chemical Co., Ltd.

Based on the ruling of the Changhua District Court, He Kui Chemical Company argued for ownership of machinery and equipment in the plant. Based on the aforementioned litigation, He Kui Chemical Company filed for an indemnity lawsuit against Nan Pao Chemical Co., Ltd. for damage caused by use of machinery equipment, and sought for indemnity of \$53,102 thousand. Nevertheless, the amount that He Kui Chemical Company claimed for was based on the purchase price of machinery equipment, and did not factor in depreciation based on the useful life of property, plant, equipment. The batch of machinery was purchased in the 1990s and early 2000s, with surplus value under \$53,102 thousand. The Company has appropriated a liability reserve of \$38,445 thousand based on the remaining value. (recognized as other non-current liabilities). On May 18, 2022, the Changhua District Court ruled against Nan Pao Chemical Co., Ltd. in the first trial. Nan Pao Chemical Co., Ltd. should compensate He Kui Chemical Company \$15,267 thousand plus 5% interest of \$7,979 thousand from March 8, 2012 to the date of settlement, which was a total of \$23,246 thousand. On June 27, 2022, Nan Pao Chemical Co., Ltd. appealed the second trial and withdrew the aforementioned compensation amount in July 2022, and reversed the provision of \$15,199 thousand (recognized as other income) in accordance with the ruling of the first trial.

### 38. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

(In Thousands of New Taiwan Dollars and Foreign Currencies)

September 30, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 48,162	31.75 (USD:NTD)	\$ 1,529,120
USD	8,857	7.0997 (USD:CNY)	281,215
USD	10,799	15,264 (USD:IDR)	342,866
USD	5,183	7.8508 (USD:HKD)	164,555
VND	826,070,116	0.000042 (VND:USD)	1,110,562
<u>Financial liabilities</u>			
Monetary items			
USD	20,763	31.70 (USD:NTD)	658,209
USD	1,630	7.0616 (USD:CNY)	51,467
USD	4,656	7.8511 (USD:HKD)	147,814
			(Continued)

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
USD	5,428	15,264 (USD:IDR)	172,338
USD	3,160	4.3338 (USD:MYR)	93,832
VND	262,661,553	0.000043 (VND:USD)	356,393
			(Concluded)
<u>December 31, 2021</u>			

	<b>Foreign Currency</b>	<b>Exchange Rate</b>	<b>Carrying Amount</b>
<u>Financial assets</u>			
Monetary items			
USD	\$ 52,973	27.68 (USD:NTD)	\$ 1,466,305
USD	8,092	6.37 (USD:CNY)	223,987
USD	9,618	13,980 (USD:IDR)	266,227
USD	4,461	7.7994 (USD:HKD)	123,489
VND	612,646,288	0.000044 (VND:USD)	740,630

Financial liabilities

Monetary items			
USD	25,538	27.68 (USD:NTD)	706,889
USD	2,663	6.37 (USD:CNY)	73,717
USD	3,907	7.7994 (USD:HKD)	108,153
USD	7,156	13,980 (USD:IDR)	198,075
USD	3,254	4.1723 (USD:MYR)	90,066
VND	231,353,023	0.000044 (VND:USD)	282,263



September 30, 2021

	Foreign Currency	Exchange Rate	Carrying Amount
<u>Financial assets</u>			
Monetary items			
USD	\$ 51,849	27.85 (USD:NTD)	\$ 1,443,981
USD	8,440	6.4854 (USD:CNY)	235,062
USD	9,224	14,066 (USD:IDR)	256,893
USD	2,239	7.787 (USD:HKD)	62,357
VND	633,998,018	0.000044 (VND:USD)	769,731
<u>Financial liabilities</u>			
Monetary items			
USD	\$ 26,997	27.85 (USD:NTD)	\$ 751,828
USD	2,425	6.4851 (USD:CNY)	67,536
USD	2,283	7.788 (USD:HKD)	63,578
USD	5,292	14,066 (USD:IDR)	147,386
USD	3,053	4.1886 (USD:MYR)	85,021
VND	216,805,249	0.000044 (VND:USD)	264,371
(Concluded)			

The Group is mainly exposed to the USD. The following information was aggregated by the functional currencies of the entities in the Group, and the exchange rates between the respective functional currencies and the presentation currency were disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

Functional Currency	For the Three Months Ended September 30, 2022		For the Three Months Ended September 30, 2021	
	Exchange Rate	Net Foreign Exchange Gain	Exchange Rate	Net Foreign Exchange Gain
USD	29.456 (USD:NTD)	\$ (16,345)	27.857 (USD:NTD)	\$ 8,426
NTD	1 (NTD:NTD)	63,202	1 (NTD:NTD)	2,671
CNY	4.446 (CNY:NTD)	18,033	4.303 (CNY:NTD)	630
SGD	21.38 (SGD:NTD)	36	20.61 (SGD:NTD)	15
(Continued)				

Functional Currency	For the Three Months Ended September 30, 2022		For the Three Months Ended September 30, 2021	
	Exchange Rate	Net Foreign Exchange Gain	Exchange Rate	Net Foreign Exchange Gain
AUD	21.03 (AUD:NTD)	\$ (4,537)	20.47 (AUD:NTD)	\$ (1,986)
IDR	0.00202 (IDR:NTD)	3,356	0.00196 (IDR:NTD)	(1,626)
VND	0.0013 (VND:NTD)	(1,008)	0.0012 (VND:NTD)	(366)
Others		<u>(2,655)</u>		<u>(220)</u>
		<u>\$ 60,082</u>		<u>\$ 7,544</u> (Concluded)

Functional Currency	For the Nine Months Ended September 30, 2022		For the Nine Months Ended September 30, 2021	
	Exchange Rate	Net Foreign Exchange Gain	Exchange Rate	Net Foreign Exchange Gain
USD	28.725 (USD:NTD)	\$ (18,829)	28.067 (USD:NTD)	\$ 15,286
NTD	1 (NTD:NTD)	122,762	1 (NTD:NTD)	(13,310)
CNY	4.426 (CNY:NTD)	27,938	4.337 (CNY:NTD)	(4,565)
SGD	21.05 (SGD:NTD)	70	20.97 (SGD:NTD)	35
AUD	20.65 (AUD:NTD)	(11,236)	21.31 (AUD:NTD)	(6,923)
IDR	0.00199 (IDR:NTD)	9,135	0.00198 (IDR:NTD)	(415)
VND	0.0013 (VND:NTD)	539	0.0012 (VND:NTD)	(260)
Others		<u>(4,279)</u>		<u>929</u>
		<u>\$ 126,100</u>		<u>\$ (9,223)</u>

### 39. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

- 1) Financing provided to others (None)
- 2) Endorsements/guarantees provided (Table 1)
- 3) Marketable securities held (excluding investments in subsidiaries and associates) (Table 2)
- 4) Marketable securities acquired and disposed of at costs or prices of at least NT\$300 million or 20% of the paid-in capital (None)
- 5) Acquisitions of individual real estate at cost of at least NT\$300 million or 20% of the paid-in capital (None)

- 6) Disposals of individual real estate at a price of at least NT\$300 million or 20% of the paid-in capital (None)
  - 7) Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 3)
  - 8) Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital (Table 4)
  - 9) Trading in derivative instruments (None)
  - 10) Intercompany relationships and significant intercompany transactions (Table 8)
- b. Information on investments (Table 5)
- c. Information on investments in mainland China
- 1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income or loss of investee, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income and limit on the amount of investment the mainland China area (Table 6)
  - 2) Significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses as follows (Table 7):
    - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period
    - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period
    - c) The amount of property transactions and the amount of the resultant gains or losses
    - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes
    - e) The highest balance during the period, the end of period balance, the interest rate range, and total current period interest with respect to the financing of funds
    - f) Other transactions with material effect on profit or loss for the period or on the financial position, such as the rendering or receipt of services
- d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 9)

#### **40. SEGMENT INFORMATION**

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group's reportable segments were as follows:

## Segment revenue and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments:

	Taiwan	Mainland China	Vietnam	Australia	Other Regions	Adjustments and Write-off	Total
<u>For the nine months ended</u>							
<u>September 30, 2022</u>							
Revenue							
Revenue from external customers	\$ 3,036,190	\$ 5,029,395	\$ 4,791,349	\$ 2,013,061	\$ 1,556,310	\$ -	\$ 16,426,305
Inter segment revenues	<u>2,540,383</u>	<u>925,749</u>	<u>553,415</u>	<u>3,782</u>	<u>38,909</u>	<u>(4,062,238)</u>	<u>-</u>
Total revenue	<u>\$ 5,576,573</u>	<u>\$ 5,955,144</u>	<u>\$ 5,344,764</u>	<u>\$ 2,016,843</u>	<u>\$ 1,595,219</u>	<u>\$ (4,062,238)</u>	<u>\$ 16,426,305</u>
Segment income	<u>\$ 442,747</u>	<u>\$ 240,286</u>	<u>\$ 432,230</u>	<u>\$ 30,179</u>	<u>\$ 122,092</u>	<u>\$ 8,493</u>	\$ 1,276,027
Interest revenue							28,286
Other income							540,386
Other gains and losses							125,742
Finance costs							<u>(58,561)</u>
Profit before tax							<u>\$ 1,911,880</u>
<u>For the nine months ended</u>							
<u>September 30, 2021</u>							
Revenue							
Revenue from external customers	\$ 2,689,054	\$ 4,542,407	\$ 2,968,900	\$ 1,729,537	\$ 1,169,777	\$ -	\$ 13,099,675
Inter segment revenues	<u>1,878,194</u>	<u>939,209</u>	<u>363,152</u>	<u>4,006</u>	<u>40,475</u>	<u>(3,225,036)</u>	<u>-</u>
Total revenue	<u>\$ 4,567,248</u>	<u>\$ 5,481,616</u>	<u>\$ 3,332,052</u>	<u>\$ 1,733,543</u>	<u>\$ 1,210,252</u>	<u>\$ (3,225,036)</u>	<u>\$ 13,099,675</u>
Segment income	<u>\$ 207,711</u>	<u>\$ 165,420</u>	<u>\$ 178,357</u>	<u>\$ 81,931</u>	<u>\$ 84,327</u>	<u>\$ 132,996</u>	\$ 850,742
Interest revenue							32,785
Other income							104,813
Other gains and losses							(12,133)
Finance costs							<u>(39,672)</u>
Share of profit of associates accounted for using the equity method							30,395
Profit before tax							<u>\$ 966,930</u>

Segment profit represents the profit before tax earned by each segment without non-operating income and expense and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

The decision of the Group's chief operating decision maker is based on the operating results of the different segments. Information on classified assets and liabilities from different business activities are not evaluated, and only the operating results of the reportable segments are shown.

## NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2 & 3)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2 & 3)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 1)										
0	Nan Pao Resins Chemical Co., Ltd.	Nan Pao Philippines Export, Inc	2	\$ 2,980,155	\$ 15,875	\$ 15,875	\$ -	\$ -	0.11	\$ 7,450,388	Y	N	N
		Nan Pao Resins Chemical Philippines Inc.	2	2,980,155	31,750	31,750	-	-	0.21	7,450,388	Y	N	N
		Nan Pao Group Holdings Ltd.	2	2,980,155	63,500	63,500	-	-	0.43	7,450,388	Y	N	N
		RLA Polymers (M) Sdn. Bhd.	2	2,980,155	95,250	79,375	-	-	0.53	7,450,388	Y	N	N
		RLA Polymers Pty Ltd.	2	2,980,155	254,000	254,000	185,940	-	1.7	7,450,388	Y	N	N
		RLA Polymers (M) Sdn. Bhd	2	2,980,155	127,000	127,000	79,694	-	0.85	7,450,388	Y	N	N
		Nan Pao New Materials (Huaian) Co., Ltd.	2	2,980,155	135,180	89,460	-	-	0.6	7,450,388	Y	N	Y
		Nan Pao Fine Materials Co., Ltd.	2	2,980,155	20,000	20,000	10,000	-	0.13	7,450,388	Y	N	N
		Nan Pao New Materials (Huaian) Co., Ltd.	2	2,980,155	225,300	223,650	1,788	-	1.5	7,450,388	Y	N	Y
		Nan Pao New Materials (Huaian) Co., Ltd.	2	2,980,155	90,120	89,460	29,408	-	0.6	7,450,388	Y	N	Y
		Nan Pao Fine Materials Co., Ltd.	2	2,980,155	30,000	20,000	10,000	-	0.13	7,450,388	Y	N	N
		RLA Polymers Pty Ltd.	2	2,980,155	214,200	206,600	206,600	-	1.39	7,450,388	Y	N	N
		Nan Pao New Materials (Huaian) Co., Ltd.	2	2,980,155	135,180	134,190	-	-	0.9	7,450,388	Y	N	Y

Note 1: Relationships between the endorser/guarantor and endorsee/guarantee are as follows:

1. Companies with business relationship
2. The Company directly and indirectly holds more than 50 percent of the voting rights in a company.
3. A company that directly and indirectly holds more than 50 percent of the voting rights in the Company
4. The Company directly and indirectly holds more than 90 percent of the voting rights between companies.
5. Companies with the same industry or mutual project undertakers that have mutual guarantee based on contract agreements due to contractual project needs
6. Due to joint venture, the company's shareholders' endorsement is based on their shareholding ratio
7. The performance guarantee of the pre-sale house sales contract in the same industry in accordance with the Consumer Protection Law is jointly guaranteed

Note 2: The limit on endorsement/guarantee given on behalf of individual corporation is 20% of the Company's net value at the end of the period, while the aggregate endorsement/guarantee limit is 50% of the Company's net value.

Note 3: The subsidiaries directly and indirectly invested by the Company shall not endorse/guarantee to individual corporation.

**NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES**

**MARKETABLE SECURITIES HELD**

**SEPTEMBER 30, 2022**

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2022				Note
				Number of Shares	Number of Shares	Number of Shares	Number of Shares	
Nan Pao Resins Chemical Co., Ltd.	CDIB -Innolux Limited Partnership	None	Financial assets at fair value through profit or loss -non-current	-	\$ 73,732	9	\$ 73,732	
Nan Pao Resins Chemical Co., Ltd.	Dairen Chemical Corp. - publicly owned company	None	Financial assets at fair value through other comprehensive income - non-current	10,424,970	\$ 4,691,219	2	\$ 4,691,219	
	Hua Chi Venture Capital Co., Ltd. - privately-issued equity	"	"	7,895	1,481	1	1,481	
	Opulence Optronics Co., Ltd. - privately-issued equity	"	"	1,754,417	2,352	13	2,352	
	Revivegen Environmental Technology Co., Ltd. - emerging stock	"	"	422,126	17,096	2	17,096	
	Perfect & Outstanding Technology Inc. - privately-issued equity	"	"	1,250,000	20,000	15	20,000	
	Contact Organics Pty Ltd- privately-issued equity	"	"	2,902	20,736	17	20,736	
					<u>4,752,884</u>		<u>4,752,884</u>	
Nan Pao Chemical Company Ltd.	Ace Chemical Corp. -privately-issued equity	None	Financial assets at fair value through other comprehensive income - non-current	1,148,015	\$ 29,955	10	\$ 29,955	

Note 1: The marketable securities listed in the table above refer to the shares, bonds, beneficiary certificates and marketable securities derived from the above accounts which fall within the scope of IFRS 9: Financial Instruments.

Note 2: Please refer to Tables 5 and 6 for information on investments in subsidiaries and associates.

**NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES**

**TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022**  
**(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount (Note)	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Note)	% of Total	
Nan Pao Resins Chemical Co.,Ltd.	Nan Pao Resins ( Vietnam ) Enterprise Ltd.	Subsidiary	Sale	\$ 1,088,174	24	Payment within 90 days	Similar to general transactions	Similar to general transactions	\$ 583,487	34	
	PT. Indo Nan Pao Resins Chemical Co., Ltd.	Subsidiary	Sale	309,334	7	Payment within 90 days	Similar to general transactions	Similar to general transactions	62,953	4	
	Nan Pao Materials Vietnam Co., Ltd.	Subsidiary	Sale	260,388	6	Payment within 90 days	Similar to general transactions	Similar to general transactions	192,062	11	
	Nan Pao Resins ( HK ) Limited	Subsidiary	Sale	125,633	3	Telegraphic transfer within 90 days	Similar to general transactions	Similar to general transactions	26,982	2	
	Nan Pao Resins (Foshan) Co., Ltd.	Subsidiary	Sale	198,675	4	Payment within 90 days	Similar to general transactions	Similar to general transactions	46,236	3	
	Nan Pao Advanced Materials Vietnam Co., Ltd.	Subsidiary	Sale	212,868	5	Payment within 90 days	Similar to general transactions	Similar to general transactions	164,758	10	
	Nan Pao Resins ( Vietnam ) Enterprise Ltd.	Nan Pao Resins International Ltd.	Same ultimate Parent Company	Sale	180,050	7	Payment within 90 days	Similar to general transactions	Similar to general transactions	69,644	9
Nan Pao Resins (Dongguan) Co., Ltd.	Nan Pao Resins ( HK ) Limited	Same ultimate Parent Company	Processing Revenue	253,056	100	Payment within 90 days	No comparable produce sales for comparison	No third-party transaction for comparison	82,580	100	
Nan Pao Materials Vietnam Co., Ltd.	Nan Pao Resins International Ltd.	Same ultimate Parent Company	Sale	126,739	9	Payment within 90 days	Similar to general transactions	Similar to general transactions	43,253	9	
Nan Pao Resins (Foshan) Co., Ltd.	Fuqing Nan Pao Resins Co., Ltd.	Same ultimate Parent Company	Sale	106,515	6	Payment within 90 days	Similar to general transactions	Similar to general transactions	43,651	7	
	Pou Chen Corporation and Subsidiaries	Investors with significant influence	Sale	106,287	6	Payment within 45 days	Similar to general transactions	Similar to general transactions	48,388	7	
Nan Pao Resins International Ltd.	Pou Chen Corporation and Subsidiaries	Investors with significant influence	Sale	306,965	100	Payment within 60 days	Similar to general transactions	Similar to general transactions	95,553	99	
PT. Indo Nan Pao Resins Chemical Co., Ltd.	Pou Chen Corporation and Subsidiaries	Investors with significant influence	Sale	343,684	31	Telegraphic transfer within 90 days	Similar to general transactions	Similar to general transactions	174,140	39	

Note: Except for investors with significant influence, they would be eliminated during the preparation of the consolidated financial statements.

**NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES**

**RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL  
 SEPTEMBER 30, 2022  
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Company Name	Related Party	Relationship	Ending Balance (Note)	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Nan Pao Resins Chemical Co., Ltd.	Nan Pao Resins (Vietnam) Enterprise Ltd.	Subsidiary	\$ 583,487	3.12	\$ -	Not applicable	\$ 108,561	\$ -
	Nan Pao Materials Vietnam Co., Ltd.	Subsidiary	192,062	2.38	-	Not applicable	30,450	-
	Nan Pao Advanced Materials Vietnam Co., Ltd.	Subsidiary	164,758	2.33	-	Not applicable	-	-
PT. Indo Nan Pao Resins Chemical Co., Ltd.	Pou Chen Corporation and Subsidiaries	Investors with significant influence	174,140	2.82	-	Not applicable	46,876	507

Note: Except for investors with significant influence, they would be eliminated during the preparation of the consolidated financial statements.



TABLE 5

## NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEEES  
 FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022  
 (In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss) (Note 1)	Note
				Ending Balance	Beginning Balance	Number of Shares	%	Carrying Amount			
Nan Pao Resins Chemical Co., Ltd.	Nan Pao Chemical Company Ltd.	No.519, Zhongshan Rd., Xigang Dist, Tainan City	Trading of chemical substances	\$ 300,000	\$ 300,000	15,000,000	100	\$ 192,311	\$ 13,995	\$ 13,995	
	Nan Pao Application Material Co., Ltd.	No.519, Zhongshan Rd., Xigang Dist, Tainan City	Trading of chemical substances	60,000	60,000	200,000	100	8,615	(20)	(20)	
	Nan Pao Electronic Materials Co., Ltd.	No.510, Zhongshan Rd., Xigang Dist, Tainan City	Production and trading of electronic materials	63,540	63,540	4,000,000	100	52,258	(350)	(350)	
	ITLS International Development Co., Ltd.	3F, No.356, Sec.1, NeiHu Rd., Taipei	Trading of construction materials and chemical substances	755,000	755,000	30,500,000	100	255,410	14,856	15,114	
	Prince Pharmaceutical Co., Ltd.	No. 168, Keyun S. Rd., Kendi Vil., Huwei Township, Yunlin County	Manufacturing, packaging, and processing of raw materials for various pharmaceutical and health food	324,683	324,683	16,767,305	50.51	362,044	48,921	24,710	
	Phymed Bio-tec Co., Ltd.	No.519, Zhongshan Rd., Xigang Dist, Tainan City	R&D and trading of health food	34,000	34,000	2,400,000	100	18,165	(2,638)	(2,638)	
	Biorich Biotechnology Co., Ltd.	3F, No.356, Sec.1, NeiHu Rd., Taipei	R&D, production, and trading of new high protein business and health food	64,121	64,121	391,462	57.1	10,858	3,848	2,197	
	Nan Pao Advanced Materials Co.,Ltd.	No. 521, Zhongshan Rd., Xigang Dist, Tainan City	Trading of adhesives and chemicals	3,500	3,500	350,000	70	7,810	4,377	3,064	
	Progroups Technology Co., Ltd.	No.519, Zhongshan Rd., Xigang Dist, Tainan City	Trading of waterborne PU resin	73,314	70,814	500,000	100	68,812	(6,879)	(6,407)	
	Nan Pao Fine Materials Co., Ltd.	No.217, Xinxing St., 4 Neighborhood, Qingan Vil., Xigang Dist., Tainan City	Production and trading of adhesives and chemicals	13,750	13,750	13,750,000	55	18,539	11,952	7,613	
	Total Acrylic Polymer Industry (TAPI) Corporation	12F., No. 117, Sec. 2, Chongqing N. Rd., Datong Dist., Taipei City	Production and trading of chemical materials including adhesives and resins	-	120,000	-	-	-	-	-	
	FlexUP Technologies Corp.	5F., No. 5, Ln. 569, Bo'ai St., Zhubei City, Hsinchu County	Production and trading of polyimide materials	21,094	21,094	16,352,173	96.87	4,423	428	415	
	Fuqing Nan Pao Investment Ltd.	Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands	General investment	166,699	166,699	4,990,000	100	215,262	19,047	19,047	
	Thai Nan Pao Investment Ltd.	Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands	General investment	169,909	169,909	5,282,000	100	174,431	576	576	
	Nan Pao Resins India Pvt Ltd.	204, Abhishek, off New Link Road, Andheri ( W ) , Mumbai 400053, India	Trading of adhesives	16,499	16,499	3,000,000	100	28,030	(210)	(210)	
	Nan Pao Materials Vietnam Co., Ltd.	LotA4, A5, A10, A11 Daden Industrial Park, Thu Dau Mot City, Binh Duong Province, Vietnam	Production and trading of adhesives and chemicals	685,094	685,094	-	100	1,157,725	91,048	88,227	
	Nan Pao Advanced Materials Vietnam Co., Ltd.	Phuc Son Industrial Area, Ninh Phuc Commune, Ninh Binh City, Ninh Binh province	Production and trading of adhesives and chemicals	465,970	465,970	-	100	506,580	69,454	67,223	
	Nan Pao Overseas Holdings Ltd.	Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands	General investment	2,386,015	2,363,585	78,056,502	100	4,319,270	208,496	206,048	
	Profit Land Ltd.	Equity Trust Chambers, P.O. Box 3269, Apia, Samoa	General investment	186,588	186,588	983,333	73.75	882,135	168,733	122,405	Nan Pao Resins Chemical Co., Ltd. and related companies hold 100% of voting shares
	All Saints Enterprises Ltd.	Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands	General investment	143,375	143,375	5,452,549	54.53	220,831	(9,678)	(5,277)	Nan Pao Resins Chemical Co., Ltd. and related companies hold 100% of voting shares
	Ongoing Profits Ltd.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands.	General investment	46,426	46,426	1,560,000	32.18	268,346	216,354	69,041	Nan Pao Resins Chemical Co., Ltd. and related companies hold 100% of voting shares
	PT. Indo Nan Pao Resins Chemical Co., Ltd.	Jl. Pajajaran Raya No.44, Jatiuwung Tangerang 15137, Indonesia	Production and trading of adhesives	39,276	39,276	2,756,250	49	284,511	89,993	44,096	Nan Pao Resins Chemical Co., Ltd. and related companies hold 67.5% of voting shares
	Nan Pao Philippines Export Inc.	Lot IL-2 Subic Bay Gateway Park Phase II, Subic Bay Freeport Zone	Trading of adhesives	14,993	14,993	25,750	100	12,469	(92)	(92)	
	Nan Pao Resins Chemical (Bangladesh) Co., Ltd.	House No, 42 5 <sup>th</sup> floors, Lake drive Road, Sector 7, Ulttara, Dhaka	Trading of adhesives	4,193	4,193	125,000	100	1,660	(2,325)	(2,325)	
	Earnest Wealth Co., Ltd.	Level 2, Lotenau Centre Building, Vaea Street, Apia, Samoa	General investment	42,958	42,958	920,000	51.11	46,506	355	181	
	ITLS International Development Co., Ltd.	ITLS Holding Pte. Ltd.	General investment	502,822	545,462	22,064,549	100	95,938	(4,691)		
	Aftek Materials Vietnam Co., Ltd.	No. 16 Kim Dong Street, Ninh Xa Ward, Bac Ninh City, Bac Ninh Province	Production and trading of construction materials	49,172	49,172	-	70	21,821	(11,155)		

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of September 30, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss) (Note 1)	Note
				Ending Balance	Beginning Balance	Number of Shares	%	Carrying Amount			
Fuqing Nan Pao Investment Ltd.	Wealth Castle Development Ltd.	Flat 13, 10F., Building B Tong-li Industrial Center, 19 Lam Hing Street, Kowloon Bay, Hong Kong	General investment	\$ 144,780 (USD 4,560,000)	\$ 144,780 (USD 4,560,000)	10,000	100	\$ 215,353	\$ 19,048		
Thai Nan Pao Investment Ltd.	Thai Nanpao Resins Chemical Co., Ltd.	412 Kor Soi, 1cBangpoo Industrial Tumbon Preaksa Ampur Muang Samutprakarn 10280, Thailand	Production and trading of adhesives	177,128 (USD 5,578,821)	177,128 (USD 5,578,821)	21,197,000	100	125,171	559		
Earnest Wealth Co., Ltd.	Apex Polytech Co., Ltd.	Lot T29-15A Street 7, Protrade International Industrial Park, An Tay Commune, Ben Cat Town, Binh Duong, Vietnam.	Production and trading of adhesives	68,263 (USD 2,150,000)	68,263 (USD 2,150,000)	-	100	66,933	(544)		
Nan Pao Overseas Holdings Ltd.	Nan Pao Group Holdings Ltd.	4th Floor, Willow House, Cricket Square, P.O. Box 2804, Grand Cayman KY1-1112, Islands	General investment	2,478,294 (USD 78,056,502)	2,478,294 (USD 78,056,502)	78,056,502	100	4,382,617	208,504		
ITLS Holding Pte. Ltd.	PT. ITLS Indonesia	Jl. Pajajaran Raya No. 44, Kel. Gandasari, Kec. Jatiuwung, Tangerang-15137 Indonesia	Production and trading of construction materials	80,379 (USD 2,531,620)	80,379 (USD 2,531,620)	2,437,109	100	16,021	(1,937)		
	ITLS Vietnam Co., Ltd.	No.16 Kim Dong Street, Ninh Xa Ward, Bac Ninh City, Bac Ninh Province	Production and trading of construction materials	138,223 (USD 4,353,487)	138,223 (USD 4,353,487)	-	100	75,987	(2,548)		
Nan Pao Group Holdings Ltd.	Greatwill Materials (HK) Ltd.	Flat 13, 10F., Building B Tong-li Industrial Center, 19 Lam Hing Street, Kowloon Bay, Hong Kong	General investment	40,005 (USD 1,260,000)	40,005 (USD 1,260,000)	7,172	100	482,990	33,289		
	Profit Land Ltd.	Equity Trust Chambers, P.O. Box 3269, Apia, Samoa	General investment	59,932 (USD 1,887,627)	59,932 (USD 1,887,627)	350,000	26.25	317,808	168,733	Nan Pao Resins Chemical Co., Ltd. and related companies hold 100% of voting shares	
	Nan Pao Resins (Holdings) Ltd.	P.O.Box 71, Craigmuir Chambers, Road Town, Tortola, British Virgin Islands	General investment	668,467 (USD 21,054,073)	668,467 (USD 21,054,073)	10,000	100	347,510	5,097		
	All Saints Enterprises Ltd.	Palm Grove House, P.O. Box 438, Road Town, Tortola, British Virgin Islands	General investment	169,325 (USD 5,333,075)	169,325 (USD 5,333,075)	4,547,451	45.47	184,140	(9,678)	Nan Pao Resins Chemical Co., Ltd. and related companies hold 100% of voting shares	
	NP Australia Pty. Ltd.	Collins Square Tower Five Level 22, 727 Collins Street, Docklands VIC 3008	General investment	624,229 (AUD 30,214,354)	624,229 (AUD 30,214,354)	30,214,354	100	850,084	28,768		
	Ongoing Profits Ltd.	Vistra Corporate Services Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands.	General investment	121,819 (USD 3,836,817)	121,819 (USD 3,836,817)	3,287,546	67.82	612,435	216,354	Nan Pao Resins Chemical Co., Ltd. and related companies hold 100% of voting shares	
	Treasure Wealth (HK) Ltd.	Flat 13, 10F., Building B Tong-li Industrial Center, 19 Lam Hing Street, Kowloon Bay, Hong Kong	General investment	146,368 (USD 4,610,000)	146,368 (USD 4,610,000)	4,610	100	183,605	2,792		
	Goldford Investments Ltd.	Creque Building, P.O. Box 116, Road Town, Tortola, British Virgin Islands	General investment	18,569 (USD 584,844)	18,569 (USD 584,844)	486,000	100	112,921	16,648		
	Nan Pao Resins Chemical Philippines, Inc.	Road 22 Phase 11, Cogege Village, Antipolo City, Philippines	Trading of adhesives	6,668 (USD 210,000)	6,668 (USD 210,000)	9,000	100	74,053	3,878		
	Nan Pao Resins International Ltd.	Flat 13, 10F., Building B Tong-li Industrial Center, 19 Lam Hing Street, Kowloon Bay, Hong Kong	Trading of chemical substances and related products	809 (HKD 200,000)	809 (HKD 200,000)	1,000	100	23,803	842		
	Nan Pao Resins (HK) Limited	Flat 13, 10F., Building B Tong-li Industrial Center, 19 Lam Hing Street, Kowloon Bay, Hong Kong	Trading of adhesives	552,450 (USD 17,400,000)	552,450 (USD 17,400,000)	17,400,000	100	498,403	(1,327)		
Profit Land Ltd.	Giant Profit Development Ltd.	Flat 13, 10F., Building B Tong-li Industrial Center, 19 Lam Hing Street, Kowloon Bay, Hong Kong	General investment	254,000 (USD 8,000,000)	254,000 (USD 8,000,000)	10,000	100	1,200,881	168,731		
Nan Pao Resins (Holdings) Ltd.	Eastlion Enterprises Ltd.	P.O.Box 71, Craigmuir Chambers, Road Town, Tortola, British Virgin Islands	General investment	175,898 (USD 5,540,100)	175,898 (USD 5,540,100)	20,240	100	189,051	(6,052)		
	Nan Pao Resins Development Ltd.	P.O.Box 71, Craigmuir Chambers, Road Town, Tortola, British Virgin Islands	General investment	95,250 (USD 3,000,000)	95,250 (USD 3,000,000)	3,000	100	150,910	11,168		
All Saints Enterprises Ltd.	Great Mount Enterprises Ltd.	Unit 2102, 21/F The Broadway, No., 54-62 Lockhart, Road, Wanchai, Hong Kong	General investment	317,500 (USD 10,000,000)	317,500 (USD 10,000,000)	10,000	100	400,593	(9,679)		
NP Australia Pty Ltd.	RLA Polymers Pty. Ltd.	Collins Square Tower Five Level 22, 727 Collins Street, Docklands VIC 3008	Production and trading of construction materials and chemical substances	440,768 (AUD 21,334,344)	440,768 (AUD 21,334,344)	16,552,080	100	729,710	31,407		
Ongoing Profits Ltd.	Rising Sun Associates Ltd.	Vistra Corporate Serrices Centre, Wickhams Cay II, Road Town, Tortola, VG 1110, British Virgin Islands.	General investment	153,910 (USD 4,847,546)	153,910 (USD 4,847,546)	3,000,000	100	901,379	216,356		
Treasure Wealth (HK) Ltd.	Noroo-Nan Pao Paints & Coatings (Vietnam) Co., Ltd.	Kcn Nhon Trach II, Xa Hiep Phuoc, Huyen Nhon Trach, Tinh Dong Nai, Vietnam	Production and trading of coatings	145,733 (USD 4,590,000)	145,733 (USD 4,590,000)	-	50	182,628	5,586		
Goldford Investments Ltd.	PT. Indo Nan Pao Resins Chemical Co., Ltd.	Jl. Pajajaran Raya No. 44, Jatiuwung Tangerang 15137, Indonesia	Production and trading of adhesives	2,165 (IDR 1,040,625,000)	2,165 (IDR 1,040,625,000)	1,040,625	18.5	112,334	89,993	Nan Pao Resins Chemical Co., Ltd. and related companies hold 67.5% of voting shares	
Rising Sun Associates Ltd.	Nan Pao Resins (Vietnam) Enterprise Ltd.	10 Thong Nhat Boulevard, Song Than 2 Industrial Park Di An Town, Binh Duong Province, S.R Vietnam	Production and trading of adhesives	108,211 (USD 3,408,217)	108,211 (USD 3,408,217)	-	100	898,591	216,492		
RLA Polymers Pty Ltd.	RLA Polymers (M) SDN BHD	No.5, Lebuhraya Petai, Pandamaran, 42000 Port Klang, Selangor Darul Ehsan, Malaysia	Production and trading of construction materials and chemical substances	123,377 (AUD 5,971,801)	123,377 (AUD 5,971,801)	18,415,500	100	184,384	6,893		

Note 1: Only the amount of profit or loss recognized by the Company for each subsidiary directly invested and each investee company using the equity method should be shown, other information can be exempted.

Note 2: Please refer to Table 6 for information on investees in mainland China.

(Continued)

**TABLE 6**

**NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES**

**INFORMATION ON INVESTMENTS IN MAINLAND CHINA  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022  
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)**

Investee Company	Main Businesses and Products	Paid-in Capital (Note 4)	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2022 (Note 4)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2022 (Note 4)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of September 30, 2022	Accumulated Repatriation of Investment Income as of September 30, 2022
					Outward	Inward						
Nan Pao Resins (China) Co., Ltd.	Production and trading of adhesives and coatings	\$ 317,500 (USD 10,000,000)	(2) Great Mount Enterprises Ltd.	\$ 342,580 (USD 10,789,932)	\$ -	\$ -	\$ 342,580 (USD 10,789,932)	\$ (9,679)	100	\$ (9,679) (2)B.	\$ 400,454	\$ -
Fuqing Nan Pao Resins Co., Ltd.	Production and trading of adhesives	144,780 (USD 4,560,000)	(2) Wealth Castle Development Ltd.	158,433 (USD 4,990,000)	-	-	158,433 (USD 4,990,000)	19,190	100	19,190 (2)B.	214,679	191,270
Nan Pao Resins (Dongguan) Co., Ltd.	Processing of adhesive products	85,725 (USD 2,700,000)	(2) Eastlion Enterprises Ltd.	80,704 (USD 2,541,860)	-	-	80,704 (USD 2,541,860)	(3,478)	100	(3,478) (2)B.	136,798	-
Dongguan Jiaqin Electronics Co., Ltd.	Production and trading of coatings and advanced resin	95,250 (USD 3,000,000)	(2) Nan Pao Resins Development Ltd.	97,304 (USD 3,064,683)	-	-	97,304 (USD 3,064,683)	11,168	100	11,168 (2)B.	150,892	-
Foshan Nan Pao Advanced Materials Co., Ltd.	Production and trading of adhesives	50,135 (USD 1,686,900)	(2) Greatwill Materials (HK) Ltd. and Nan Pao Resins (Foshan) Co., Ltd.	-	-	-	-	91,378	60.47	55,255 (2)B.	486,989	-
Nan Pao Resins (Foshan) Co., Ltd.	Production and trading of adhesives	254,000 (USD 8,000,000)	(2) Giant Profit Development Ltd.	247,257 (USD 7,787,627)	-	-	247,257 (USD 7,787,627)	168,733	100	168,733 (2)B.	1,199,832	420,735
Goaden Nan Pao Material Technology Co., Ltd.	Trading of footwear materials	22,365 (RMB 5,000,000)	(3) Nan Pao Resins (Foshan) Co., Ltd.	-	-	-	-	783	51	399 (2)B.	16,648	-
Gangyi Electronic (Dongguan) Co., Ltd. (Note 5)	Production and trading of magnetic covers, magnetic rings, iron cores and electronic components	-	(2) Qang Yi Electronic Factory Company Ltd.	12,700 (USD 400,000)	-	-	12,700 (USD 400,000)	-	-	-	-	-
Nanpao Advanced Investment Co., Ltd.	General investment	936,625 (USD 29,500,000)	(2) Nan Pao Group Holdings Ltd.	936,625 (USD 29,500,000)	-	-	936,625 (USD 29,500,000)	(45,052)	100	(45,052) (2)B.	773,595	-
Nan Pao (Kunshan) Electronic Commerce Co., Ltd.	Agency of online business and general merchandise	47,625 (USD 1,500,000)	(3) Nanpao Advanced Investment Co., Ltd.	-	-	-	-	1,246	100	1,246 (2)B.	5,648	-
Nantong Nanpao Resins Materials Co., Ltd.	Production and trading of adhesives	174,625 (USD 5,500,000)	(3) Nanpao Advanced Investment Co., Ltd.	-	-	-	-	6,263	100	6,263 (2)B.	168,025	-
Nan Pao Resins (Yunan) Co., Ltd. (Note 6)	Production and trading of adhesives	-	(3) Nanpao Advanced Investment Co., Ltd.	-	-	-	-	(19,113)	-	(19,113) (2)B.	-	-
Nan Pao New Materials (Huaian) Co., Ltd.	Production and trading of carbon fiber	333,375 (USD 10,500,000)	(3) Nan Pao Advanced Investment Co., Ltd.	-	-	-	-	(28,074)	95.24	(27,012) (2)B.	236,161	-
Nan Pao Optoelectronic Materials (Kunshan) Co., Ltd.	Production and trading of adhesives and chemical substances	25,400 (USD 800,000)	(3) Nanpao Advanced Investment Co., Ltd.	-	-	-	-	(4,239)	100	(4,239) (2)B.	17,294	-

Accumulated Outward Remittance for Investments in Mainland China as of September 30, 2022 (Note 4)	Investment Amount Authorized by the Investment Commission, MOEA (Note 4)	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA (Note 3)
\$ 1,875,603 (USD 59,074,102)	\$ 3,344,370 (USD 105,334,490)	\$ 8,940,465

Note 1: The methods of investment in mainland China are divided into the following three categories (indicate the category number):

- (1) Direct investment in mainland China.
- (2) Investment in mainland China through companies in a third region (please specify investee company in third region).
- (3) Other methods

Note 2: Recognized in the investment gain (loss) column in the current period:

- (1) If the Company is still in the preparation stage, and there is still no investment gain or loss, it should be disclosed
- (2) The basis for recognition of investment gain (loss) which falls under the following 3 categories should be disclosed:
  - A. The financial statements were audited by an international accounting firm that has a business relationship with an accounting firm in the ROC.
  - B. The financial statements were audited by the CPA of the parent company in the ROC.
  - C. Others.

Note 3: The Company's investment limit in mainland China is calculated as follows:  
\$14,900,775 × 60% = \$8,940,465

Note 4: Relevant amounts are calculated based on the exchange rate of US\$1 = NT\$31.75 at the end of the period.  
Relevant amounts are calculated based on the exchange rate of CNY 1 = NT\$4.473 at the end of the period.

Note 5: Gangyi Electronic (Dongguan) Co., Ltd. has completed its liquidation procedures in October 2017, but its share proceeds have not been remitted to Taiwan; hence, it has not been deducted from the investment amount authorized by the Investment Commission, MOEA.

Note 6: Nan Pao Resins (Yunan) Co., Ltd. has already completed its liquidation procedures in June 2022.

**NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES**

**SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES**

**FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022**

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

Buyer	Counterparty	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Unrealized Gain (Note)
			Purchase/Sale	Amount (Note)	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance (Note)	% to Total	
Nan Pao Resins Chemical Co., Ltd.	Nan Pao Resins (Foshan) Co., Ltd.	Subsidiary	Sales	\$ (198,675)	(4)	Payment within 90 days	Similar to general transactions	Similar to general transactions	\$ 46,236	3	\$ 7,548
	Dongguan Jiaqin Electronics Co., Ltd.	Subsidiary	Sales	(30,045)	(1)	Payment within 90 days	Similar to general transactions	Similar to general transactions	9,297	1	1,219
Foshan Nan Pao Advanced Materials Co., Ltd.	Greatwill Material (HK) Ltd.	Same ultimate Parent Company	Sales	(29,062)	(2)	Payment within 90 days	Similar to general transactions	Similar to general transactions	-	-	-
	Nan Pao Resins India Pvt Ltd.	Same ultimate Parent Company	Sales	(21,877)	(1)	Payment within 90 days	Similar to general transactions	Similar to general transactions	11,354	2	-
	Nan Pao Resins (Foshan) Co., Ltd.	Same ultimate Parent Company	Sales	(55,158)	(3)	Payment within 90 days	Similar to general transactions	Similar to general transactions	19,773	3	-
Nan Pao Resins (Dongguan) Co., Ltd.	Nan Pao Resins (HK) Limited	Same ultimate Parent Company	Processing Revenue	(253,056)	(100)	Payment within 90 days	No comparable product sales for comparison	No third-party transaction for comparison	82,580	100	-
Nan Pao Resins (Foshan) Co., Ltd.	Fuqing Nan Pao Resins Co., Ltd.	Same ultimate Parent Company	Sales	(106,515)	(6)	Payment within 90 days	Similar to general transactions	Similar to general transactions	43,651	7	-
	Nan Pao Resins (China) Co., Ltd.	Same ultimate Parent Company	Sales	(18,288)	(1)	Payment within 90 days	Similar to general transactions	Similar to general transactions	5,185	1	-
	Pou Chen Corporation and Subsidiaries	Investors with significant influence	Sales	(106,287)	(6)	Payment within 45 days	Similar to general transactions	Similar to general transactions	48,388	7	-
Fuqing Nan Pao Resins Co., Limited	Nan Pao Resins (China) Co., Ltd.	Same ultimate Parent Company	Sales	(74,624)	(19)	Payment within 90 days	Similar to general transactions	Similar to general transactions	32,430	23	-

Note: The amounts, ending balances and unrealized gains were eliminated during the preparation of the consolidated financial statements.

## NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022  
(Amounts in Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			
				Financial Statement Accounts	Amount(Note 2)	Payment Terms	% of Total Sales or Assets
0	Nan Pao Resins Chemical Co., Ltd.	Nan Pao Resins (Vietnam) Enterprise Ltd.	1	Accounts receivable - related parties	\$ 583,487		2
				Sales revenue	1,088,174	Calculated based on general transaction prices, telegraphic transfer within 90 days	7
		Nan Pao Resins (Foshan) Co., Ltd.	1	Accounts receivable - related parties	46,236		-
				Sales revenue	198,675	Calculated based on general transaction prices, telegraphic transfer within 90 days	1
		PT. Indo Nan Pao Resins Chemical Co., Ltd.	1	Accounts receivable - related parties	62,953		-
				Sales revenue	309,334	Calculated based on general transaction prices, telegraphic transfer within 90 days	2
		Nan Pao Resins (HK) Limited	1	Accounts receivable - related parties	26,982		-
				Sales revenue	125,633	Calculated based on general transaction prices, telegraphic transfer within 90 days	1
		Nan Pao Materials Vietnam Co., Ltd.	1	Accounts receivable - related parties	192,062		1
				Sales revenue	260,388	Calculated based on general transaction prices, telegraphic transfer within 90 days	2
		ITLS International Development Co., Ltd.	1	Accounts receivable - related parties	17,885		-
				Sales revenue	69,551	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		Nan Pao Advanced Materials Co., Ltd.	1	Sales revenue	32,899	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		Nan Pao Advanced Materials Vietnam Co., Ltd.	1	Accounts receivable - related parties	164,758		1
		Sales revenue	212,868	Calculated based on general transaction prices, telegraphic transfer within 90 days	1		
1	Nan Pao Resins (Vietnam) Enterprise Ltd.	Dongguan Jia Chin Electronics Co., Ltd.	1	Sales revenue	30,045	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		PT. Indo Nan Pao Resins Chemical Co., Ltd.	3	Accounts receivable - related parties	30,660		-
				Sales revenue	57,596	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		Nan Pao Resins International Ltd.	3	Accounts receivable - related parties	69,644		-
				Sales revenue	180,050	Calculated based on general transaction prices, telegraphic transfer within 90 days	1
2	Foshan Nan Pao Advanced Materials Co., Ltd.	Nan Pao Resins (HK) Limited	3	Accounts payable - related parties	24,799		-
				Purchase	44,954	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		ITLS International Development Co., Ltd.	3	Purchase	14,652	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		Greatwill Materials (HK) Ltd.		Sales revenue	29,062	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		Nan Pao Resins (Foshan) Co., Ltd.	3	Accounts receivable - related parties	19,773		-
3	Nan Pao Resins (Foshan) Co., Ltd.	Nan Pao Resins India Pvt Ltd.	3	Sales revenue	55,158	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
				Sales revenue	21,877	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		Fuqing Nan Pao Resins Co., Ltd.	3	Accounts receivable - related parties	43,651		-
4	Nan Pao Resins (HK) Limited			Sales revenue	106,515	Calculated based on general transaction prices, telegraphic transfer within 90 days	1
				Accounts payable - related parties	16,066		-
				Purchase	32,482	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		Nan Pao Resins (China) Co., Ltd.	3	Sales revenue	18,288	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		Nan Pao Resins (Dongguan) Co., Ltd.	3	Other accounts payables - related parties	82,580		-
				Processing fee	253,056	No prices for similar products available for comparison, payment made 90 days from the date of the invoice	2
		PT. Indo Nan Pao Resins Chemical Co., Ltd.	3	Accounts receivable - related parties	20,267		-
				Sales revenue	56,111	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		Nan Pao Advanced Materials Vietnam Co., Ltd.	3	Accounts receivable - related parties	16,376		-
				Sales revenue	44,219	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
5	Nan Pao Resins (China) Co., Ltd.	Nan Pao Materials Vietnam Co., Ltd.	3	Accounts receivable - related parties	49,266		-
				Sales revenue	70,288	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		Nan Pao Philippines Export Inc.	3	Accounts receivable - related parties	21,843		-
				Sales revenue	48,541	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		Fuqing Nan Pao Resins Co., Ltd.	3	Accounts payable - related parties	32,430		-
6	Nan Pao Materials Vietnam Co., Ltd.			Purchase	74,624	No prices for similar products available for comparison, payment made 90 days from the date of the invoice	-
		Nan Pao Resins International Ltd.	3	Accounts receivable - related parties	43,253		-
				Sales revenue	126,739	Calculated based on general transaction prices, telegraphic transfer within 90 days	1
		PT. Indo Nan Pao Resins Chemical Co., Ltd.	3	Accounts receivable - related parties	30,903		-
				Sales revenue	64,152	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		Nan Pao Advanced Materials Vietnam Co., Ltd.	3	Accounts receivable - related parties	74,155		-
				Sales revenue	80,316	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
				Accounts payable - related parties	17,532		-
				Purchase	14,513	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		ITLS International Development Co., Ltd.	3	Accounts payable - related parties	24,968		-
7	PT. Indo NanPaoResins Chemical Co., Ltd.			Purchase	67,348	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		Nan Pao Fine Materials Co., Ltd.	3	Purchase	16,183	Calculated based on general transaction prices, telegraphic transfer within 30 days	-
8	Nanpao Advanced Materials Vietnam Co.,Ltd	PT. ITLS Indonesia	3	Sales revenue	22,032	Calculated based on general transaction prices, telegraphic transfer within 90 days	-
		Nan Pao Fine Materials Co., Ltd.	3	Purchase	14,256	Calculated based on general transaction prices, telegraphic transfer within 30 days	-

Note 1: Relationship with counterparty can be specified using the following three categories:  
(1) Parent Company to Subsidiaries.  
(2) Subsidiaries to Parent Company.  
(3) Between Subsidiaries

Note 2: The amounts were eliminated during the preparation of the consolidated financial statements

**TABLE 9****NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES****INFORMATION OF MAJOR SHAREHOLDERS  
SEPTEMBER 30, 2022**

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Ding-Feng Investment Co., Ltd	11,118,947	9.22%
Pou Chien Enterprise Co., Ltd.	10,920,248	9.05%
Yue Dean Technology Corporation	10,285,000	8.53%
Chuan-De Investment Co., Ltd.	10,065,298	8.34%
Guang Rong Investment Ltd.	8,868,132	7.35%
Growth Machine Development Co., Ltd.	7,850,523	6.51%
Pao-Wang Investment Co., Ltd.	7,828,068	6.49%

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers their shareholdings to the trust, the above information will be disclosed by the individual trustee who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.

## NAN PAO RESINS CHEMICAL CO., LTD. AND SUBSIDIARIES

**CHANGES IN PROPERTY, PLANT AND EQUIPMENT  
FOR THE NINE MONTHS ENDED SEPTEMBER 30, 2022**  
(In Thousands of New Taiwan Dollars)

	Land	Land Improvement	Buildings	Machinery and equipment	Transporation equipment	Miscellaneous equipment	Construction in progress	Total
<b>Cost</b>								
Balance at January 1, 2022	\$ 1,184,606	\$ 22,507	\$ 2,438,160	\$ 2,989,104	\$ 247,785	\$ 1,024,245	\$ 616,723	\$ 8,523,130
Additions	-	-	11,675	134,167	8,266	54,771	425,647	634,526
Disposals	-	-	-	( 42,594)	( 3,342)	( 13,891)	( 21,419)	( 81,246)
Effects of foreign currency exchange differences	123	40	125,983	95,615	9,900	10,158	3,333	245,152
Balance at September 30, 2022	<u>\$ 1,184,729</u>	<u>\$ 22,547</u>	<u>\$ 2,575,818</u>	<u>\$ 3,176,292</u>	<u>\$ 262,609</u>	<u>\$ 1,075,283</u>	<u>\$ 1,024,284</u>	<u>\$ 9,321,562</u>
<b>Accumulated depreciation and impairment</b>								
Balance at January 1, 2022	\$ -	\$ 8,148	\$ 853,757	\$ 1,910,496	\$ 173,425	\$ 645,535	\$ -	\$ 3,591,361
Depreciation	-	1,635	52,963	153,128	15,604	68,041	-	291,371
Disposals	-	-	-	( 30,063)	( 3,106)	( 13,805)	-	( 46,974)
Effects of foreign currency exchange differences	-	8	41,046	60,193	6,398	6,784	-	114,429
Balance at September 30, 2022	<u>\$ -</u>	<u>\$ 9,791</u>	<u>\$ 947,766</u>	<u>\$ 2,093,754</u>	<u>\$ 192,321</u>	<u>\$ 706,555</u>	<u>\$ -</u>	<u>\$ 3,950,187</u>
Carrying amount at December 31, 2021 and January 1, 2022	<u>\$ 1,184,606</u>	<u>\$ 14,359</u>	<u>\$ 1,584,403</u>	<u>\$ 1,078,608</u>	<u>\$ 74,360</u>	<u>\$ 378,710</u>	<u>\$ 616,723</u>	<u>\$ 4,931,769</u>
Carrying amount at September 30, 2022	<u>\$ 1,184,729</u>	<u>\$ 12,756</u>	<u>\$ 1,628,052</u>	<u>\$ 1,082,538</u>	<u>\$ 70,288</u>	<u>\$ 368,728</u>	<u>\$ 1,024,284</u>	<u>\$ 5,371,375</u>
<b>Cost</b>								
Balance at January 1, 2021	\$ 1,186,018	\$ 16,890	\$ 2,450,210	\$ 2,742,547	\$ 240,608	\$ 926,130	\$ 330,511	\$ 7,892,914
Additions	-	3,878	11,237	332,367	17,991	89,100	204,582	659,155
Acquisitions from business combination	-	-	-	1,303	-	-	-	1,303
Disposals	-	-	-	( 29,578)	( 10,116)	( 8,104)	-	( 47,798)
Effects of foreign currency exchange differences	( 1,486)	( 20)	( 35,822)	( 52,256)	( 3,187)	( 5,508)	( 8,283)	( 106,562)
Balance at September 30, 2021	<u>\$ 1,184,532</u>	<u>\$ 20,748</u>	<u>\$ 2,425,625</u>	<u>\$ 2,994,383</u>	<u>\$ 245,296</u>	<u>\$ 1,001,618</u>	<u>\$ 526,810</u>	<u>\$ 8,399,012</u>
<b>Accumulated depreciation and impairment</b>								
Balance at January 1, 2021	\$ -	\$ 6,451	\$ 798,230	\$ 1,828,522	\$ 164,667	\$ 579,664	\$ -	3,377,534
Depreciation	-	1,173	51,899	144,510	15,574	59,741	-	272,897
Disposals	-	-	-	( 22,463)	( 8,916)	( 8,044)	-	( 39,423)
Effects of foreign currency exchange differences	-	( 3)	( 15,414)	( 36,104)	( 2,295)	( 3,527)	-	( 57,343)
Balance at September 30, 2021	<u>\$ -</u>	<u>\$ 7,621</u>	<u>\$ 834,715</u>	<u>\$ 1,914,465</u>	<u>\$ 169,030</u>	<u>\$ 627,834</u>	<u>\$ -</u>	<u>\$ 3,553,665</u>
Carrying amount at September 30, 2021	<u>\$ 1,184,532</u>	<u>\$ 13,127</u>	<u>\$ 1,590,910</u>	<u>\$ 1,079,918</u>	<u>\$ 76,266</u>	<u>\$ 373,784</u>	<u>\$ 526,810</u>	<u>\$ 4,845,347</u>