Grand Pacific Petrochemical Corporation

Financial Statements for the
Years Ended December 31,2021 and2020and
Independent Auditors' Report

Grand Pacific Petrochemical Corporation

CPA Audit Report

Audit Opinions

We, as the CPAs, have completed the audit of the parent company only balance sheets dated December 31 of 2021 and 2020 and the parent company only statements of comprehensive income, parent company only statements of changes in equity, parent company only statement of cash flows, and parent company only financial statement for the years ended December 31 of 2021 and 2020, including summaries of major accounting policies of Grand Pacific Petrochemical Corporation.

As CPAs, according to the audit results from us and those from other CPAs (please refer to the paragraph about other matters), the above-mentioned parent company only financial statement, in all major respects, was prepared in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and hence are sufficient to show the parent company only financial standing of Grand Pacific Petrochemical Corporation as of December 31, 2021 and 2020 and the parent company only financial performance and parent company only cash flows for the years ended December 31, 2021 and 2020.

Bases for the Audit Opinions

We followed the Rules Governing the Audit of Financial Statements by Certified Public Accountants and generally accepted auditing rules while performing the audit. The responsibilities of the CPAs under the said standards will be explained further in the section about responsibilities in auditing the parent company only financial statement. Independently governed staff in the accounting firm that the CPAs belong to have followed moral regulations in honor of the profession of CPA and have remained independent of Grand Pacific Petrochemical Corporation and fulfilled other responsibilities under the said regulations. Based on the audit results from us and those from other CPAs, we believe that sufficient and adequate evidence has been obtained for the audit to serve as the basis for expressing the audit opinions.

Key Matters Being Audited

Key matters being audited refer to the most important matters based on the professional judgment of the CPAs to be included in the audit of the 2021 parent company only financial statement of Grand Pacific Petrochemical Corporation. Such matters were addressed throughout the audit of the parent company only financial statement and during the formation of audit opinions. The CPAs do not express separate opinions regarding these matters.

Key matters being audited of the 2021 parent company only financial statement of Grand Pacific Petrochemical Corporation are specified as follows:

<u>Recognition of Income</u>

Income is the basic operational activities for the sustainable management of an enterprise and concerns its operational performance and the management generally is faced with the pressure of fulfilling the expected financial or business performance goals. Therefore, it is pre-established that income recognition is associated with significant risk and we consider that the recognition of timing of the transfer of control over sales of products and income from sales as part of the key matters being audited.

For the accounting policy on the recognition of income, please refer to Note 4 (29) of the parent company only financial statement. For information on accounting items for income, please refer to the disclosure in Note 6 (30) of the parent company only financial statement. Major audit procedures that are already carried out by the CPAs for the above-mentioned matters are as follows:

1. Test the validity of sales and the internal control for the payment collection cycle in terms of its design and implementation and evaluate by random sampling if the recognition of income is adequate.
2. Understand the type of product and the distribution specifications with Top 10 distribution customers and evaluate the legitimacy of the distribution income and the number of days involved in the turnover of accounts receivable and analyze if there is any abnormal variation among the customers.
3. Select samples from distribution transactions within a certain period of time before and after the shipping deadline and verify them against related certificates in order to evaluate the accuracy of transfer timing of risks and rewards of goods produced and distributed and the control right and the timing when income is recognized.

Impairment evaluation of property, plant and equipment

As of December 31, 2021, the book value of property, plant, and equipment owned by Grand Pacific Petrochemical Corporation totaled $5,198,363 thousand, accounting for around 13% of the total asset value and the value is significant for the parent company only financial statement. In addition, the overall economic trends, market competition, and technical development can all affect the future operations of the company and accordingly affect the expected economic benefits and the recoverable amount that may be generated in the future by the cash generating units for the assets estimated and determined by the management in order to evaluate if impairment exists. Therefore, the evaluation of impairment of property, plant, and equipment is listed by the CPAs as part of the key matters being audited.

For the accounting policy on the impairment of property, plant and equipment and non-financial assets, please refer to Note 4 (16) and (19) of the parent company only financial statement. For information on accounting items involving property, plant and equipment, please refer to the disclosure in Note 6 (10) of the parent company only financial statement. Major audit procedures that are already carried out by the CPAs for the above-mentioned matters are as follows:

1. Obtain the asset impairment assessment form for respective cash generating units that have been evaluated spontaneously by the Company.
2. Evaluate the legitimacy of impairment signs identified by the management and the assumption and sensitivity adopted, including whether the differentiation of cash-generating units, forecast of cash flows, and discount rate are appropriate or not.
3. Ask the management and review audit evidence obtained from the subsequent audit procedure for verification of absence of any matter related to impairment testing after the reporting date.

Valuation of balance of investments accounted for using equity method

The balance of investments accounted for using equity method Grand Pacific Petrochemical Corporation as of December 31, 2021 totaled $27,577,191 thousand, accounting for around 68% of the total asset value. The net worth of comprehensive income (including the portions of profits and losses from subsidiaries, affiliates, and joint ventures recognized using the equity method and the portions of other comprehensive income from subsidiaries, affiliates, and joint ventures recognized using the equity method) totaled $5,595,543 thousand, accounting for around 76% of the total comprehensive income. The impacted value is significant to the parent company only financial statement. Therefore, the CPAs include valuation of balance of investments accounted for using equity method as part of the key matters being audited.

For the accounting policy on investments accounted for using equity method, please refer to Note 4 (15) of the parent company only financial statement. For information on accounting items for investments accounted for using equity method, please refer to the disclosure in Note 6 (9) of the parent company only financial statement. Major audit procedures that are already carried out by the CPAs for the above-mentioned matters are as follows:

1. Evaluate the accuracy of calculation during valuation adopting the equity method and the adopted accounting policy.
2. Check the accuracy in the calculation of unrealized profits or losses generated from transactions with companies invested in using the equity method; they have been reasonably written off and evaluate the adopted accounting policy; the adopted accounting policy has been adjusted as needed to be consistent with the policies adopted by the Company.
3. Evaluate the legitimacy of impairment signs of investments accounted for using equity method as identified by the management and the assumption and sensitivity adopted, including whether or not the forecast of profitability of companies invested in it in the future or the discount rate is appropriate.

Other Matters－Mentioning Audits by other CPAs

As stated under Note 6 (9) of the Parent Company Only Financial Statements, among the investees of Grand Pacific Petrochemical Corporation in equity method, the financial statements of the reinvestee through Videoland Inc. in 2021 and 2020 in equity method－Videoland International Limited, the reinvestee of KK Enterprise Co., Ltd. in equity method－KK Enterprise (Malaysia) Sdn. Bhd. and the reinvestee of Land & Sea Capital Corp. in equity method－Zhenjiang Chimei Chemical Co., Ltd. and Zhangzhou Chimei Chemical Co., Ltd. have not been audited by us, the Undersigned certified public accountant but have been audited by other certified public accountant(s) instead. Therefore, among the opinions expressed by us on the above-mentioned parent company only financial statement, the amount listed in the above-mentioned financial statement of the Company and the above-mentioned information about the Company in Note 13 of the parent company only financial statement are completely based on audit reports from other CPAs.

The balance of the above-mentioned investments adopting the equity method in the companies by Grand Pacific Petrochemical Corporation as of December 31, 2021 and 2020, was $11,617,564 thousand and $9,271,722 thousand, accounting for 28.55% and 29.20% of the total value, respectively. The portions of profits and losses indirectly recognized adopting the equity method for the years ended December 31, 2021 and 2020, was $4,091,925 thousand and $3,096,897 thousand, accounting for 55.47% and 80.93% of the total comprehensive income, respectively.

Responsibilities of Management and Governance Unit to Parent Company Only Financial Reports

The management is responsible for preparing adequately expressed parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and maintaining necessary internal control relevant to the compilation of the parent company only financial statements in order to ensure that no significant untruthful expressions caused by frauds or errors exist in the parent company only financial statements.

While preparing the parent company only financial statement, the management is responsible for also evaluating the ability of Grand Pacific Petrochemical Corporation to continue with the operation and disclosing related matters and adopting the accounting basis for continued operation, among others. Unless the management intends to liquidate Grand Pacific Petrochemical Corporation or discontinue operation or there are no other actually feasible solutions than liquidation or discontinued operation.

The governance unit (including the Audit Committee) of Grand Pacific Petrochemical Corporation is responsible for supervising the financial reporting process.

Responsibilities of CPAs in Inspecting Parent company only financial statement

We audit the parent company only financial statement in order to be reasonably convinced as to whether the parent company only financial statement as a whole contains major untruthful expressions due to frauds or errors and to issue the audit report. Reasonably convinced is highly convinced. There is no guarantee, however, that existence of significant untruthful expressions in the parent company only financial statement will be detected according to generally accepted auditing standards. Untruthful expressions might have been caused by frauds or errors. If individual values or an overview of untruthful expressions can be reasonably expected to affect economic decisions made by users of the parent company only financial statement, they are considered significant.

We apply our professional judgment and keep our professional doubts while performing the audit according to generally accepted auditing standards. The CPAs also perform the following tasks:

1. Identify and evaluate the risk of significant untruthful expressions in the parent company only financial statement due to frauds or errors, design and enforce appropriate responsive policies for determined risks; and collect sufficient and adequate evidence from the audit in order to render audit opinions. Due to the fact that frauds might involve collusion, forging, intentional omission, untruthful statement, or non-compliance with internal control, the risk associated with undetected significant untruthful expressions caused by frauds is higher than that caused by errors.
2. Obtain a necessary understanding of internal control concerning the audit in order to design appropriate audit procedures reflective of then-current situation. The purpose, however, is not to effectively express opinions on the internal control of Grand Pacific Petrochemical Corporation.
3. Evaluate the adequacy of accounting policies adopted by the management and the legitimacy of accounting estimates and related disclosures made.
4. Reach a conclusion with regard to the adequacy of the accounting basis adopted to continue with operation by the management and whether significant uncertainties of events or conditions that might result in significant concerns about the ability of Grand Pacific Petrochemical Corporation to continue with operation exist or not according to the evidence obtained from the audit. In the event that it is determined that significant uncertainties exist with such events or conditions, on the other hand, the CPAs must remind users of the parent company only financial statement in their audit report that they should pay attention to related disclosures included in the statement or modify their audit opinions if such disclosures are inappropriate. Conclusions made by the CPAs are based on the evidence from the audit obtained as of the date of the audit report. Future events or conditions, however, are likely to result in Grand Pacific Petrochemical Corporation no longer capable of continuing with operation.
5. Evaluate the overall expression, structure, and contents of the parent company only financial statement (including related notes) and whether or not the parent company only financial statement has fairly expressed related transactions and events.
6. Obtain sufficient and adequate evidence from the audit regarding the financial information of entities comprising Grand Pacific Petrochemical Corporation and express opinions about the parent company only financial statement. The CPAs are responsible for providing guidance on,

supervising, and implementing audits and for coming up with audit opinions for the parent company only financial statement.

Communications made by the CPAs with governance units include the planned scope and timing of the audit and significant audit findings (including significant deficiencies found with internal control during the audit).

The CPAs have also provided the governance units with the declaration on independence that independently governed staff in the accounting firm that the CPAs belong to have followed moral regulations in honor of the profession of CPA and have communicated with the governance units all relationships and other matters considered to be likely undermining the independence of CPAs (including related safeguard measures).

The CPAs, from the matters communicated with the governance units, decided key matters to be included in the 2021 parent company only financial statement audit of Grand Pacific Petrochemical Corporation. The CPAs specify such matters in the audit report unless it is disallowed by law to disclose to the public specific matters or under rare circumstances, the CPAs decide not to communicate specific matters in the audit report as it can be reasonably expected that negative impacts from such communication would be greater than the public interest that will be enhanced.

Crowe (TW) CPAs
CPA:Ying Chia Hsiao

CPA: Chih Lung Lin

Approval document number: FSC Review No. 10200032833
March 29, 2022

<u>*Notice to Readers*</u>

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 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.

Grand Pacific Petrochemical Corporation

PARENT COMPANY ONLY BALANCE SHEETS

For the years ended December 31, 2021 and 2020

Expressed in Thousands of New Taiwan Dollars

Codes	Assets	December 31, 2021 Amount	%	December 31, 2020 Amount	%
11xx	Current assets	$ 6,897,635	17	$ 6,018,262	19
1100	Cash & cash equivalents	2,630,126	6	1,948,666	6
1150	Net notes receivable	4,307	-	1,788	-
1170	Net accounts receivable	1,445,664	4	1,543,308	5
1180	Accounts receivable - related parties	-	-	7,724	-
1200	Other receivables	57,680	-	13,524	-
1200	Other receivables - related parties	377	-	-	-
1310	Net inventories	1,816,817	5	844,761	3
1410	Prepayments	100,999	-	58,491	-
1476	Other financial assets - current	841,665	2	1,600,000	5
15xx	Non-current assets	33,788,230	83	25,735,853	81
1517	Financial assets at fair value through other comprehensive income - noncurrent	472,251	1	285,084	1
1550	Investments accounted for using equity method	27,577,191	68	19,735,941	62
1600	Property, plant and equipment	5,198,363	13	5,639,455	18
1755	Right-of-use assets	335,352	1	39,250	-
1760	Investment property, net	156,973	-	-	-
1840	Deferred income tax assets	41,007	-	29,421	-
1920	Refundable deposits	6,823	-	6,649	-
1932	Long-term receivables	270	-	53	-
1xxx	Total assets	$ 40,685,865	100	$ 31,754,115	100
Codes	**Liabilities and Equity**				
21xx	Current liabilities	$ 3,850,060	10	$ 2,092,263	6
2100	Short-term loans	1,124,846	3	400,000	1
2130	Contract liabilities - current	15,604	-	38,929	-
2170	Accounts payables	1,372,311	3	944,541	3
2200	Other payables	625,209	2	376,423	1
2220	Other payables - related parties	14,422	-	-	-
2230	Current income tax liabilities	647,053	2	302,096	1
2250	Provisions - current	13,148	-	12,395	-
2280	Lease liabilities - current	34,344	-	14,765	-
2310	Advances receipts	-	-	128	-
2399	Other current liabilities - Other	3,123	-	2,986	-
25xx	Noncurrent liabilities	1,369,550	3	1,477,495	5
2540	Long-term loans	-	-	400,000	1
2550	Provisions - noncurrent	15,028	-	11,179	-
2570	Deferred income tax liabilities	979,742	2	980,120	4
2580	Lease liabilities - noncurrent	316,554	1	25,828	-
2640	Net defined benefit liabilities - noncurrent	32,703	-	36,090	-
2645	Guarantee deposits received	3,331	-	2,086	-
2670	Other noncurrent liabilities - other	22,192	-	22,192	-
2xxx	Total liabilities	5,219,610	13	3,569,758	11
31xx	Equity				
3100	Share capital	9,266,203	23	9,266,203	30
3110	Common shares capital	9,066,203	22	9,066,203	29
3120	Preferred shares capital	200,000	1	200,000	1
3200	Capital reserve	186,459	-	182,764	-
3300	Retained earnings	26,282,842	65	18,797,890	59
3310	Legal reserve	2,411,833	6	2,000,432	6
3320	Special reserve	1,640,828	4	1,640,828	5
3350	Undistributed earnings	22,230,181	55	15,156,630	48
3400	Other equity	(219,391)	(1)	(6,923)	-
3410	Exchange differences on translating financial statements of foreign operations	(672,627)	(2)	(517,694)	(2)
3420	Unrealized valuation gain/loss of financial assets at fair value through other comprehensive income	453,236	1	510,771	2
3500	Treasury stocks	(49,858)	-	(55,577)	-
3xxx	Total equity	35,466,255	87	28,184,357	89
3x2x	Total liabilities and equity	$ 40,685,865	100	$ 31,754,115	100

(The accompanying notes are an integral part of the parent company only financial statements)

Chairman of Board: Pin Cheng Yang   Manager: Chia Hsiung Tseng   Chief Accountant: Ling Chu Chen

Grand Pacific Petrochemical Corporation

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2021 and 2020

Expressed in Thousands of New Taiwan Dollars

Codes	Items	Year Ended December 31, 2021 Amount	%	Year Ended December 31, 2020 Amount	%
4000	Operating revenues	$ 18,163,272	100	$ 12,524,992	100
5000	Operating costs	(15,216,125)	(84)	(10,960,879)	(88)
5900	Total amount of gross operating profit	2,947,147	16	1,564,113	12
5910	Unrealized sales (gain) loss	6,034	-	(4,267)	-
5920	Realized sales gain	4,267	-	315	-
5950	Net gross operating profit	2,957,448	16	1,560,161	12
6000	Operating expenses	(745,432)	(4)	(494,266)	(4)
6100	Selling expenses	(254,334)	(1)	(167,085)	(1)
6200	Administrative expenses	(461,681)	(3)	(306,041)	(3)
6300	Research and development expenses	(29,417)	-	(21,140)	-
6900	Net operating Income	2,212,016	12	1,065,895	8
	Non-operating revenues and expenses				
7100	Interest revenue	19,962	-	12,976	-
7010	Other revenues	40,496	-	55,207	-
7020	Other gains and losses	(5,033)	-	(32,594)	-
7050	Finance costs	(4,349)	-	(2,813)	-
7070	Share of profit or loss of subsidiaries, associates & joint ventures accounted for using equity method	4,253,382	24	3,319,105	27
7000	Total non-operating revenues and expenses	4,304,458	24	3,351,881	27
7900	Net profit before tax from continuing operations unit	6,516,474	36	4,417,776	35
7950	Income tax expenses	(635,313)	(4)	(308,973)	(2)
8200	Net profit for the year	5,881,161	32	4,108,803	33
	Other comprehensive income				
	Items that will not be reclassified subsequently to profit or loss				
8316	Unrealized valuation gain/loss of investment in equity instrument at fair value through other comprehensive income	187,167	1	(9,664)	-
8311	Remeasurements of the defined benefit plan	(2,875)	-	4,889	-
8330	Share of other comprehensive income of subsidiaries, associates & joint ventures accounted for using equity method - items that will not be reclassified subsequently to profit or loss	1,466,051	8	(280,716)	(2)
8349	Income tax related to items that will not be reclassified subsequently	575	-	(977)	-
8310	Total Items that will not be reclassified subsequently to profit or loss	1,650,918	9	(286,468)	(2)
	Items that may be reclassified subsequently to profit or loss				
8380	Share of other comprehensive income of subsidiaries, associates & joint ventures accounted for using equity method - items that may be reclassified to profit or loss	(123,890)	(1)	57,867	-
8399	Income tax related to items that may be reclassified subsequently	(31,043)	-	(53,579)	-
8360	Items that may be reclassified subsequently to profit or loss	(154,933)	(1)	4,288	-
8300	Current other comprehensive income(net after tax)	1,495,985	8	(282,180)	(2)
8500	Total comprehensive income for the year	$ 7,377,146	40	$ 3,826,623	31
	Earnings per share in ordinary shares: (NT$)				
9750	Basic earnings per share	$ 6.47		$ 4.52	
9850	Diluted earnings per share	$ 6.45		$ 4.51	

(The accompanying notes are an integral part of the parent company only financial statements)

Chairman of Board: Pin Cheng Yang Manager: Chia Hsiung Tseng Chief Accountant: Ling Chu Chen

Grand Pacific Petrochemical Corporation

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2021 and 2020

Expressed in Thousands of New Taiwan Dollars

		Share capital			Retained earnings			Other equity			
Codes	Items	Common shares capital	Preferred shares capital	Capital reserve	Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translating financial statements of foreign operations	Unrealized valuation gain/loss of financial assets at fair value through other comprehensive income	Treasury stocks	Total equity
A1	Balance at January 1, 2020	$9,066,203	$200,000	$181,698	$1,790,463	$1,640,828	$11,264,587	($521,982)	$802,448	($55,577)	$24,368,668
	Appropriation & distribution of earnings for fiscal year 2019:										
B1	Provision of legal reserve	-	-	-	209,969	-	(209,969)	-	-	-	-
B7	Cash dividends to preferred shares	-	-	-	-	-	(12,000)	-	-	-	(12,000)
D1	Net profit for the year ended December 31, 2020	-	-	-	-	-	4,108,803	-	-	-	4,108,803
D3	Other comprehensive income after tax for the year ended December 31, 2020	-	-	-	-	-	5,411	4,288	(291,879)	-	(282,180)
M1	Adjustment to capital surplus for distribution of dividends to subsidiary	-	-	1,066	-	-	-	-	-	-	1,066
Q1	Dispose of The equity instruments at fair value through other comprehensive income	-	-	-	-	-	(202)	-	202	-	-
Z1	Balance at December 31, 2020	$9,066,203	$200,000	$182,764	$2,000,432	$1,640,828	$15,156,630	($517,694)	$510,771	($55,577)	$28,184,357
A1	Balance at January 1, 2021	$9,066,203	$200,000	$182,764	$2,000,432	$1,640,828	$15,156,630	($517,694)	$510,771	($55,577)	$28,184,357
	Appropriation & distribution of earnings for fiscal year 2020:										
B1	Provision of legal reserve	-	-	-	411,401	-	(411,401)	-	-	-	-
B5	Cash dividends to common shares	-	-	-	-	-	(90,662)	-	-	-	(90,662)
B7	Cash dividends and dividends to preferred shares	-	-	-	-	-	(14,000)	-	-	-	(14,000)
C17	Dividends not collected by shareholders post deadline	-	-	14	-	-	-	-	-	-	14
D1	Net profit for the year ended December 31, 2021	-	-	-	-	-	5,881,161	-	-	-	5,881,161
D3	Other comprehensive income after tax for the year ended December 31, 2021	-	-	-	-	-	(1,060)	(154,933)	1,651,978	-	1,495,985
L7	Disposal of the parent company shares by subsidiaries treated as transaction of treasury stocks	-	-	2,438	-	-	-	-	-	5,719	8,157
M1	Adjustment to capital surplus for distribution of dividends to subsidiary	-	-	1,243	-	-	-	-	-	-	1,243
Q1	The equity instruments at fair value through other comprehensive income as disposed of by a subsidiary	-	-	-	-	-	1,709,513	-	(1,709,513)	-	-
Z1	Balance at December 31, 2021	$9,066,203	$200,000	$186,459	$2,411,833	$1,640,828	$22,230,181	($672,627)	$453,236	($49,858)	$35,466,255

(The accompanying notes are an integral part of the parent company only financial statements)

Chairman of Board: Pin Cheng Yang Manager: Chia Hsiung Tseng Chief Accountant: Ling Chu Chen

Grand Pacific Petrochemical Corporation

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended December 31, 2021 and 2020

Expressed in Thousands of New Taiwan Dollars

Codes	Items	Year ended December 31, 2021	Year ended December 31, 2020
AAAA	CASH FLOWS FROM OPERATING ACTIVITIES:		
A00010	Net profit before tax from continuing operations unit	$ 6,516,474	$ 4,417,776
A20000	Adjustments:		
A20010	Gain and expense not result influence on cash flows:		
A20100	Depreciation expenses (including depreciations in provision of right-of-use assets and investment property)	542,147	602,241
A20400	Net loss on financial assets at fair value through profit or loss	-	80
A20900	Interest expenses	4,349	2,813
A21200	Interest income	(19,962)	(12,976)
A21300	Dividend revenue	(17,693)	(19,800)
A22400	Share of losses (gains) of subsidiaries, associates & joint ventures accounted for using equity method	(4,253,382)	(3,319,105)
A22500	Net loss on disposal of property, plant and equipment	76	540
A22600	Property, plant and equipment transferred to expenses	25,161	47,636
A23100	Gain on disposal of investment	-	(114)
A23500	Impairment loss on financial assets	-	15,155
A23700	Impairment loss on non-financial assets	2,500	500
A23900	Unrealized sales gain (loss)	(6,034)	4,267
A24000	Realized sales gain	(4,267)	(315)
A20010	Total gain and expense loss not result influence on cash flows	(3,727,105)	(2,679,078)
A30000	Changes in assets/liabilities relating to operation activities		
A31115	Net decrease of financial assets mandatorily measured at fair value through profit or loss	-	23,281
A31130	Increase in notes receivable	(2,519)	(587)
A31150	(Increase) decrease in accounts receivable	97,644	(181,021)
A31160	Decrease in accounts receivable - related parties	7,724	6,158
A31180	(Increase) decrease in other receivables	(45,142)	9,953
A31190	Increase in other receivables - related parties	(377)	-
A31200	(Increase) decrease in inventories	(972,056)	497,371
A31230	(Increase) decrease in prepayments	(42,508)	1,729
A32125	Increase (decrease) in contract liabilities	(23,325)	27,809
A32150	Increase (decrease) in accounts payable	427,770	(233,688)
A32160	Decrease in accounts payable - related parties	-	(348)
A32180	Increase in other payables	224,344	62,293
A32190	Increase in other payables - related parties	14,422	-
A32200	Increase in provisions	560	1,561
A32210	Decrease in advance receipts	(128)	-
A32230	Increase in other current liabilities - other	137	76
A32240	Decrease in net defined benefit liabilities	(6,262)	(5,696)
A30000	Total net changes in assets/liabilities relating to operating activities	(319,716)	208,891
A33000	Cash provided generated from operations	2,469,653	1,947,589
A33100	Interest received	20,948	14,220
A33200	Dividend received	262,038	110,135
A33300	Interest paid	(4,115)	(2,691)
A33500	Income tax paid	(301,745)	(171,960)
AAAA	Net cash provided in operating activities	2,446,779	1,897,293

(Continued on the next page)

(Brought Forward)

Code	Item	2020	2019
BBBB	CASH FLOWS FROM INVESTING ACTIVITIES:		
B00030	Liquidation distribution to financial assets measured at fair value through other comprehensive income	-	17
B01800	Acquisition of investment accounted for using equity method	(3,334,644)	(3,251,088)
B02400	Refund of share payment under capital decrease from the investee accounted for using equity method.	833,250	1,044,050
B02700	Acquisition of property, plant and equipment	(226,810)	(233,339)
B02800	Disposal of property, plant and equipment	-	138
B03700	Increase in refundable deposits	(174)	(5,624)
B06600	Decrease in other financial assets	758,335	100,000
B06700	(Increase) decrease in other noncurrent assets - other	(217)	67
BBBB	Net cash used in investing activities	(1,970,260)	(2,345,779)
CCCC	CASH FLOWS FROM FINANCING ACTIVITIES:		
C00100	Increase in short-term loans	724,846	400,000
C01600	Proceeds from long-term loans	-	400,000
C01700	Repayments of long-term loans	(400,000)	-
C03000	Increase (decrease) in guarantee deposits received	1,245	(848)
C04020	Repayment of lease principal	(16,502)	(13,640)
C04500	Payout of cash dividends	(104,662)	(12,000)
C09900	Transfer of dividends not collected after deadline to capital reserve	14	-
CCCC	Net cash provided (used) in financing activities	204,941	773,512
EEEE	Net increase in cash and cash equivalents for the year	681,460	325,026
E00100	Cash and cash equivalents, beginning of year	1,948,666	1,623,640
E00200	Cash and cash equivalents, end of year	$ 2,630,126	$ 1,948,666
E00210	Cash & cash equivalents recorded in parent company only balance sheets	$ 2,630,126	$ 1,948,666

(The accompanying notes are an integral part of the parent company only financial statements)

Chairman of Board: Pin Cheng Yang   Manager: Chia Hsiung Tseng   Chief Accountant: Ling Chu Chen

Grand Pacific Petrochemical Corporation
Notes to Parent Company Only Financial Statements
For the Years Ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars, unless otherwise specified)

1. Company history

Grand Pacific Petrochemical Corporation (hereinafter referred to as the Company) was officially incorporated on September 25, 1973 in accordance with the Company Act and other laws and ordinances concerned and was formerly known as Delta Petrochemical Corporation until rechristened Grand Pacific Petrochemical Corporation in 1985. The Company primarily engages in the business lines as below:

(1) Petrochemical Manufacturing

(2) Synthetic Resin & Plastic Manufacturing

(3) Other Chemical Products Manufacturing

(4) Steam and Electricity Paragenesis, Heat Energy Supplying and international trade

(5) All business items that are not prohibited or restricted by law, except those that are subject to special approval

The Company's plants are located in Da-She District, Kaohsiung City, Taiwan.

The Company's stocks were officially listed on Taiwan Stock Exchange Corporation (TWEC) starting from December 21, 1988.

The Company is free of the ultimate parent company.

The Company takes New Taiwan Dollars as its functional currency. While the Company is a public company listed in Taiwan, the parent company only financial statements are expressed in New Taiwan Dollars to bring added comparison and consistency.

2. The date of authorization for issuance of financial statements and procedures for authorization

These parent company only financial statements were authorized for issuance by the Board of Directors on March 29, 2022.

3. Application of New Issuance, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (IFRS) as endorsed by the Financial Supervisory Commission (hereinafter referred to as FSC):

Under Decree FSC Review No. 1090363623 of FSC as of August 4, 2020, the Company should adopt the International Financial Reporting Standards (IFRSs) International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively referred to as IFRSs) issued by International Accounting Standards Board (IASB) and endorsed by FSC, and the revised Regulations Governing the Preparation of Financial Reports by Securities Issuers to prepare financial statements starting from 2021.

The following Table assembles the new issuance, revised and amended standards and interpretations endorsed by FSC as applicable to IFRSs starting from 2021:

New issuance, revised and amended standards and interpretations	Effective date issued by IASB
Amendments to IFRS 4 “Extension of the Temporary Exemption from Applying IFRS 9”	June 25, 2020 (To come into effect from the date of promulgation)
Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 "Interest Rate Benchmark Reform—Phase 2"	January 1, 2021
Amendments to IFRS 16 “COVID-19-Related Rent Concessions Beyond 30 June 2021”	April 1, 2021 (Note)

Note: FSC permitted the applicability starting from January 1, 2021 ahead of schedule.

As evaluation by the Company, the aforementioned standards and interpretation would not come into material impact upon the parent company only financial conditions and consolidated financial performance of the Company at all.

(2) The impact upon the International Financial Reporting Standards (IFRSs) by the new issuance, amendment without endorsed by FSC:

The following Table assembles the new issuance, revised and amended standards and interpretations endorsed by FSC as applicable to IFRSs starting from 2022:

New issuance, revised and amended standards and interpretations	Effective date issued by IASB
Amendments to IAS 16 “Property, Plant and Equipment: Proceeds before Intended Use”	January 1, 2022
Amendments to IAS 37 “Onerous Contracts—Cost of Fulfilling a Contract"	January 1, 2022
Amendments to IFRS 3 “Reference to the Conceptual Framework"	January 1, 2022
Annual Improvements to IFRS Standards 2018–2020	January 1, 2022

As of the date on which the Company’s financial statements were authorized and issued, the Company evaluated that the relevant standards and interpretations would not have a material impact upon the individual financial conditions and the individual financial performance.

(3) The impact brought by IFRS having been issued by IASB but have not been endorsed by the FSC:

The Company has not adopted the following IFRSs which have been issued by IASB but have not been endorsed by the FSC. The actual effective date applied shall be pursuant to provision of FSC.

New issuance, revised and amended standards and interpretations	Effective date issued by IASB
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current"	January 1, 2023
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9—Comparative Information”	January 1, 2023
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023
Amendment to IAS 12 “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction”	January 1, 2023
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”	Pending for resolution by IASB

The preliminary evaluation result indicates that the aforementioned standards and interpretations would not cast a material impact upon the Company’s individual financial conditions and the individual financial performance. The Company will continually evaluate the amounts with the relevant impact which would be disclosed in full upon completion of the evaluation process.

4. Summary of significant accounting policies

The principal accounting policies applied in the preparation of the parent company only financial statements are explained below. Unless otherwise specified, these policies have been consistently applied to all the periods presented.

(1) Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

1) Except for the following significant items, the parent company only financial statements have been prepared under the historical cost convention:

A. Financial assets and liabilities (including derivative instruments) at fair value through profit or loss measured based on the fair value.

B. Financial assets at fair values through other comprehensive income measured based on the fair value.

C. The liabilities on the shares-based payment agreement with cash settlement measured based on the fair value.

D. Defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation.

2) The preparation of financial statements in compliance with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements, please refer to Note 5.

3) When preparing parent company only financial statements, the Company adopts the equity method for subsidiaries, associates, or joint ventures that it has investments in. In order for the profits and losses, other comprehensive income, and equities of the year in this parent company only financial statement to be identical to those in the Company’s consolidated financial statement that attribute to the clients of the Company, on the parent company only and consolidated bases, for several accounting differences, the “investments accounted for using the equity method”, the “shares of profits and losses of subsidiaries, associates, and joint ventures accounted for using the equity method”, “shares of other comprehensive income of subsidiaries, associates, and joint ventures accounted for using the equity method”, and related equity items were adjusted.

(3) Foreign currency translation

1) Items included in the Company's parent company only financial statements are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The parent company only financial statements are presented in New Taiwan Dollars, which is the Company's

functional and the Company's presentation currency.

2) When preparing parent company only financial statements using currencies other than the entity's functional currency (foreign currency) converted into functional currency at the spot exchange rate on the transaction day or measurement date, and the exchange difference resulting from the translation of these transactions was recognized as current profit and loss. At the end of the financial statement period, the balance of foreign currency monetary assets and liabilities were evaluated and adjusted at the spot exchange rate on the balance sheet date, and translation differences arising from the adjustment were recognized as current profit and loss. In case of foreign currency non-monetary assets and liabilities, the balance was evaluated and adjusted at the spot exchange rate quoted on the balance sheet date as measured at fair value through profit or loss, and the exchange difference arising from the adjustment was recognized as current profit and loss as measured at fair value through comprehensive income. The resulting exchange differences resulting from the adjustment were recognized in other comprehensive income items; where they were not measured at fair value, they were measured at the historical exchange rate on the initial trading day. All gains and losses on exchange were reported according to the attribute of the transaction and other gains and losses in the comprehensive income.

3) The Company's assets and liabilities of the foreign operations (including the subsidiaries, associates, joint ventures or branches of the Company in the countries of business operation or those using different currencies) were translated into New Taiwan Dollars at the spot exchange rate quoted on the balance sheet date. The income and expense items were translated using the exchange rates average in that period. All exchange differences arising from the translation were recognized as other comprehensive income.

4) When the foreign operations were disposed of and constituting a loss of control, joint control or significant influence on the foreign operations, all and the relevant interests of the foreign operations would be reclassified into profit or loss. In some cases where the disposal of subsidiaries in foreign operations did not constitute a loss of control of the subsidiary, the cumulative exchange difference recognized in other comprehensive income was calculated into the equity transaction on a *pro rata* basis, but it was not recognized as profit or loss. In some cases where the interests of the disposal of associates or joint venture in foreign operations did not constitute a significant impact of loss on the associates or joint venture or joint control in interests, the cumulative exchange difference recognized in other comprehensive income was reclassified into profit or loss based on the disposal ratio.

(4) Criteria of classification of current and noncurrent assets and liabilities

1) Assets that meet one of the following criteria are classified as current assets:

A. Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;

B. Assets arising mainly from trading activities;

C. Assets that are expected to be realized within twelve (12) months from the balance sheet date;

D. Cash & cash equivalents unless the asset is restricted from being used for an exchange or used to settle a liability for more than twelve (12) months after the balance sheet date.

The Company classifies the assets that do not satisfy the above conditions as noncurrent.

2) Liabilities that meet one of the following criteria are classified as current liabilities:

A. Liabilities that are expected to be paid off within the normal operating cycle;

B. Liabilities arising mainly from trading activities;

C. Liabilities that are to be paid off within twelve (12) months from the balance sheet date;

D. Liabilities for which the Company does not have an unconditional right to defer settlement for at least twelve (12) months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies the liabilities that do not satisfy the above conditions as noncurrent.

(5) Cash & cash equivalents

Cash & cash equivalents include cash on hand, bank deposits, and short-term and highly liquidity investments that could be converted into cash in fixed amounts at any time with little change in value risk. Time deposits that meet the aforementioned definitions and are held for short-term operations cash promise are classified as cash equivalent.

(6) Financial instruments

Financial assets and financial liabilities should be recognized when the Company became a party to the terms of the financial instruments contract.

When financial assets and financial liabilities were initially recognized, they were measured at the fair value. At the time of initial recognition, the transaction costs acquired or issued directly attributable to financial assets and financial liabilities (unless classified as financial assets and financial liabilities at fair value through profit or loss), shall be added or subtracted from the fair value of the financial assets or financial liabilities. The transaction costs directly attributable to financial assets and financial liabilities at fair value through profit or loss should be recognized immediately as profit or loss.

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

1) Financial assets at fair value through profit or loss include financial assets mandatorily measured at fair value through profit or loss and designation as financial assets at fair value through profit or loss. The financial assets mandatorily measured at fair value through profit or loss include investments in equity instruments that the Company does not specify at fair value through other comprehensive income, and investments in debt instruments that did not qualify as being measured at amortized cost or at fair value through other comprehensive income.

2) In a case carried at amortized costs or financial assets at fair values through other comprehensive income, when measurement or recognition inconsistency could be eliminated or significantly reduced, the Company designated the case as financial assets at fair value through profit or loss at the time of initial recognition.

3) The Company adopts transaction day accounting for financial assets at fair value through profit or loss consistent with transaction customs.

4) The Company measured at fair value at the time of initial recognition, and recognized related transaction costs in profit or loss and subsequently measured at fair value and the gains or losses were recognized in profit or loss.

5) When the right to receive dividends was ascertained and the economic benefits related to dividends were likely to flow inward while the amount of dividends could be reliably measured, the Company recognized the dividend income in profit or loss.

(8) Financial assets at fair values through other comprehensive income

1) Referring to an irrevocable option at the time of initial recognition to report changes in the fair value of investments in equity instruments that were not held for trading in other comprehensive income; or the investment in debt instrument simultaneously met the following conditions:

A. The financial asset held under the business model of collecting cash flows under contracts and for the purposes of selling.

B. The cash flow generated on a specific date under the contract terms for the financial assets were completely intended to pay off the principal and the interest of the outstanding principals.

2) The Company adopts transaction day accounting for financial assets at fair value through comprehensive income consistent with transaction customs.

3) The Company measured at fair value plus transaction costs at initial recognition, and subsequently at fair value:

A. Changes in the fair value of equity instruments were recognized in other comprehensive income. When derecognized, the cumulative gains or losses previously recognized in other comprehensive income would not be reclassified to profit or loss and would be transferred to retained earnings instead. When the right to receive dividends was ascertained and the economic benefits related to dividends were likely to flow inward while the amount of dividends could be reliably measured, the Company recognized the dividend income in profit or loss.

B. Changes in the fair value of debt instruments were recognized in other comprehensive income, impairment losses before derecognition, interest income and gains and losses in foreign currency exchange were recognized in profit or loss, and at the time of derecognition, the cumulative gains or losses previously recognized in other comprehensive income were reclassified from the equity into profit or loss.

(9) Financial assets carried at amortized cost

1) Referring to the events that conform with the conditions as below simultaneously:

A. The financial assets held under the business model for the purposes of collecting cash flows under contracts.

B. The cash flow generated on a specific date under the contract terms for the financial assets were completely intended to pay off the principal and the interest of the outstanding principals.

2) The Company adopts transaction day accounting for financial assets carried at amortized cost consistent with transaction customs.

3) The Company measured at fair value plus transaction costs at initial recognition, and subsequently used the effective interest method to recognize interest income

during the circulation period based on the amortization process, and recognized impairment losses, and when derecognized, the gains or losses were recognized in profit or loss.

4) The Company held time deposits that were not eligible for cash equivalent. As the holding period was short, the effect of discounting was insignificant, which was measured by the amount of investment.

(10) Accounts & notes receivable

Referring to the contract which had been received unconditionally for the accounts and notes for the right to consideration exchanged due to the transfer of products or labor services. As short-term accounts & notes receivable were paid without bearing interest, the impact of the discounting was insignificant, therefore, the Company measured at the initial amount.

(11) Impairment of financial assets

For investment in debt instruments at fair value through other comprehensive income, and financial assets carried at amortized cost and accounts receivable or contract assets that contain significant financial components, rent receivables, lending commitments and financial guarantee contracts, The Company, after considering all reasonable and corroborable information (including forward-looking perspectives) on each balance sheet date, measured by the amount of expected credit loss in twelve (12) months toward an insignificant increase in credit risk since initial recognition. For the credit risk has increased significantly since the original recognition, the allowance for loss was measured by the amount of expected credit loss during the existence period. For accounts or contract assets that do not include significant financial components, the allowance for losses measured by the amount of expected credit loss during the existence period.

(12) Derecognition of financial assets

The Company will derecognize financial assets when one of the following conditions is met:

1. When rights to contract of receiving cash flow from financial asset has expired.
2. Transfer of right to contract of receiving cash flow from financial asset, and when nearly all risk and reward associated with the said financial assets have been transferred.
3. Transfer of rights to contract of receiving cash flow from financial asset, and excluding control over the financial assets.

(13) Lease transaction of the lessor - rent receivables/operating leases

1) Pursuant to the terms and conditions under the lease agreements, when almost all the risks and rewards of lease ownership were borne by the lessee, they are classified as finance leases.

   A. As the lease started up, the net lease investment (including the original direct cost) was recognized as "rent receivables", and the difference between the total lease receivables and the present value was recognized as "unearned financing income from finance leases".

   B. Subsequent adoption of a systematic and reasonable basis to allocate financing income over the lease period to reflect a fixed rate of return on the net lease investment held by the lessor.

   C. The period related lease payments (excluding service costs) offset the total lease investment to reduce the principal and unearned financing income.

2) Lease income from operating leases, net of any incentives given to the lessee, was recognized as a current profit or loss and amortized on a straight line basis during the lease period.

(14) Inventory

Inventories were measured at the lower of cost and net realizable value, whichever is the lower under the perpetual inventory system adopted, and the cost was determined by the weighted average method. The cost of finished goods and work in progress includes raw materials, direct labor, other direct costs, and production-related manufacturing overhead (as normal capacity distribution), but excludes borrowing costs. Upon comparison of cost and the net realizable value, whichever was the lower, the itemized comparison method was adopted. The net realizable value refers to the estimated selling price in the normal course of business less the estimated cost that must be invested to completion and the balance after related changes in selling expenses.

(15) Investments accounted for using the equity method/subsidiaries

1) Subsidiaries are entities controlled by the Company (including structural entities). When the Company is exposed to the variable compensation from participation in an entity or is entitled to the said variable compensation and is capable of impacting the compensation through its power over the entity, the Company has control over the entity. The Company adopts the equity method when handling investments in subsidiaries. Upon acquisition, they are recognized by the cost, including the goodwill already identified upon acquisition, with any accumulated impairment loss estimated to occur subsequently deducted.

2) The share of profit or loss for the Company after acquisition of a subsidiary is recognized as current profit and loss and the share of other comprehensive income after acquisition is recognized as other comprehensive income. When the share of loss recognized by the Company in its subsidiaries is equal to or exceeds the equity held by the Company in the subsidiaries, the shareholding ratio will continue to be applied in the recognition of loss.

3) The unrealized profits or losses of fair current transactions between the Company and subsidiaries were eliminated in the parent company only financial statements. The profits and losses generated from the countercurrent and side stream transactions between the Company and subsidiaries were recognized in the parent company only financial statements only to the extent that the Company has no interest in the subsidiaries. The accounting policies of subsidiaries have been adjusted as necessary, and the policies adopted by the Company have been consistent.

4) When changes in an subsidiary's equity are not recognized in profit or loss and other comprehensive income of the subsidiary and such changes do not affect the Company's shareholding ratio of the subsidiary, the Company recognizes the Company's share of change in equity of the subsidiary in 'capital reserves' in shareholding ratio.

5) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. 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.

6) When the Company loses control of a subsidiary, the Group measures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. The difference between fair value and carrying amount is recognized in current profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on other comprehensive income as previously recognized, its accounting treatment is on the same basis as would be required if the related assets or liabilities were disposed directly by the Company. That is, when the Company loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

7) As is required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", the current profit and loss and other comprehensive income in parent company only financial statements and those in the financial statements prepared on a consolidated basis that belong to the parent company's owners' amortizations are the same and the equities of the owners in parent company only financial statements and those in financial statements prepared on a consolidated basis that belong to the parent company's owners' equity are identical.

(16) Property, plant and equipment

1) Property, plant and equipment are initially recorded at cost. Loans costs incurred during the construction period are capitalized.

2) Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

3) Land is not depreciated. The subsequent measurement of other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

4) The assets' residual values, useful lives and depreciation methods are reviewed by the Company at each financial year-end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of various assets are as follows:

A.	Buildings & constructions	4 - 46 years
B.	Machinery & equipment	7 - 25 years
C.	Transportation facilities	2 - 6 years
D.	Other equipment	3 - 15 years

5) Property, plant and equipment is derecognized when disposed or with no economic benefit expected via utilization or disposal. The gain or loss from derecognizing property, plant and equipment recognized as profit or loss during the year at the difference between the proceeds and the carrying amount of the asset.

6) The Company's depreciable assets were originally used in the rate-decreasing method at the time of tax declaration; however, the Company has switched to use the average method in Year 1998. This change was already approved by the National Taxation Bureau of the Southern Area, Ministry of Finance with Letter (1998) Nan-Qu-Guo-Shui-Shen-I-Zi 87051967.

(17) Lease agreements of the lessee - right-of-use assets/lease liabilities

1) Lease assets were recognized as right-of-use assets and lease liabilities on the date when they became available for use by the Company. When the lease agreement was a short-term lease or lease of a low-value underlying asset, the lease payment was recognized as expense by straight-line method

2) In lease liabilities, the Company recognized the unpaid lease payments at the lease starting date at the present value of the Company’s incremental loan rate discounted. The lease payments include fixed payments, less any incentives that could be received for the lease. Subsequently the Company measure at the amortized cost method under the interest method and recorded as interest expenses during the lease period. When the non-contract modification caused a change in the lease period or lease payment, the lease liabilities would be reassessed, and the remeasurements would be adjusted to right-of-use assets.

3) The right-of-use assets were recognized at cost on the lease starting date and the cost includes the original measured amount of lease liabilities. The subsequent measurement using cost model which were earlier at the end of the useful life of the right-of-use assets or at the end of the lease period while depreciation expenses were recorded. When lease liabilities were reassessed, right-of-use assets would adjust any remeasurement of the lease liabilities.

(18) Investment property

The investment property was real property held to earn either rent or capital appreciation or both, and also included real property held for which the future use has not yet been determined. The investment property was originally measured by acquisition cost, and was subsequently reduced by cost except for accumulated depreciation and accumulated impairment loss where the amount was measured. Except for land, depreciation was provided on the straight-line method according to the estimated useful life which was 56 years. While the investment property was derecognized, the difference between the net disposal price and the carrying amount of such assets was recognized in profit or loss.

(19) Impairment loss on non-financial assets

The Company estimates the recoverable amount of assets with signs of impairment on the balance sheet date. When the recoverable amount was lower than its carrying amount, the impairment loss would be recognized. The recoverable amount refers to the fair value of an asset less disposal cost or its value in use, whichever is higher. Except for goodwill, when the impairment of assets recognized in previous years did not exist or decrease, the impairment loss would be reversed, but the asset carrying amount increased by the impairment loss should not exceed the carrying amount after depreciation or amortization of the asset if no impairment loss was recognized.

(20) Loans

Loans are recognized initially at fair value, net of transaction costs incurred. Loans are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the loans using the effective interest method.

(21) Accounts payable

Accounts payable are obligations to pay for products or labor services that have been acquired in the ordinary course of business from suppliers. They are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method. However, short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(22) Financial liabilities at fair value through profit or loss

1) Referring to the main purpose of the sale or repurchase in the latest period, and financial liabilities held for trading except for derivatives instruments that are designated as hedging instruments under hedge accounting. The financial liabilities at fair value through profit or loss were designated on the Initial recognition. When a financial liability meets one of the following conditions, the Company measured at fair value through profit loss on the initial recognition:

   A. As hybrid (combined) contracts; or

   B. Where the inconsistency in significant decrease measurement or recognition could be eliminated; or

   C. Pursuant to the documented risk management policies, the instruments with performance evaluated in fair value based management.

2) The Company measured at fair value at the time of initial recognition, and recognized the related transaction costs in profit or loss and subsequently measured at fair value and the gains or losses were recognized in profit or loss.

3) In case of a financial liability designated to be measured at fair value through profit or loss where the amount of change in fair value resulted from credit risk, except for avoiding improper accounting ratios or loan commitments and financial guarantee contracts, the Company recognized the same in other comprehensive income.

(23) Provisions

The Company is under current statutory or constructive obligation due to past events, very likely that economically efficient resources would need to be discharged to settle such obligation and the amount of the obligation could be reliably estimated when the provisions were recognized. The measurement of provisions is based on optimal estimated present value of the expenditure required to settle the obligation on the balance sheet date. The discount rate uses the pre-tax discount rate that reflects the current market assessment of the time value of currency and the specific risk of the liability. The amortization discounted is recognized as interest expenses. The future loss in operations should not be recognized as provisions.

(24) Employee benefits

1) Short-term employee benefits

   Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expenses in that period when the employees render service.

2) Post-employment benefits

A. Defined contribution plans

For defined contribution plans, the contributions of pension funds are recognized as current pension expenses when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

B. Defined benefit plans

① Net obligation under a defined benefit plans is defined as the present value of an amount of future benefits that employees will receive for their services with the Company in the current year or prior periods, and the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The discount rate is determined by reference to the balance sheet date, the currency of defined benefit plans and the market yield of high-quality corporate bonds that were consistent during the period. The countries of such bonds without in-depth market adopt the market yield of government bonds (as of the balance sheet date).

② Remeasurement arising on defined benefit plans is recognized in other comprehensive income in the current year in which they arise, and expressed in the retained earnings.

③ The expenses related to the service cost of the prior period were immediately recognized into profit or loss.

3) Termination benefits

Termination benefits refers to the benefits provided by the termination of the employment before the normal retirement date or when the employee decides to accept the Company's benefits offer in exchange for termination of the employment. The cost of restructuring was not recognized until the moment while the Company could no longer revoke a contract for termination benefits or the restructuring cost was recognized, whichever came the earlier. Termination benefits that were not expected to be fully settled twelve (12) months after the balance sheet date should be discounted.

4) Compensation to employees and remuneration to directors and supervisors

Compensation to employees and remuneration to directors and supervisors are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Subsequently, any difference between actual distributed amounts as resolved and estimated mounts is accounted for as changes in estimates.

(25) Financial liabilities & equity instruments

1) Classification of financial liabilities or equity instruments

The liability and equity instruments issued by the Company were classified as financial liabilities or equity according to the substance of the contract agreement and the definition of financial liabilities & equity instruments.

2) Equity instruments

The “equity instruments” refers to any contract that recognizes the remaining equity of an enterprise after the assets are deducted from all its liabilities. The equity instruments issued by the Company are recognized at the price obtained after deducting the direct issue cost.

3) Financial liabilities

In case of financial liabilities that were not held for trading purposes and were not designated as measured at fair value through profit or loss, such financial liabilities were measured at amortized cost at the end of the subsequent accounting period.

4) Derecognition of financial liabilities

The Company did not derecognize financial liabilities until the obligations were lifted, cancelled or lapsed. When financial liabilities were derecognized, the difference between their carrying amount and total consideration paid or payable (including any transferred non-cash assets or liabilities assumed) was recognized into profit or loss.

5) Inter-offset of financial assets and liabilities

The financial assets and financial liabilities were not offset against each other and expressed in net in balance sheet until there was a legally enforceable right to offset the recognized amount of financial assets and liabilities with an intention to deliver on a net basis or achieve assets and liquidate liabilities at the same time.

(26) Share capital & treasury stocks

1) Share capital

Common shares were classified as equity. The classification of preferred shares refers to the definition of substantial contractual agreement, financial liabilities and equity instruments, and evaluates the specific rights attached to preferred shares. When the basic characteristics of financial liabilities were exhibited, they were classified as liabilities; otherwise they would be an equity. The net of increase in costs directly attributable to issuance of new share or share warrants after deducting income tax is recorded as the deduction of share prices.

2) Treasury stocks

The Company withdrew the issued outstanding shares and recognized them as "treasury stocks" based on the consideration paid at the time of purchase (including direct attributable costs) as a deduction of equity. Where the price of the disposal of treasury stocks is higher than the carrying amount, the difference was listed as capital surplus-treasury stocks transactions. Where the disposal price is lower than the carrying amount, the difference is offset against the asset surplus generated by the exchange of the same type of treasury stocks. In case of a shortfall, the surplus is debited in the retained earnings. The carrying amount of treasury stocks is taken weighted average and calculated separately according to the reason for recovery.

When treasury stocks are cancelled, the capital reserve is debited according to the proportion of equity - share certificates issuance premium and share capital, where the carrying amount is higher than the face value and the total value of the stock issuance premium, the difference would be offset against the capital generated by the exchange of the same type of treasury stocks. In case of a shortfall, it would be offset against the retained earnings. Where the carrying amount is lower than the face value and the total of the stock issuance premium, the capital reserve generated by the same type of treasury stocks exchanges would be credited.

Where subsidiary held the Company's stocks using the equity method to recognize the share of profit and loss and prepare financial statements, the subsidiary's stocks of the Company should be dealt with as treasury stocks.

(27) Shares-based payment

1) The shares-based payment agreement upon equity settlement was pursuant to the employee service acquired at fair value of the given equity commodities on the given day, and was recognized as compensation costs during the vesting period, and the equity was relatively adjusted. The fair value of equity commodities should be reflected with the influence of the market price vested conditions and the non-vested conditions. The recognized compensation cost was adjusted according to the expected amount of incentive rewards that meet the service condition and the non-market price vested condition until the final recognition amount was recognized in the vested amount.

2) The shares-based payment agreement settled in cash was based on the fair value of the liabilities assumed, recognized as compensation costs and liabilities within the vesting period, and was based on the fair value of the equity commodities given on each balance sheet date and settlement date to measure, any change recognized as profit or loss of the current year.

(28) Income tax

1) The income tax expenses comprise current and deferred income tax. Income tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the income tax is recognized in other comprehensive income or directly in equity, respectively.

2) The Company calculates the income tax payable for the current term exactly in accordance with the tax rates that had been enacted or substantially enacted in the countries for the income tax as of the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable relevant laws of income tax, and under the fact of situations, the income tax liabilities estimated shall be paid to tax collection authority. The undistributed earnings having been consolidated were charged for the income tax. The income tax expense of undistributed earnings was recognized based on the actual distribution of the earning as resolved in the shareholders' meeting in the year ensuing the year in which the earnings were yielded.

3) Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amount in the balance sheets. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted as of the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

4) Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.

5) Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

6) The Company's tax incentives oriented expenditures that comply with the statutory incentives were accounted with use of income tax deduction accounting. The unused income tax credit was transferred into the latter period of time within the scope as the credit ready for future use, duly recognized deferred income tax assets.

7) The difference between the previous year's estimated income tax of the Company and the adjustment difference approved by the tax collection authority was recognized as the adjustment items of the income tax of the current year.

(29) Recognition of revenues

After identifying the performance obligations under a customer contract, the Company distributed the transaction price to each performance obligation and recognized revenue when the performance obligations were fulfilled.

1) Sales revenues

A. All products manufactured by the Company and sold into the market were recognized as revenue when the control over the product was transferred to the customers. To put it in more understandable terms, when the products were delivered to the customers, the customers have discretion on the channel and price of product sales, and the Company was not in any outstanding performance obligations that might affect the customers' acceptance of the products. When the products were shipped to a designated location, the risk of obsolescence and loss has been transferred to the customers and the customers would accept the products according to the sales contract. The delivery of the products did not occur until there was objective evidence to prove all standards/criteria for acceptance have been met.

B. Where the Company provides standard warranty on the products sold and is obliged to refund for defective products, the provisions were recognized at the moment of sales.

C. Accounts receivable were recognized at the moment when the goods were delivered to the customers. At that timepoint, the Company was entitled to the unconditional rights to the contract price and the price could be received from the customers only after the time elapsed. The advance receipts before the arrival of the products was recognized as a contract liability.

D. The control of the ownership of the processed products was not transferred upon processing of the materials so that the income was not recognized when the material was forwarded.

2) Refund liabilities

Sales and labor service revenues were recognized at the contract price net of estimated discounts and other similar discounts. The amounts recognized as revenues would be limited to the portion of the future height that was unlikely to undergo a major turnaround, and was included in each asset estimates updated on the balance sheet date. Sales and labor service estimated discounts payable to customers and other similar discounts as of the balance sheet date were recognized as refund liabilities.

3) Financing component

Under the contracts signed by and between the Company and the customers, the collection conditions of the sales and labor service transactions were consistent with the market practice. It was, therefore, judged that the contracts did not contain a significant financing component. In addition, the time interval for transferring the promised goods or labor services and receiving the consideration amidst the contracts was within one year. The significant financing component would not adjust the transaction price to reflect the time value of the currency.

4) Costs to acquire contracts from customers

Although the incremental costs incurred by the Company in obtaining a customer contract were expected to be recoverable, the relevant contract period was shorter than one year. These costs were, therefore, recognized as current operating costs or expenses at the moment of occurrence.

(30) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Company will comply with any conditions attached to the grants and the grants will be received. Government grants are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes expenses for the related costs for which the grants are intended to compensate. If it is intended for the purpose of providing immediate financial support to the Company and there is no future related cost, it got the profit or loss recognized during the period when such could be received. Such government grants related to property, plant and equipment were recognized as noncurrent liabilities, and were recognized as current profit or loss using the straight-line method based on the estimated useful life of the relevant assets.

5. Major sources leading to material accounting judgments, estimates and assumption uncertainties

The results of the Company’s parent company only financial statements would be affected by the adoption of accounting policies, accounting estimates and assumptions. Therefore, when the Company adopted the significant accounting policies under Note 4, the acquisition of assets from other sources would result in the carrying amount of assets and liabilities in the next information on significant adjustment risks in the parent company only financial statements that would require management to use appropriate professional judgment, estimates and assumption uncertainties. The Company’s estimates and relevant assumptions were based on the optimal estimates pursuant to the requirements of IFRS endorsed and issued to take effect by the FSC. Estimates and assumptions would be based on historical experience and other factors considered to be relevant, but actual results and estimates might differ. The Company continues to review the estimates and assumptions. Where the revision of the estimate would only affect the current year, the accounting estimate would be recognized in the current year. Where the estimation affects both the current year and the future period, then it would be recognized in the estimated and amended current year and future period.

(1) Major judgments to adopt accounting policies

In addition to an involvement in judgments related to and estimates (see (2) below), the management's judgments in the process of adopting accounting policies that have the most significant impact on the recognized amounts of the financial statements are as follows:

1) Judgment of business model of financial asset classification

The Company evaluates the business model of financial assets based on the level of financial assets that are jointly managed to achieve a specific business purpose. This evaluation calls for consideration of all relevant evidence, including asset performance measurement methods, risks affecting performance, and the salary determination method of relevant managers, salary determination method where the judgment was required. The Company continuously assesses whether its business model judgment is appropriate, and monitors the financial assets carried at amortized cost and investment in debts instruments at fair value through other comprehensive income to look into the reasons for its disposition to assess whether the disposition would be consistent with the business model's objectives. Whenever the business model was found to have changed, the Company would postpone the adjustment of the subsequent classification of financial assets.

2) Commitment to operating lease - the Company is the Lessor

The Company has signed commercial property agreements toward some property portfolios. Based on its evaluation of the agreed terms, the Company still retains significant risks and rewards of ownership of these properties and treats these leases as operating leases.

3) Investment property

The purpose of part of the property held by the Company was intended to earn rent or capital appreciation. It also includes property held for the purpose of which the future has not yet been determined. Other parts were used by the Group itself. When the respective parts could be solely sold, such property would not be classified under the investment property only the portion in the Group's own use accounted for a not significant portion of the respective property.

4) Leased term

In determining the lease term of the leased assets, the Company takes into account all relevant facts and circumstances that might generate economic incentives to exercise (or not to exercise) the option, including all facts and circumstances from the start of the lease to the day when the option is exercised with expected changes. The main factors taken into account include the contract terms and conditions during the period covered within the option, significant lease interest improvements during the contract period, and the importance of the underlying assets to the lessee's operations and the like. Significant changes in such matters or circumstances within the control of the Company when it occurred while the Company reassessed the lease term anew.

(2) Major accounting estimation & assumptions

The accounting estimates conducted by the Company were based on the reasonable expectations of future events on the grounds of the situation on a specific day, but the actual results might differ from the estimates, and the assets and liabilities of the next financial year might have significant adjustments to the risk of carrying amount and assumptions. Please note the following instructions:

1) Estimated impairment of financial assets

The impairment of accounts receivable and contract assets was estimated based on the Company's assumptions about the default rate and the expected loss rate. The Company took into account historical experience, current market conditions and forward-looking information to work out assumptions and select input values for impairment assessment. For more details regarding the important assumptions and input values please refer to Note 6 (3). In the event that the actual future cash flow is below expected, it might cause significant impairment losses. The carrying amount of the Company’s receivables was NT$1,508,028 thousand and NT$1,566,344 thousand, respectively as of December 31, 2021 and 2020,

2) Evaluation of inventory

Since inventory should be measured at the lower of cost or net realizable value, the Company shall use judgment and estimation to decide the net realizable value at the balance sheet date. Due to the rapid changes of the industrial environment, the Company assesses the amount of inventory on the balance sheet date that has undergone normal wear and tear, obsolescence or no market sales value, and will mark down the cost of inventories to the net realizable value. This assessment of inventories primarily uses product need within a certain period in the future as the basis of estimation, and thus material changes could occur. As of December 31, 2021 and 2020, the carrying amount of the Company's inventories was NT$1,816,817 thousand and NT$844,761 thousand, respectively. (After deducting loss on allowance for obsolescence and market price decline of inventories of NT$64,473 thousand and NT$1,490 thousand, respectively)

3) Fair value measurement and evaluation process

Where the assets and liabilities measured at fair value were not quoted in the active market, the Company would decide whether to outsource the valuation and determine the appropriate fair value technology according to relevant laws or judgments. Where the fair value was estimated, the level 1 input value could not be obtained for the value, the Company would refer to the analysis of the financial status and operating results of the investee, the latest transaction price, the quote of the same equity instrument in the non-active market, the quote of similar instruments in the active market, and the comparable company evaluation multiplier to determine the input value. If the actual changes in future input values and expectations would differ, fair value changes might occur. The Company regularly updated each input value according to market conditions to monitor whether fair value measurement was appropriate. For more details regarding the fair value evaluation techniques and input value, please refer to the descriptions of Note 12(4). As of December 31, 2021 and 2020, the Company's holdings of unlisted (OTC) company stocks and limited partnership investments showed the carrying amounts of NT$99,546 thousand and NT$87,018 thousand, respectively.

4) Evaluation on impairment of investment accounted for using the equity method

Whenever there was an indication of impairment that an investment accounted for using the equity method might have been impaired while the carrying amount could not be recovered, the Company immediately assessed the impairment of the investment. The Company assessed the impairment based on the discounted value of the expected future cash flow of the investee or cash dividends receivable to be expected and disposal of the discounted value of future cash flows from the investment to assess the recoverable amount and analyze the reasonableness of its related assumptions. For the years ended December 31, 2021 and 2020, the investment impairment recognized by the Company in equity method came to NT$0 thousand and NT$15,155 thousand respectively.

5) Assessment onto the impairment of tangible assets

In the process of asset impairment assessment, the Company was required to rely on subjective judgment and asset usage patterns and industry characteristics to determine the independent cash flow of a particular asset Company, years of useful life, the future revenue and expenses that might be cause significant impairment in the future due to economic condition changes or estimated changes caused by strategies. As of December 31, 2021 and 2020, the accumulated impairment of tangible assets recognized by the Company was NT$43,700 thousand and NT$41,200 thousand, respectively.

6) Realizability of deferred income tax assets

Deferred income tax assets are recognized when there is a possibility in the future that there would be sufficient taxable income for the purpose of deducting temporary differences. Upon assessment of the realizability of deferred income tax assets, significant accounting judgments and estimations of the management must be involved including expected future sales revenue growth and profit margins, usable income tax credits, tax planning and other assumptions. Any changes in the global economic environment, industrial environment and changes in laws and regulations might cause significant adjustment of deferred income tax assets. As of December 31, 2021 and 2020, the deferred income tax assets recognized by the Company were NT$41,007 thousand and NT$29,421 thousand, respectively. The deferred income tax assets not recognized by the Company due to non-probable taxable income were NT$686 thousand for both.

7) Calculation of long-term employee benefits liabilities

Upon calculation of the present value of the benefit obligations, the Company must use judgments and estimates to determine the relevant actuarial hypotheses on the balance sheet date, including the discount rate and future salary growth rate. Any changes in actuarial assumptions should significantly affect the Company’s amount of defined benefit obligations. As of December 31, 2021 and 2020, the carrying amounts of the Company’s long-term employee benefits liabilities (including net defined benefit liabilities and provisions - noncurrent) were NT$43,689 thousand and NT$47,269 thousand, respectively.

8) Lessee's incremental loan interest rate

When determining the interest rate of the lessees' incremental loan used for discounting lease payments, the Company used the risk-free interest rate of the equivalent duration and currency as the reference interest rate, and discounted the estimated lessee's credit risk allowance and lease specific adjustments (e.g., asset characteristics and factors such as guarantees) to be taken into account.

6. Summary of Important Accounting Items

(1) Cash & cash equivalents

Items	December 31, 2021		December 31, 2020	
Cash and petty cash	$	153	$	372
Checking deposits		282		694
Demand deposits		1,708,835		782,205
Deposit in foreign currency		9,927		16,330

Time deposits with original maturity within three months	307,504	858,522
Bills & bonds under Repurchase Agreements	603,425	290,543
Total	$ 2,630,126	$ 1,948,666

1) The Company’s cash & cash equivalents have not been used for collateral or pledge.

2) As of December 31, 2021 and 2020, the interest rate range in the market for the Company’s time deposit with original maturity within three months was 0.18% to 0.35% and 2.50% to 2.75% per annum, respectively, either floating or on a fixed rate basis.

3) As of December 31, 2021 and 2020, the interest rate range in the market for the bills & bonds under Repurchase Agreements within three months undertaken by the Company was 0.33% and 0.45% for both.

(2) Notes receivable

Items	December 31, 2021	December 31, 2020
Total notes receivable	$ 4,307	$ 1,788
Less: Allowance loss	-	-
Net	$ 4,307	$ 1,788

1) The Company's notes receivable have not been overdue and the expected credit loss rate was 0%.

2) The Company’s notes receivable have not been used for collateral or pledge.

(3) Accounts receivable (including related parties)

Items	December 31, 2021	December 31, 2020
Total accounts of receivable	$ 1,445,664	$ 1,543,308
Less: Allowance loss	-	-
Subtotal	1,445,664	1,543,308
Total accounts receivable - related parties	-	7,724
Less: Allowance loss	-	-
Subtotal	-	7,724
Net	$ 1,445,664	$ 1,551,032

1) The age analysis of accounts receivable (including related parties) and the allowance loss measured by the preparation matrix are as follows:

Account aging interval	December 31, 2021			December 31, 2020		
	Total amount	Allowance loss	Net	Total amount	Allowance loss	Net
Not overdue	$ 1,343,981	$ -	$ 1,343,981	$ 1,527,575	$ -	$ 1,527,575
1 - 30 days overdue	101,683	-	101,683	23,457	-	23,457
31 - 90 days overdue	-	-	-	-	-	-
91 - 180 days overdue	-	-	-	-	-	-
181 - 365 days overdue	-	-	-	-	-	-
More than 365 days overdue	-	-	-	-	-	-
Total	$ 1,445,664	$ -	$ 1,445,664	$ 1,551,032	$ -	$ 1,551,032

The above analysis is based on the number of days past due.

The expected credit loss rate of the Company's aforementioned account aging intervals (excluding abnormal amounts which should be recorded at 100%): except the impairment losses recognized for individual customers according to actual credit losses, accounts non-overdue and overdue within 30 days 0%, 31 to 90 days overdue 5%, 91 to 180 days overdue 30%, 181 days to 365 days overdue 50%, more than 365 days overdue 100%.

The Company's accounts receivable not overdue were expected to have a very low risk of credit loss; For other accounts receivable which had been overdue as of the balance sheet date, the Company has taken into account other credit enhancement protection, post-period collection, and deductions and the like. After reasonable and corroborable information, it is assessed that there was no significant change in its credit quality, and the credit risk has not increased significantly since the initial recognition. Therefore, the management of the Company expects that no credit loss of accounts receivable will be caused by default of transaction counterparties. As the amount of impairment loss according to the expected credit loss ratio is not significant, the allowance for loss is not adjusted.

2) The Company adopted the simplified method of IFRS 9, and recognized the expected credit loss during the existence in the accounts receivable allowance loss. The expected credit loss during the existence was calculated using the reserve matrix, with consideration of the customers' past default record and historical experience of collection, increase in delayed payments beyond the average credit period, and at the same time with consideration of the current financial status of customers, and observable national or regional industrial economic situation changes related to the arrears of receivables and future prospects such as outlook considerations. As the Company's historical experience of credit losses indicates that there would be no significant differences in the loss patterns of different customer bases, the preparation matrix did not further distinguish the customer bases, only the accounts receivable days past due and actual conditions would determine the expected credit loss rate. The Company did not hold any collateral for these accounts receivable.

   If there was evidence indicating that the counterparty was facing serious financial difficulties and the Company could not reasonably anticipate the recoverable amount, the Company would recognize 100% allowance loss or directly write off the related accounts receivable, but would, meanwhile, continue to recourse the activities due to the amount recovered and recognized in profit or loss.

3) Analysis of changes in allowance loss for accounts receivable (including related parties): Nil

4) The Company's accounts receivable (including related parties) have not been used for collateral, pledge.

(4) Other receivables

Items	December 31, 2021		December 31, 2020	
Interest receivable	$	1,595	$	2,581
Tax refund receivable		55,486		9,721
Others		599		1,222
Total	$	57,680	$	13,524

(5) Inventories

Items	December 31, 2021			December 31, 2020		
	Cost	Valuation allowance	Carrying amount	Cost	Valuation allowance	Carrying amount
Raw materials	$ 330,305	$ 5,733	$ 324,572	$ 256,028	$ 835	$ 255,193
Supplies	228,089	89	228,000	170,125	-	170,125
Work in process	68,763	6,292	62,471	36,582	-	36,582
Partly-finished goods	543,161	51,466	491,695	209,366	-	209,366
Finished goods	290,544	529	290,015	43,282	655	42,627
By-products	2,743	364	2,379	3,153	-	3,153
Inventory in transit	417,685	-	417,685	127,715	-	127,715
Total	$ 1,881,290	$ 64,473	$ 1,816,817	$ 846,251	$ 1,490	$ 844,761

1) The amounts of sales costs linked up with inventory are as follows:

Items	Year Ended December 31, 2021		Year Ended December 31, 2020	
Inventory sales transferred to cost of sales	$	15,105,105	$	10,888,690
Plus: Unamortized labor and manufacturing overhead		53,094		86,380
Plus: Loss on scrapped of inventory		-		31
Plus: Loss on Inventories(net)		131		76
Plus: Loss on net realizable value of inventory		62,983		-
Less: Recovery in net realizable value of inventory		-	(	10,285)
Less: income of off-grades & scrap material sold	(	5,188)	(	4,013)
Account recorded in operating costs	$	15,216,125	$	10,960,879

2) The Company's operating costs, including the gain (loss) in net realizable value of inventory for the years ended December 31, 2021 and 2020 were NT$62,983 thousand and (NT$10,285) thousand, respectively, primarily due to the fall/recovery of raw material prices and product price quotations.

3) The Company's inventory has not been used for collateral or pledge.

(6) Prepayments

Items	December 31, 2021		December 31, 2020	
Prepayment of short-term lease agreement fees/rent	$	517	$	543
Prepayment on sales		35,311		13,552
Prepayment of insurance premium		14,397		14,743
Prepaid service fees		3,300		-
Input tax		29,950		24,845
Tax credit		12,690		-
Others		4,834		4,808
Total	$	100,999	$	58,491

(7) Other financial assets - current

Items	December 31, 2021		December 31, 2020	
Time deposits with original maturity more than three months	$	841,665	$	1,600,000

1) The time deposits with original maturity of over three months in bank held by the Company did not meet the definition of cash equivalents. They are, therefore, classified under other financial assets - current, as the effect of discounts during the short holding period was insignificant, which was measured by the amount of investment. As of December 31, 2021 and 2020, the interest rate range in the market for the time deposits with original maturity of over three months in bank were 2.50% - 3.00% and 0.42% - 0.46%, respectively and the interest was calculated with annual rate.

2) The Company assessed that the expected credit risk of the above financial assets was not high, and the credit risk has not increased after the initial recognition.

3) None of the Company's fixed-term deposits with an original maturity of over three months was collateralized or pledged.

(8) Financial assets at fair value through other comprehensive income - noncurrent

Items	December 31, 2021	December 31, 2020
Listed company stocks in Taiwan		
China Development Financial Holding Corporation	$ 239,363	$ 239,363
Unlisted company stocks in Taiwan and abroad		
He Xin Venture Investment Enterprise Co., Ltd.	18,412	18,412
YODN Lighting Corp.	2,478	2,478
Bridgestone Taiwan Co., Ltd.	42,561	42,561
Subtotal	302,814	302,814
Plus(Less): Evaluation adjustment	169,437	(17,730)
Net	$ 472,251	$ 285,084

1) The aforementioned investments held by the Company were not in a short-term profitable operating mode. The management believes that if the short-term fair value fluctuations of these investments were included in the profit or loss, and the aforementioned investment plans were inconsistent, they chose to designate these investments at fair value through other comprehensive income.

2) TECO Nanotech Co., Ltd. completed its liquidation process on November 25, 2019, and obtained the letter of reference for the completion of liquidation from the Taiwan Taipei District Court on January 13, 2020. That Company had received remaining property distribution amounting to NT$17 thousand in April 2020.

3) The Company's net gain (loss) recognized in other comprehensive income for the years ended December 31, 2021 and 2020 due to changes in fair value were NT$187,167 thousand and (NT$ 9,664) thousand, respectively and accumulated in other equity; in addition, the amount of accumulated gain (loss) due to disposal of investment transferred directly to the retained earnings were NT$0 and NT$(202) thousand, respectively.

4) The financial assets at fair values through other comprehensive income - noncurrent held by the Company have not been used for collateral or pledge.

(9) Investments accounted for using the equity method

1) Investments in subsidiaries

	December 31, 2021		December 31, 2020	
Name of subsidiary	Carrying amount	Shareholding %	Carrying amount	Shareholding %
GPPC Chemical Corporation	$ 846,574	100.00%	$ 622,496	100.00%
GPPC Investment Corp.	289,601	81.60%	231,439	81.60%
GPPC Development Co., Ltd.	46,494	38.46%	47,885	38.46%
Videoland Inc.	5,837,706	62.29%	4,499,363	62.29%
KK Enterprise Co., Ltd.	149,675	15.73%	145,014	15.73%
Goldenpacific Equities Ltd.	680,423	100.00%	548,707	100.00%
Land & Sea Capital Corp.	13,066,743	100.00%	10,288,944	100.00%
QuanZhou Grand Pacific Chemical Co., Ltd.	6,659,975	100.00%	3,352,093	100.00%
Total	$ 27,577,191		$ 19,735,941	

2) The total number of stock options in GPPC Development Co., Ltd. and KK Enterprise Co., Ltd. held by the Company and its subsidiary Videoland Inc. has reached the control level and hence valuation is done using the equity method.

3) The Company remitted NT$3,251,088 thousand for the first phase of investment on the establishment of QuanZhou Grand Pacific Chemical Co., Ltd. in April 2020 in the production and sales of propylene, polypropylene and hydrogen, the warehousing of raw chemical materials and products, the import & export and wholesale of chemical products. The investment was approved by the Investment Commission, Ministry of Economic Affairs via Letter Jin-Shen-II-Zi No. 10800167650 dated February 26, 2020.

4) The Company remitted NT$3,334,644 thousand in March 2021 as the second phase investment in the capital increase of QuanZhou Grand Pacific Chemical Co., Ltd. The verification of capital increase was completed on April 9, 2021. The investment was approved by the Investment Commission, Ministry of Economic Affairs via Letter Jin-Shen-II-Zi No. 11000003840 dated January 21, 2021.

5) GPPC Chemical Corporation, taking October 1, 2020 as the base day, launched a capital reduction in cash to write off 20,000 thousand common shares amounting to NT$200,000 thousand, at cash capital reduction ratio at 36.90%. Where the held share certificates of that Company, with the aforementioned capital reduction, the Company wrote off a total of 20,000 shares and received the returned shares amounting to NT$200,000 thousand.

6) Land & Sea Capital Corp. taking November 16, 2020 as the base day, launched a capital reduction in cash to write off 30,000 thousand common shares amounting to NT$844,050 thousand, at cash capital reduction ratio at 34.75%. Where the held share certificates of that Company with the aforementioned capital reduction, the Company wrote off a total of 30,000 thousand shares and received the returned shares amounting to NT$844,050 thousand.

7) Land & Sea Capital Corp. conducted capital decrease in cash on November 11, 2021 as the basis date to eliminate 30,000 thousand common shares, amounting to $833,250 thousand, with ratio of capital decrease in cash of 53.27%. The shares of such company held by the Company eliminated due to capital decrease was 30,000 thousand shares, and the refund of the eliminated shares was

$833,250 thousand.

8) The shares of profits and losses and other comprehensive income of subsidiaries accounted for using the equity method for the years ended December 31, 2021 and 2020 were recognized based on the financial statements audited by CPAs during the same period of respective subsidiaries

9) The financial statements of the reinvestee through KK Enterprise Co., Ltd. in equity method－KK Enterprise (Malaysia) Sdn. Bhd. in the years ended December 31, 2021 and 2020 and the reinvestee of Land & Sea Capital Corp. in equity method－Zhenjiang Chimei Chemical Co., Ltd. and Zhangzhou Chimei Chemical Co., Ltd. have not been audited by us, the Undersigned certified public accountant but have been audited by other certified public accountant(s) instead. Accordingly, the amounts in the financial statements of the aforementioned companies and the relevant information of the aforementioned companies disclosed under Note 13 were provided exactly in accordance with the audit reports issued by other CPAs.

10) Shares of profits or losses of subsidiaries accounted for using the equity method and other comprehensive income are as follows:

	Year Ended December 31, 2021		Year Ended December 31, 2020	
Name of subsidiary	Recognized in current profit/loss	Recognized in other comprehensive income	Recognized in current profit/loss	Recognized in other comprehensive income
GPPC Chemical Corporation	$ 294,674	$ 109,773	$ 220,440	($ 5,548)
GPPC Investment Corp.	(8,524)	66,686	(13,531)	(10,125)
GPPC Development Co., Ltd.	(1,391)	-	(1,646)	-
Videoland Inc.	237,223	1,136,667	284,432	(183,448)
KK Enterprise Co., Ltd.	14,133	(744)	10,127	94
Goldenpacific Equities Ltd.	1,063	130,653	3,683	(120,117)
Land & Sea Capital Corp.	3,682,625	(71,576)	2,788,501	(31,190)
QuanZhou Grand Pacific Chemical Co., Ltd.	33,579	(60,341)	27,099	73,906
Total	$4,253,382	$1,311,118	$3,319,105	($ 276,428)

Note: Share of other comprehensive income of subsidiary accounted for the using equity method and individual statements of comprehensive income are reconciled as follows:

Items	Year Ended December 31, 2021	Year Ended December 31, 2020
Share of other comprehensive income of subsidiary accounted for using the equity method		
- Items that will not be reclassified subsequently to profit or loss	$ 1,466,051	($ 280,716)
- Items that may be reclassified to profit or loss	(123,890)	57,867
- Income tax related to items that may be reclassified to profit/loss	(31,043)	(53,579)
Total	$ 1,311,118	($ 276,428)

11) Since the Company obtained an investment premium of NT$15,155 thousand generated from GPPC Investment Corp., on December 31, 2020, as he evaluation result indicated that the amount receivable linked up with said investment premium was smaller than the book value, for the year ended December 31, 2020, therefore, it recognized the loss in impairment amounting to NT$15,155 thousand.

12) The value of investments accounted for using the equity method was adjusted down (up) due to unrealized sales income (loss) for the years ended December 31, 2021 and 2020 to (NT$6,034) thousand and NT$4,267 thousand, respectively. The value of investments accounted for using the equity method adjusted up for realized sales income, on the other hand, was NT$4,267 thousand and NT$315 thousand, respectively.

13) The value of investments accounted for using the equity method adjusted down because of the receipt of cash dividends from investees by the Company accounted for using the equity method for the years ended December 31, 2021 and 2020 was NT$244,345 thousand and NT$90,335 thousand, respectively.

14) The value of investments using the equity method adjusted up because of the release of dividends by the Company to its subsidiaries that is considered a treasury stock transaction for the years ended December 31, 2021 and 2020 was NT$1,243 and NT$1,066 thousand, respectively. Please refer to Note 6 (29) for details.

15) The disposal of the Company’s shares by subsidiaries during the years ended December 31, 2021 and 2020 was treated as the transaction of treasury stocks Hence, the investment under the equity method was increased by NT$8,157 thousand and NT$0, respectively. Please refer to Note 6 (29).

16) The accumulated gains were transferred to retained earnings due to the disposal of investments by subsidiaries during the years ended December 31, 2021 and 2020. According to its shareholdings, the Company adjusted unrealized valuation gains and retained earnings by NT$1,709,513 thousand and NT$0, respectively, via the financial assets measured at fair value through other comprehensive income.

17) None of the Company’s Investments accounted for using the equity method is provided as collateral or pledged.

18) With regards to the information on subsidiaries of the Company, please refer to Note 4 (3) of the Company’s 2021consolidated financial statement.

19) For the information on the Company’s investment in QuanZhou Grand Pacific Chemical Co., Ltd. and other investments in China through Land & Sea Capital Corp. and KK Enterprise Co., Ltd., please refer to the information on investments in China disclosed in Note 13 (3).

(10) Property, plant and equipment

Items	December 31, 2021	December 31, 2020
Land	$ 3,052,970	$ 3,185,217
Buildings & constructions	1,199,845	1,253,551
Machinery & equipment	11,523,869	11,494,606
Transportation facilities	34,738	34,738
Other equipment	1,297,125	1,200,185
Construction in progress and Equipment to be inspected	33,221	9,142
Total costs	17,141,768	17,177,439
Less: Accumulated depreciation	(11,899,705)	(11,496,784)
Less: Accumulated impairment	(43,700)	(41,200)
Net	$ 5,198,363	$ 5,639,455

Items	Land	Buildings & constructions	Machinery & equipment	Transportation facilities	Other equipment	Construction in progress and equipment to be inspected	Total
Cost:							
Balance at January 1, 2021	$ 3,185,217	$ 1,253,551	$ 11,494,606	$ 34,738	$1,200,185	$ 9,142	$ 17,177,439
Addition	-	5,033	37,395	-	175,403	33,221	251,052
Disposal	-	(2,057)	(11,931)	-	(57,357)	-	(71,345)
Reclassification (Note)	-	1,288	3,799	-	(21,106)	(9,142)	(25,161)
Transfer into investment property	(132,247)	(57,970)	-	-	-	-	(190,217)
Balance at December 31, 2021	$ 3,052,970	$ 1,199,845	$ 11,523,869	$ 34,738	$ 1,297,125	$ 33,221	$ 17,141,768
Accumulated depreciation and impairment loss:							
Balance at January 1, 2021	$ -	$ 756,168	$ 10,017,630	$ 27,961	$ 736,225	$ -	$ 11,537,984
Depreciation expenses	-	34,143	340,723	2,393	129,923	-	507,182
Impairment loss	-		-	-	2,500	-	2,500
Disposal	-	(1,995)	(11,931)	-	(57,343)	-	(71,269)
Transfer into investment property	-	(32,992)	-	-	-	-	(32,992)
Balance at December 31, 2021	$ -	$ 755,324	$ 10,346,422	$ 30,354	$ 811,305	$ -	$ 11,943,405

Items	Land	Buildings & constructions	Machinery & equipment	Transportation facilities	Other equipment	Construction in progress and equipment to be inspected	Total
Cost:							
Balance at January 1, 2020	$ 3,185,217	$ 1,249,825	$ 11,470,739	$ 34,891	$ 1,190,929	$ 22,069	$ 17,153,670
Addition	-	3,532	42,572	-	175,994	8,377	230,475
Disposal	-	-	(38,383)	(153)	(120,534)	-	(159,070)
Reclassification (Note)	-	194	19,678	-	(46,204)	(21,304)	(47,636)
Balance at December 31, 2020	$ 3,185,217	$ 1,253,551	$ 11,494,606	$ 34,738	$ 1,200,185	$ 9,142	$ 17,177,439
Accumulated depreciation and impairment loss:							
Balance at January 1, 2020	$ -	$ 721,971	$ 9,623,349	$ 25,693	$ 736,359	$ -	$ 11,107,372
Depreciation expenses	-	34,197	431,986	2,421	119,900	-	588,504
Impairment loss	-	-	-	-	500	-	500
Disposal	-	-	(37,705)	(153)	(120,534)	-	(158,392)
Balance at December 31, 2020	$ -	$ 756,168	$ 10,017,630	$ 27,961	$ 736,225	$ -	$ 11,537,984

Note: Net decrease in reclassification was the expenses carried from property, plant and equipment.

1) The Company's property, plant and equipment were primarily provided for own use. Part of the usable spaces of the property was leased to others as operating lease.

2) The addition and the acquisition of the property, plant and equipment in the cash flow statements of in the current year are reconciled as follows:

Items	Year Ended December 31, 2021	Year Ended December 31, 2020
Increase in property, plant and equipment	$ 251,052	$ 230,475
Plus: (Increase) Decrease in the payables for equipment	(24,242)	2,864
Amounts paid in cash	$ 226,810	$ 233,339

3) Capitalized amount of the costs and interest rate range of the property, plant and equipment based loans: Nil

4) The major composition items of the Company's property, plant and equipment were depreciated in the straight-line method based on the useful life as follows:

A. Buildings & constructions

Buildings, plants and main constructions	26 - 46 years	Building affiliated equipment	11 - 21 years
Air conditioning equipment	5 - 8 years	Fire protection equipment	4 - 6 years
Road greening	4 - 11 years		

B. Machinery equipment

Chemical equipment	8 - 25 years	Steam and electricity equipment	16 years
Gas supply equipment	10 years	Others	7 years

C. Transportation facilities 2-6 years

D. Other equipment

Furniture & office equipment	4 - 7 years	Leasehold improvement	15 years
Others	3 - 8 years		

5) The Company began to let out its property in Kuo Chang Building, Songshan District, Taipei City on October 1, 2021 for rental incomes. The carrying amount of the relevant land at NT$132,247 thousand and the carrying amount of the construction at NT$24,978 thousand were transferred into investment property. Please refer to Note 6 (12).

6) For the years ended December 31, 2021 and 2020 while some equipment capacity was not fully utilized, the Company expected that the future cash inflow of such

equipment would decrease, and, in turn, estimated that recoverable amount was both NT$0 less than the carrying amount so that it would recognize the impairment loss of other equipment amounting to NT$2,500 thousand and NT$500 thousand, respectively. Such impairment loss was already included in the individual statements of comprehensive income under other gains and losses. The Company used the value in use to determine the recoverable amount of such equipment. The discount rate adopted for the years ended December 31, 2021 and 2020 were 12.37% and 3.09%, respectively. As of December 31, 2021 and 2020, the Company recognized that the accumulated impairment amounts for property, plant and equipment were NT$43,700 thousand and NT$41,200 thousand, respectively.

7) For information regarding the collateral provided with property, plant and equipment, please see Note 8(1) for more details.

(11) Lease agreement

1) Right-of-use assets

Items	December 31, 2021	December 31, 2020
Buildings & constructions	$ 355,005	$ 24,190
Machinery & equipment	35,377	35,377
Total costs	390,382	59,567
Less: Accumulated depreciation	(55,030)	(20,317)
Less: Accumulated impairment	-	-
Net	$ 335,352	$ 39,250

Items	Buildings & constructions	Machinery & equipment	Total
Cost:			
Balance at January 1, 2021	$ 24,190	$ 35,377	$ 59,567
Addition/Remeasurement	326,807	-	326,807
Addition/decommissioning costs	4,008	-	4,008
Disposal/Derecognition	-	-	-
Balance at December 31, 2021	$ 355,005	$ 35,377	$ 390,382
Accumulated depreciation:			
Balance at January 1, 2021	$ 3,669	$ 16,648	$ 20,317
Depreciation expenses	26,389	8,324	34,713
Disposal/Derecognition	-	-	-
Balance at December 31, 2021	$ 30,058	$ 24,972	$ 55,030

Items	Buildings & constructions	Machinery & equipment	Total
Cost:			
Balance at January 1, 2020	$ 21,343	$ 35,377	$ 56,720
Addition/Remeasurement	10,007	-	10,007
Disposal/Derecognition	(7,160)	-	(7,160)
Balance at December 31, 2020	$ 24,190	$ 35,377	$ 59,567
Accumulated depreciation:			
Balance at January 1, 2020	$ 5,416	$ 8,324	$ 13,740
Depreciation expenses	5,413	8,324	13,737
Disposal/Derecognition	(7,160)	-	(7,160)
Balance at December 31, 2020	$ 3,669	$ 16,648	$ 20,317

2) Lease liabilities

Items	December 31, 2021		December 31, 2020	
	Current	Noncurrent	Current	Noncurrent
Buildings & constructions	$ 25,229	$314,442	$ 5,713	$ 15,306
Machinery & equipment	9,115	2,112	9,052	10,522
Total	$ 34,344	$316,554	$ 14,765	$ 25,828

Items	Buildings & constructions	Machinery & equipment	Total
Lease liabilities:			
Balance at January 1, 2021	$ 21,019	$ 19,574	$ 40,593
Addition/Remeasurement	326,807	-	326,807
Disposal/Derecognition	-	-	-
Repayment of principal of lease liabilities	(8,155)	(8,347)	(16,502)
Balance at December 31, 2020	$ 339,671	$ 11,227	$ 350,898

Items	Buildings & constructions	Machinery & equipment	Total
Lease liabilities:			
Balance at January 1, 2020	$ 16,367	$ 27,859	$ 44,226
Addition/Remeasurement	10,007	-	10,007
Disposal/Derecognition	-	-	-
Repayment of principal of lease liabilities	(5,355)	(8,285)	(13,640)
Balance at December 31, 2020	$ 21,019	$ 19,574	$ 40,593

A. The lease term of lease liabilities and the range of discount rate are as follows:

Items	Estimated lease term (including lease renewal rights)	December 31, 2021	December 31, 2020
Buildings & constructions	2 - 16 years	0.32% - 1.10%	0.60% - 1.10%
Machinery & equipment	4 years	0.75%	0.75%

B. The maturity of the Company's lease liabilities are analyzed below:

Items	December 31, 2021		December 31, 2020	
Within 1 year	$	37,200	$	15,045
1 to 5 years		96,925		19,695
5 to 10 years		122,879		6,000
10 to 15 years		115,881		800
15 to 20 years		-		-
Over 20 years		-		-
Total undiscounted lease payments	$	372,885	$	41,540

3) Major lease events and clauses

A. The subject assets leased by the Company include buildings & constructions and machinery equipment, and the like. At the end of the lease term, the Company held no preferential acquisition rights for the leased target assets, and some leases were attached to lease term renewal right after expiration. The lease agreement was negotiated individually and contained various terms and conditions. Assets other than leases should not be used as loan collateral, and it was agreed that unless with the consent of the lessor, the Company should not sublet or transfer the Subject Premises either in whole or in part. Except these facts, the lease agreement was free of any other restrictions.

B. Option to prolong the lease

The part of the Subject Premises covered within the Company's lease agreement includes the extension option entitled to the Company. Under the general practice for the lease agreement, the Company was bestowed with the maximum possible operating flexibility and effective use of assets. While the Company resolved to enter into the lease term, the Company already took into account all the facts and circumstances that will result in the economic incentives generated from the exercise of extension option. The lease term will be reassessed when a major event occurs regarding the assessment whether to exercise the extension right or not to excise the termination option..

C. Impact of variable lease payments on lease liabilities

In the Company's lease agreement, the variable lease payment terms are subject to storage/usage link. The variable payment depends on the actual use of the underlying assets. The variable payment terms are used for many reasons, mainly for profit control and operating flexibility to minimize fixed costs. The changes in storage/usage of lease payments are recognized as expenses during the period that triggers these payment terms.

4) Sublet: Nil

5) Other lease related information

For the years ended December 31, 2021 and 2020, the Company recognized rental income of NT$1,842 thousand and NT$324 thousand respectively based on operating lease agreements. Among them, there was no income from variable lease payments.

Please refer to Note 6 (12)-6 for the Company’s agreements as a lessor for its investment properties via operating leases.

A. The profit or loss details related to the lease agreement are as follows:

Items	Year Ended December 31, 2021		Year Ended December 31, 2020	
Expenses attributable to short-term lease agreement	$	2,803	$	2,476
Expenses attributable to low-value assets lease		20		10
Expenses paid under variable lease		2,629		3,655
Total	$	5,452	$	6,141
Interest expense for lease liabilities	$	3,050	$	340
Profit (loss) generated from back-lease transaction after sales	$	-	$	-
Profit (loss) generated from amendment to lease transaction	$	-	$	-

The Company chose to apply recognition exemptions for short-term leases and low-value asset leases, and did not recognize related right-of-use assets and lease liabilities for these leases.

B. The total lease cash outflow of the Company for the years ended December 31, 2021 and 2020 totaled at NT$25,004 thousand and NT$20,121 thousand, respectively.

C. The right-of-use assets prove no impairment as indicated by the result of the Company's prudential evaluation.

(12) Investment property

Items	December 31, 2021		December 31, 2020	
Land	$	132,247	$	-
Buildings & constructions		57,970		-
Total cost		190,217		-
Less: Accumulated depreciation	(	33,244)		-
Less: Accumulated impairment		-		-
Net	$	156,973	$	-

Items	Land		Buildings & constructions		Total	
Cost:						
Balance at January 1, 2021	$	-	$	-	$	-
Transferred from property, plant and equipment		132,247		57,970		190,217
Additions		-		-		-
Disposal		-		-		-
Balance at December 31, 2021	$	132,247	$	57,970	$	190,217
Accumulated depreciation and impairment:						
Balance at January 1, 2021	$	-	$	-	$	-
Transferred from property, plant and equipment		-		32,992		32,992
Depreciation expenses		-		252		252
Disposal		-		-		-
Balance at December 31, 2021	$	-	$	33,244	$	33,244

1) Capitalized amount of the costs and interest rate range of investment property based loans: Nil

2) Rent revenues from investment property and direct operating expenses:

Items	Year Ended December 31, 2021	Year Ended December 31, 2020
Rent revenues from investment property	$ 1,668	$ -
Direct operating expenses arising from investment property that generated rental income in the current year	$ 252	$ -
Direct operating expenses arising from investment property that did not generate rental income in the current year	$ -	$ -

3) The fair value of the Company's investment property in Songshan District, Taipei City was NT$480,816 thousand on December 31, 2021. This fair value was based on the comparable properties in proximity and within the primary market area according to the Ministry of Interior's Actual Price Registration System. As this fair value is estimated with historical quantitative data and the transactions may vary due to the property and the surrounding conditions, it may differ from the future transaction price.

4) The investment property has no impairment as indicated by the result of the Company's prudential evaluation.

5) The information about the pledges on the Company's investment properties are provided in Note 8 (2).

6) Lease agreements - The Company is the Lessee.

The investment property leased outward by the Company includes land and buildings & constructions, and the like. The lease agreement period is 1 year. At the end of the lease term, the lessee is not entitled to preferential privilege to renew the leasehold. At the end of the duration, the most of lease agreement could be renewed according to the market price, and include terms that could adjust the rent according to the annual market environment. The Group leases outward the investment property under the operating lease. The total future lease payments are as follows:

Items	December 31, 2021	December 31, 2020
The first year	$ 8,256	$ -
The second year	-	-
The third year	-	-
The fourth year	-	-
The fifth year	-	-
Over 5 years	-	-
Total	$ 8,256	$ -

(13) Refundable deposits

Items	December 31, 2021	December 31, 2020
Performance bond- bid bond	$ 360	$ 360
Lease security deposit - as a lessee	6,260	6,260
Others	203	29
Total	$ 6,823	$ 6,649

(14) Short-term loan

Attribute	December 31, 2021 Amount	December 31, 2021 Interest rate range	December 31, 2020 Amount	December 31, 2020 Interest rate range
Credit loans	$ 1,100,000	0.69%～0.72%	$ 200,000	0.75%
Secured loans	-	-	200,000	0.90%
Import financing	24,846	0.53%	-	-
Total	$ 1,124,846		$ 400,000	

The Company and the banks have signed Comprehensive credit line contract for which the Group provided a promissory notes as a commitment to repay the loan. For more details regarding pledge provided for short-term loans, please see Note 8(1) and Note 9-2-(1).

(15) Accounts payable

Accounts payable are recognized for operating activities. The Company has established a financial risk management policy to ensure all the payables are paid within the predetermined credit period.

(16) Other payables

Items	December 31, 2021	December 31, 2020
Salaries and bonuses payable	$ 325,344	$ 174,954
Compensation to employee payable	67,180	45,544
Remuneration to directors and supervisors payable	134,360	91,088
Interest payable	322	122
Freight payable	18,919	14,802
Taxes payable	1,994	1,954
Insurance premium payable	4,975	4,562
Utilities payable	2,751	11,568
Repair & maintenance expenses payable	24,289	12,400
Service charge payable	7,676	10,257
Labor service cost payable	1,910	1,850
Equipment payable	24,269	27
Others	11,220	7,295
Total	$ 625,209	$ 376,423

(17) Provisions - current

Items	December 31, 2021	December 31, 2020
Employee benefits - payment on leave	$ 13,148	$ 12,395

1) The provisions of employee benefits - current refer to an estimate of the employee’s vested right for service leave. In most cases, sick leave and maternity leave or paternity leave are contingent in attribute, depending on future events and instead of being accumulated so such costs would be recognized only when the fact of leave takes place.

2) Information of variation in the provisions of employee benefits – current is as follows:

Items	Year Ended December 31, 2021	Year Ended December 31, 2020
Beginning balance	$ 12,395	$ 12,403
Additional amount for the year	16,913	18,940
Utilized amount for the year	(10,519)	(17,862)
Reversal of unutilized amount for the year	(5,641)	(1,086)
Ending balance	$ 13,148	$ 12,395

(18) Advance receipts

Items	December 31, 2021	December 31, 2020
Rents collected in advance	$ -	$ 128

(19) Other current liabilities - other

Items	December 31, 2021	December 31, 2020
All collections	$ 3,123	$ 2,986

(20) Long-term loans

Items	December 31, 2021	December 31, 2020
Long-term bank loan	$ -	$ 400,000

1) Long-term loans:

The loan period is two years. Interests are paid per month and the principal is due in October 2022. As of December 31, 2020, the effective annual interest rate was 0.75%. The Company repaid in full early in January 2021.

2) The Company signed comprehensive credit line contracts with various banks and provided promissory notes within the line as a commitment to repay loans. Please refer to Note 8(1) and Note 9-2-(1) for the provision of pledge guarantees for long-term loans.

2) The maturity analysis of the Company's long-term loan is detailed in Note 12 (3) 3 – (3).

(21) Provisions - noncurrent

Items	December 31, 2021	December 31, 2020
Other long-term employee benefits plans	$ 10,986	$ 11,179
Decommissioning liabilities	4,042	-
Total	$ 15,028	$ 11,179

1) Other long-term employee benefits plans

A. The other long-term employee benefits plans of the Company are the seniority service bonuses and consolation money for employees. The payment criteria for long-term bonuses and consolation money were calculated based on the basis of the service seniority acquired and accumulated.

B. The Company has recognized other long-term employee benefits obligations. The composition of obligatory liabilities is as follows:

Items	December 31, 2021	December 31, 2020
Present value of other long-term employee benefits obligations	$ 10,986	$ 11,179
Fair value of plan assets	-	-
Other long-term employee benefits liabilities, net	$ 10,986	$ 11,179

C. Change in other long-term employee benefits liabilities, net is as follows:

Items	Year Ended December 31, 2021	Year Ended December 31, 2020
Beginning balance	$ 11,179	$ 9,610
Other long-term employee benefits costs:		
Current and past service cost	1,300	1,170
Interest expenses	40	70
Remeasurements:		
Actuarial losses (gains) - change in demographic assumptions	(1,951)	75
Actuarial losses (gains) - change in financial assumptions	(272)	320
Actuarial losses (gains) - experience adjustment	690	497
Recognized in profit or loss	(193)	2,132
Payments of benefit	-	(563)
Ending balance	$ 10,986	$ 11,179

D. The amount of the benefit costs in aforementioned other long-term employee benefits plans were recognized in profit or loss under the administrative expenses based on the single-line items by functional category.

E. Composition of the plan assets

The Company did not allocate related assets, the effected payment based on actual occurrence.

F. The present value of other long-term employee benefits obligations of the Company was actuarially counted by a qualified actuary. The main assumptions of the actuarial evaluation on the measurement date are as follows:

Items	Year Ended December 31, 2021	Year Ended December 31, 2020
Discount rate	0.50% - 0.625%	0.375%
Future salary growth rate	1.75% - 2.00%	1.75% - 2.00%

The assumption of future mortality rate is estimated based on the sixth life experience table of life insurance industry in Taiwan.

G. Because changes in the main actuarial assumption used, the present value of other long-term employee benefits obligations is affected. The analysis was as follows:

① Interest rate risks

The decline in the interest rate of government bonds would increase the present value of other long-term employee benefits obligations, but the returns on debt investment of the plan assets would also increase accordingly. The both two would have a partial offset effect on other long-term employee benefits liabilities.

② Salary related risks

The calculation of the present value of other long-term employee benefits obligations refers to the future salary of the plan members. Therefore, the increase in the salary of plan members would increase the present value of other long-term employee benefits obligations.

H. In the event that the significant actuarial assumptions were subject to a combination of possible changes, and if other assumptions remained unchanged, the amount of increase (decrease) in present value of other long-term employee benefits obligations would be as follows:

Items	Discount rate		Future salary growth rate	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2021:				
Effect on present value of other long-term employee benefits obligations	($ 216)	$ 224	$ 136	($ 131)
December 31, 2020：				
Effect on present value of other long-term employee benefits obligations	($ 217)	$ 225	$ 135	($ 130)

Practically, since actuarial assumptions might relate to each other, it would be unlikely to have a single assumption in change. The aforementioned sensitivity analysis, therefore, might not reflect the actual change in the present value of other long-term employee benefits obligations. In addition, in the aforementioned sensitivity analysis, the present value of other long-term employee benefits obligations at the end date of the reporting period would be based on the actuarial calculation of the projected unit credit method and the defined benefit liabilities included in the balance sheet would be measured on the same basis. The method assumptions used in preparing the sensitivity analysis in the current year was exactly same as that used in the prior one.

I. The Company expected to pay to other long-term employee benefit plans in Year 2022 in the amount of attribution and the amount of payment at NT$0 for both.

2) Decommissioning liabilities

A. Under promulgated policies and applicable contracts or regulatory requirements, the Company is obligated to dismantle, remove or restore the location of some right-of-use assets. Accordingly, the present value of the cost expected to be incurred dismantling, removal or restoration of fthe location is recognized as a liability reserve. The Company expects that this liability reserve will occur over the years before the end of leases.

B. Changes in decommissioning provision-non-current is as follows:

Items	Year Ended December 31, 2021	Year Ended December 31, 2020
Beginning balance	$ -	$ -
Additional amount for the year	4,008	-
Utilized amount for the year	-	-
Discounted amortization	34	-
Ending balance	$ 4,042	$ -

(22) Post-employment benefit plans

Items	December 31, 2021	December 31, 2020
Defined benefit plans	$ 31,111	$ 34,618
Defined contribution plans	1,592	1,472
Total	$ 32,703	$ 36,090

1) Defined benefit plans

A. In accordance with the “Labor Standards Act”, the Company has established retirement methods to define benefits. Under the “Labor Pension Act” applicable on July 1, 2005, the service seniority accumulated by employees prior to enforcement of the “Labor Pension Act” and subsequently accumulated by employees who chose subject to “Labor Standards Act” after enforcement of the “Labor Pension Act” as entitled to retirement would be taken to count pension which would be calculated number of years in the service seniority accumulated and the salary amounts averaged in the six (6) months prior to retirement. Each year of service seniority accumulated in full within fifteen (15) years (inclusive) would be entitled to two base units and each year the period of service seniority accumulated beyond fifteen years would be entitled to one base unit. The cumulative base units shall not exceed the maximum limit of 45 base units. The Company attributed retirement funds on a monthly basis to the specified ratio (currently about 3%) of total salary, and deposited the funds in the bank account designated for pension fund opened with the Bank of Taiwan under the name of the Labor Retirement Reserve Supervision Committee. Besides, in response to the retirement needs of senior managers, the Company set up the “Manager’s Retirement Fund Management Committee” in September 2004 and attributed on a monthly basis for a certain ratio (currently 40%) of the total salary of managers into the management of the Manager’s Retirement Fund Management Committee and deposited in a special account of a financial institution opened in the name of the Manager’s Retirement Reserve Fund. The Company estimates the balance of the retirement fund mentioned in the preceding item before the end of each year. In the event that the balance is found not enough to pay off the pension amount calculated according to the foregoing for the employees who meet the retirement requirements in the next year, the Company would make up the difference in a lump-sum before the end of March of the following year.

B. The amounts of the defined benefit plans were recognized in the balance sheet as follows:

Items	December 31, 2021	December 31, 2020
Present value of defined benefit obligations	$ 624,253	$ 654,690
Fair value of plan assets	(593,142)	(620,072)
Net defined benefit liabilities	$ 31,111	$ 34,618

C. Change in present value of defined benefit obligations is as follows:

Items	Year Ended December 31, 2021	Year Ended December 31, 2020
Present value of defined benefit obligation, beginning of year	$ 654,690	$ 682,365
Service cost of the current year	6,766	7,734
Interest cost of defined benefits obligation	2,400	4,944
Remeasurements:		
Actuarial losses (gains) - change in demographic assumptions	15,466	-
Actuarial losses (gains) - change in financial assumptions	(11,325)	18,750
Actuarial losses (gains) - experience adjustment	7,255	(3,212)
Payments of benefit (Note)	(50,999)	(55,891)
Present value of defined benefit obligation, end of year	$ 624,253	$ 654,690

D. Change in fair value of plan assets is as follows:

Items	Year Ended December 31, 2021	Year Ended December 31, 2020
Fair value of plan assets, beginning of year	$ 620,072	$ 637,098
Interest income of plan assets	2,296	4,692
Remeasurements:		
Return (loss) on plan assets	8,521	20,427
Fund attributed by employer	13,252	13,746
Payments of benefit on plan assets	(50,999)	(55,891)
Fair value of plan assets, end of year	$ 593,142	$ 620,072

E. Relevant defined benefit plans recognized in the statement of comprehensive income, the amount of the defined benefit costs are as follows:

Items	Year Ended December 31, 2021	Year Ended December 31, 2020
Current service cost	$ 6,766	$ 7,734
Interest cost of defined benefit obligations	2,400	4,944
Interest income of plan assets	(2,296)	(4,692)
Recognized in gains (loss)	$ 6,870	$ 7,986

Remeasurements :		
Actuarial losses (gains) - change in demographic assumptions	$ 15,466	$ -
Actuarial losses (gains) - change in financial assumptions	(11,325)	18,750
Actuarial losses (gains) - experience adjustment	7,255	(3,212)
Return on plan assets other than net interest	(8,521)	(20,427)
Recognized in other comprehensive income	$ 2,875	($ 4,889)

F. The aforementioned defined benefit plans recognized in the net defined benefit costs of profit or loss. The single-line items by functional category are as follows:

Items	Year Ended December 31, 2021	Year Ended December 31, 2020
Operating costs	$ 3,124	$ 3,537
Operating expenses		
Selling expenses	206	230
Administrative expenses	3,229	4,099
Research and development expenses	97	120
Subtotal	3,532	4,449
Non-operating expense	214	-
Total	$ 6,870	$ 7,986

G. The defined benefit retirement plan assets of the Company was commissioned into business management through Bank of Taiwan according to the proportion of the items of commissioned management as specified under the annual investment utilization plans of the funds and within the specified amounts within the items as per Article 6 of Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund (i.e., to be deposited into financial institutions in Taiwan and abroad, to be invested in the TWSE/TPEx listed companies or private placement equity securities and to be invested into securitized commodities of real property in Taiwan and abroad). The relevant utilization was under supervision by the Labor Pension Fund Supervisory Committee. In the utilization of the Fund, the minimum gain distributed amidst final account settlement in every fiscal year should not be lower than the income calculated by the local banks’ two-year fixed term deposit interest rate. The shortfall, if any, should be supplemented by the national treasury after approval by the competent authority. Where the Company was not entitled to participate in the operation and management of the fund, the Company could not classify the plan assets at the fair value disclosed under IAS 19 Paragraph 142. For more details of the fair value of the total assets of the Fund as of December 31, 2021 and 2020, please refer to reports of the Labor Pension Fund Utilization promulgated by the government in the respective years.

H. The present value of defined benefit obligations of the Company was counted actuarially by a qualified actuary. The main assumptions of the actuarial evaluation on the measurement date are listed below:

Items	2021	2020
Discount rate	0.50% - 0.625%	0.375%
Future salary growth rate	1.75% - 2.00%	1.75% - 2.00%
Average period of existence of defined benefit obligations	4.0 years – 7.9 years	4.7 years – 8.4 years

The assumption of future mortality rate is estimated based on the sixth life experience table of life insurance industry in Taiwan.

I. The Company has been exposed to the following risks due to the pension system under the Labor Standards Act:

① Interest rate risks

The decline in the interest rate of government bonds would increase the present value of defined benefit obligations, but the returns on debt investment of the plan assets would also increase accordingly. The both two have a partial offset effect on the net defined benefit liabilities.

② Salary related risks

The calculation of the present value of defined benefit obligation refers to the future salary of the plan members. Therefore, the increase in the salary of plan members would increase the present value of defined benefit obligations.

J. In the event that the significant actuarial assumptions were subject to a combination of possible changes, and if other assumptions remained unchanged, the amount of increase (decrease) in present value of the defined benefit obligations would be as follows:

Items	Discount rate		Future salary growth rate	
	Increase of 0.25%	Decrease of 0.25%	Increase of 0.25%	Decrease of 0.25%
December 31, 2021:				
Effect to present value of defined benefit obligations	($11,470)	$11,811	$11,451	($11,179)
December 31, 2020:				
Effect to present value of defined benefit obligations	($12,801)	$13,199	$12,765	($12,447)

Practically, since actuarial assumptions might relate to each other, it would be unlikely to have a single assumption in change. The aforementioned sensitivity analysis, therefore, might not reflect the actual change in the present value of defined benefit obligations. In addition, in the aforementioned sensitivity analysis, the present value of defined benefit obligations at the end date of the reporting period would be based on the actuarial calculation of the projected unit credit method and the defined benefit liabilities included in the balance sheet would be measured on the same basis. The method assumptions used in preparing the sensitivity analysis in the current year was exactly same as that used in the prior one.

K. The Company expected to pay to defined benefit plans in Year 2022 in the amount of contribution and the amount of payment NT$13,153 thousand and NT$27,059 thousand, respectively.

2) A. The Company has established the regulations on defined contribution retirement in accordance with the "Labor Pension Act", which are

applicable to employees of ROC (Taiwan) nationality. The Company withheld 6% of the salary as labor pension into the employees' personal pension accounts of Bureau of Labor Insurance for the employee who chose to apply the labor pension system specified under the "Labor Pension Act" and the payment of pension was granted based on the employees' personal pension accounts and the amount of accumulated income either on a monthly basis or in one-time pension payment. Under such plan, after the Company contributed a fixed amount to the Bureau of Labor Insurance, the Company would no longer be subject to statutory or presumed obligations extra.

B. The Company recognized the pension costs in accordance with the aforementioned defined contribution plans for the years ended December 31, 2021 and 2020 amounted to NT$8,735 thousand and NT$8,504 thousand, respectively. As of December 31, 2021 and 2020, the net defined benefit liabilities recognized by the Company in accordance with the aforementioned defined contribution plans amounted to NT$1,592 thousand and NT$1,472 thousand, respectively.

C. The amounts of pension costs recognized in profit or loss in accordance with the aforementioned defined contribution plans are as follows based on the single-line items of functional category:

Items	Year Ended December 31, 2021	Year Ended December 31, 2020
Operating costs	$ 6,852	$ 6,630
Operating expenses		
Selling expenses	380	359
Administrative expenses	1,160	1,215
Research and development expenses	334	300
Subtotal	1,874	1,874
Non-operating expense	9	-
Total	$ 8,735	$ 8,504

(23) Guarantee deposits received

Items	December 31, 2021	December 31, 2020
Lease security deposit – lease	$ 1,734	$ 50
Pickup guarantee bond	1,154	1,593
Others	443	443
Total	$ 3,331	$ 2,086

(24) Other noncurrent liabilities - other

Items	December 31, 2021	December 31, 2020
Unrealized deferment revenues with disposal of investment	$ 22,192	$ 22,192

(25) Share capital

1) Common shares and preferred shares

Items	December 31, 2021		December 31, 2020	
Authorized number of shares (in thousand shares)		2,000,000		2,000,000
Authorized share capital	$	20,000,000	$	20,000,000
Number of issued shares and received the shares payment in full (in thousand shares)				
－Common shares		906,620		906,620
－Preferred shares		20,000		20,000
Total number of issued shares (in thousand shares)		926,620		926,620
Issued share capital - common shares	$	9,066,203	$	9,066,203
Issued share capital - preferred shares		200,000		200,000
Total Issued share capital	$	9,266,203	$	9,266,203

The issued common shares and preferred shares have been in a denomination NT$10 per share, and each share was entitled to one voting right and the right to receive dividends.

2) Upon capital increase in cash launched by the Company in August 1984, the Company issued 20,000 thousand preferred shares with rights & obligations as enumerated below:

A. The earnings, if any, upon annual account settlement, the dividend of 6% for preferred shares should be distributed first. The balance shall be the distributable earnings which will be distributed at the shareholding ratio for common shares and preferred shares as proposed by the board of directors and finally resolved in the shareholders' meeting.

B. Preferential distribution of the Company's remaining properties.

C. Other entitlement would be same as the common shares.

(26) Capital reserve

Items	December 31, 2021		December 31, 2020	
Treasury stocks transaction premium	$	183,547	$	179,866
Dividend unclaimed within the term by shareholders		2,800		2,786
Recognized changes in the ownership interests of subsidiaries		112		112
Total	$	186,459	$	182,764

According to the Company Act, the proceeds from the issuance of shares in excess of the par value, and the capital reserve received as gifts and income, in addition to being used to make up for the loss, when the Company is not in an accumulated losses, such excess may be issued to new shares in proportion to the shareholders' original shares or cash. In addition, according to the relevant provisions of the Securities and Exchange Act, when the aforementioned capital reserve is used for capital replenishment, the total amount of the capital reserve shall not exceed 10% of the paid-in capital in a year. The Company has still been insufficient to fill the capital loss from the surplus reserve. The capital reserve could not be used for supplement. In addition, regarding recognized changes in the ownership of subsidiaries and dividend unclaimed within the term by shareholders and the like, where the connotation of such capital reserve differ from the capital reserve set forth under Article 239 of the Company Act to be used to make up for the loss, it should not be used for any purpose at all.

(27) Retained earnings

1) Pursuant to the requirements set forth under the Articles of Incorporation, the earnings after settlement of annual accounts, if any, shall be pay tax, make up previous loss, if any, and amortize 10% for legal reserve and after provision or reversal of special reserve based on the reduction of shareholders' equity incurred in the current year, the balance would be the distributable earnings for the current year. Such distributable earnings in combination with the undistributed earnings of the preceding year would be the accumulated distributable earnings. With such accumulated undistributed earnings, the sum to distribute preferred share dividend of Grand Pacific for 1984 at 6% should be distributed first. The shortfall, if any, should be preferentially made up with the distributable earnings of the ensuing year. The balance of the undistributed earnings should be distributed at the ratios proposed by the board of directors according to law, dividend policy and status of working capital. Where the balance of such undistributed earnings is used to issue new shares, approval from the shareholders' meeting should be obtained beforehand. Where the balance of such undistributed earnings is distributed in cash, the decision should be resolved in the board of directors beforehand.

   According to Paragraph 5 of Article 240 of the Company Act, the Company authorizes the board to resolve the distribution of stock dividends and cash dividends or the distribution of cash from all or part of the legal reserve and capital reserves according to Paragraph 1 of Article 241 of the Company Act with the attendance of at least two thirds of directors and resolution from more than half of the attending directors and then report to the shareholders' meeting. This is not applicable to the aforesaid requirement for resolutions by shareholders' meetings.

2) The Company's dividend policies are as follows:

   The Company has been under a highly changeable industrial environment and is within a life cycle of stable and growing period. The Company should grasp the economic environment for sustainable operation. With the Company's long-term financial planning, future capital needs, and protect the interests of shareholders taken into account, the cash dividend distributed by the Company in every year should not be less than 10% of the total cash stock dividends in the current year (excluding 6% as the dividend of preferred share of Grand Pacific in Year 1984).

3) The legal reserve should not be put into any use except a use to make good previous loss of the Company, if any, and distribution through issuance of new shares or in cash to shareholders *pro rata* to original shareholding ratios. The total amount used to issue new shares or to allocate in cash, nevertheless, shall not exceed the maximum limit of 25% of the paid-in capital.

4) Upon allocating earnings, the Company should amortize and reverse special reserve in accordance with Letter Jing-Guan-Zheng-Fa-Zi 1090150022 dated March 31, 2021 and Letter Jing-Guan-Zheng-Fa-Zi 10901500221 dated March 31, 2021 of FSC and after adoption under IFRSs in the Q&A of Provision of Special Reserve. Where the net deduction of other equity is reversed subsequently, the part so reversal could be taken to appropriate the earnings.

5) In the shareholders' regular meeting convened by the Company on July 23, 2021 and June 12, 2020 respectively, the earnings of Year 2020 and Year 2019 would be distributed in the following manners:

Items of distribution	Distribution of earnings 2020	Distribution of earnings 2019	Dividend per share (NT$) 2020	Dividend per share (NT$) 2019
Provision of legal reserve	$ 411,401	$ 209,969	-	-
Provision (reversal) of special reserve	-	-	-	-
Dividends on preferred shares - cash	12,000	12,000	$ 0.60	$ 0.60
Bonuses to shareholders on preferred shares - cash	2,000	-	0.10	-
Bonuses to shareholders on common shares -cash	90,662	-	0.10	-
Bonuses to shareholders on common shares - stock	-	-	-	-

The aforesaid cash dividends were resoled on May 6, 2021 and April 28, 2020 by the board of directors under the authorization of the Articles of Incorporation.

For details regarding decisions resolved in the board of directors and the shareholders' meeting on distributions of earnings, please inquire into Market Observation Post System (MOPS).

6) The Company's board of directors authorized by the Articles of Incorporation resolved on March 29, 2022 to distribute cash dividends totaling NT$1,865,241 thousand (at NT$2 per common share and NT$2.6 per preferred share) from distributable earnings in 2021. The distribution of earnings and cash dividends for 2021 is subject to the reporting and the resolution at the shareholders' regular meeting on May 20, 2022.

(28) Items of other equity

Items	Exchange differences on translating financial statements of foreign operations	Unrealized valuation gain/loss of financial assets at fair value through other comprehensive income	Total
Balance at January 1, 2021	($ 517,694)	$ 510,771	($ 6,923)
Items directly recognized as other equity adjustment	-	187,167	187,167
Transferred to item of profit and loss	-	-	-
Transferred to retained earnings	-	(1,709,513)	(1,709,513)
Share accounted for using the equity method	(123,890)	1,464,811	1,340,921
Income tax related to items of other equity.	(31,043)	-	(31,043)
Balance at December 31, 2021	($ 672,627)	$ 453,236	($ 219,391)

Items	Exchange differences on translating financial statements of foreign operations	Unrealized valuation gain/loss of financial assets at fair value through other comprehensive income	Total
Balance at January 1, 2020	($ 521,982)	$ 802,448	$ 280,466
Items directly recognized as other equity adjustment	-	(9,664)	(9,664)
Transferred to item of profit and loss	-	-	-
Transferred to retained earnings	-	202	202
Share accounted for using the equity method	57,867	(282,215)	(224,348)
Income tax related to items of other equity.	(53,579)	-	(53,579)
Balance at December 31, 2020	($ 517,694)	$ 510,771	($ 6,923)

(29) Treasury stocks

1) As of December 31, 2021 and 2020, the amount of treasury stocks repurchased by the Company were NT$0 for both.

2) The changes in the current year of the Company's stocks held by subsidiaries deemed as treasury stocks are as follows:

Year Ended December 31, 2021

Name of subsidiary	Kind	Beginning balance Shares	Beginning balance Amount	Increase in this year Shares	Increase in this year Amount	Decrease in this year Shares	Decrease in this year Amount	Ending balance Shares	Ending balance Amount
GPPC Chemical Corporation	Common Shares	247	$ 5,719	-	$ -	247	$ 5,719	-	$ -
	Preferred shares	1,776	49,858	-	-	-	-	1,776	49,858
Total		2,023	$ 55,577	-	$ -	247	$ 5,719	1,776	$ 49,858

Year Ended December 31, 2020

Name of subsidiary	Kind	Beginning balance Shares	Beginning balance Amount	Increase in this year Shares	Increase in this year Amount	Decrease in this year Shares	Decrease in this year Amount	Ending balance Shares	Ending balance Amount
GPPC Chemical Corporation	Common Shares	247	$ 5,719	-	$ -	-	$ -	247	$ 5,719
	Preferred shares	1,776	49,858	-	-	-	-	1,776	49,858
Total		2,023	$ 55,577	-	$ -	-	$ -	2,023	$ 55,577

A. The gains from the subsidiaries from the disposal of the Company's shares in the years ended on December 31, 2021 and December 31, 2020 were converted to capital reserve – treasury stocks for NT$2,438 thousand and NT$0, respectively.

B. The transaction amounts with cash dividends of the parent company received by the subsidiaries converted into capital reserve - treasury stocks for the years ended December 31, 2021 and 2020 were NT$1,243 thousand and NT$1,066 thousand, respectively.

B. The fair values of the Company's stocks held by the subsidiaries as of December 31, 2021 and 2020 were NT$62,160 thousand and NT$61,022 thousand, respectively.

C. The Company's stocks held by the subsidiaries were disposed as the treasury stocks. Such stocks were not entitled to participate in the Company's capital increase in cash and voting power but were entitled to the rights exactly same as shareholders' equity.

(30) Operating revenues

Items	Year Ended December 31, 2021	Year Ended December 31, 2020
Revenues under customer contracts		
Sales revenues	$ 18,163,272	$ 12,524,992

1) Detailed classification of revenues under customer contracts

The Company's revenues were from the goods and labor services of the transfer of a certain point in time. The revenues could be broken down into the following main product types:

Main product types	Year Ended December 31, 2021	Year Ended December 31, 2020
Sales revenues		
Petrochemical products	$ 9,579,384	$ 6,443,771
Plastic products	6,728,060	4,429,575
Hydrogen products	141,869	130,258
Steam and electricity products	366,559	392,148
Nylon products	1,341,712	1,129,025
Material resale	5,688	215
Total	$ 18,163,272	$ 12,524,992

2) Balances of contracts

The Company recognized contract assets and contract liabilities related to revenues under customer contracts as follows:

Items	December 31, 2021	December 31, 2020
Contract assets: Nil		
Contract liabilities – current		
Commodity sales	$ 15,604	$ 38,929

A. Significant changes in contract assets and contract liabilities

As of December 31, 2021, the changes in the Company’s contract assets and contract liabilities as compared with the preceding year primarily originated in the difference between the timepoint to satisfy the contract obligations and the timepoint for customers to make payment.

B. The beginning contract liabilities recognized as revenues in the current year

Items	Year Ended December 31, 2021	Year Ended December 31, 2020
Beginning balance of contract liabilities recognized as revenues in the current year		
Commodity sales	$ 38,929	$ 11,120

C. The performance of contract obligations of the prior period recognized as revenues in the current year

The Company did not have any obligations for contract performance (or partial performance) in the prior period, but due to changes in transaction prices, or changes in the recognition restrictions on the price for the years ended December 31, 2021 and 2020, the recognition income was adjusted in the current year.

D. Unfulfilled customer contracts

For customer contracts of commodity sales unfulfilled by the Company in December 31, 2021 and 2020, the contracts were expected to last for less than one year, were expected to be fulfilled and recognized as revenues within the ensuing year.

3) Contract cost related assets: Nil.

(31) Interest income

Items	Year Ended December 31, 2021		Year Ended December 31, 2020	
Interest from deposit in banks	$	18,510	$	7,600
Interest from bills & bonds under Repurchase Agreements		1,447		5,372
Other interest income		5		4
Total	$	19,962	$	12,976

(32) Other revenues

Items	Year Ended December 31, 2021		Year Ended December 31, 2020	
Rent revenues	$	1,842	$	324
Dividend income		17,693		19,800
Scrap sales revenues		990		782
Revenues of administrative expenses		8,400		8,400
Subsidy revenues		10,000		24,668
Fee income		377		-
Revenues of remuneration to directors and supervisors		565		292
Others		629		941
Total	$	40,496	$	55,207

(33) Other gains and losses

Items	Year Ended December 31, 2021		Year Ended December 31, 2020	
Loss gain on financial assets at fair value through profit or loss	$	-	($	80)
Net loss on disposal of property, plant and equipment	(	76)	(	540)
Gain on disposal of investment		-		114
Gain (loss) on foreign currency exchange		1,957	(	13,885)
Direct operating expenses of the investment property	(	252)		-
Benefits for seconded employees	(	3,222)		-
Loss on spare part inventory and obsolescence	(	631)	(	2,133)
Impairment loss on financial assets		-	(	15,155)
Impairment loss on non-financial assets	(	2,500)	(	500)
Loss due to settlement money	(	300)		-
Others	(	9)	(	415)
Total	($	5,033)	($	32,594)

(34) Finance costs

Items	Year Ended December 31, 2021		Year Ended December 31, 2020	
Interest expense				
Loan interest for financial institutions	$	1,261	$	2,472
Interest counted upon security deposit		4		1
Lease liabilities interest		3,050		340
Decommissioning liability interest		34		-
Subtotal		4,349		2,813
Less: Capitalized amount consistent with prerequisite constituents		-		-
Total	$	4,349	$	2,813

(35) Employee benefits, depreciation, depletion and amortization expenses

Attribute	Year Ended December 31, 2021			Year Ended December 31, 2020		
	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits expenses						
Salaries	$ 399,214	$181,999	$ 581,213	$ 321,259	$118,473	$ 439,732
Labor and health insurance	27,520	9,047	36,567	25,745	8,423	34,168
Pension	9,976	5,406	15,382	10,167	6,323	16,490
Remuneration to directors	-	166,224	166,224	-	115,533	115,533
Other employee benefits	8,478	69,310	77,788	8,558	47,691	56,249
Depreciation expenses (Note)	503,751	38,144	541,895	586,976	15,265	602,241
Amortization expenses	-	-	-	-	-	-
Total	$ 948,939	$470,130	$1,419,069	$ 952,705	$311,708	$1,264,413

Note: The Company recognized depreciation of NT$252 thousand and NT$0 for investment properties for the years ended December 31, 2021 and 2020, respectively. This was included in non-operating incomes and expenses – other gains and losses (direct operating expenses arising from investment property).

1) The average number of employees at the Company was 377 and 379, respectively for the years ended December 31, 2021 and 2020. The average number of directors who are not also employees were 6 and 5, respectively. The calculation basis is the same as that for employee benefit and employee salary expense.

2) The average employee benefit expense was NT$1,916 thousand and NT$1,462 thousand, respectively for the years ended December 31, 2021 and 2020; the average employee salary expense was NT$1,567 thousand and NT$1,176 thousand, respectively; and the average movement of adjustment to employee salary expense was 33.25% and 1.38%, respectively.

3) The Company already set up Audit Committee as required under the provision promulgated under the Securities and Exchange Act. And the independent directors already organized the Audit Committee instead of the supervisors. Accordingly, the Company has no remuneration payable to supervisors.

4) The Company's salary remuneration policy (including directors, manager and entire staff) is as enumerated below:

A. The Company’s policies, standards and structure of remuneration payable to directors and managers, and the relationship of such with operating performance and future risks:

① Here at the Company, for the performance evaluation and remuneration of the directors and managers, the Company should take into account the usual level of payment prevalent in the counterpart firms in the same industry, the timing of investment by the individuals, the responsibilities assumed, the accomplishment of personal goals, their performance in other positions, the salary remuneration paid by the Company in recent years to the ones of the equivalent positions, and the Company’s short-term and long-term business goals, the Company’s financial status as well as the rationality of the relationship between personal performance, Company’s operating performance and future risks. The ratio of remuneration on their short-term performance granted by the Company toward directors and ranking managerial officers, and the timing of payment regarding part of salary changes, should take into account the characteristics of business lines and attribute of business operation before the decision. In accordance with the salary determination policies set by the Company, the Remuneration Committee should offer proposal as appropriate to the board of directors for final decision resolved after discussion process.

② Pursuant to Article 27 of the Articles of Incorporation: The remuneration to directors shall be granted disregarding whether the Company operates at a profit or loss and the board of directors is authorized with the power for fix the amount of remuneration in accordance with the normal level prevalent in the counterpart firms in the same industry.

③ As expressly provided for in Article 29 of the Articles of Incorporation: From the profit earned by the Company in a year, if any (i.e., the profit before tax before deducting remuneration to employees and remuneration to directors), a sum within 2% maximum shall be appropriated as remuneration to directors. Such motion shall be posed by the Remuneration Committee to be resolved by the board of directors before being reported to the shareholders’ meeting.

B. The relationship among the Company's policies, standards, and structure of employee remuneration, and operating performance and future risks:

① In the Company, the remuneration to employees shall be determined and paid in accordance with the relevant salary payment rules, their personal performance, contribution to the Company in terms of overall operating goals and with reference to the rates prevalent in the counterpart firms in the same industry, further taking into account the Company’s future operating risks, with provision of various career development opportunities, along with opportunities for talent training and promotion under the transparent policy and amidst the mechanism upward to higher position titles and pay. Through such elaborate policy and effort as a whole, the entire staff will be guided into positive development through the concerted endeavors.

② As expressly provided for in Article 29 of the Articles of Incorporation: From the profit earned by the Company in a year, if any (i.e., the profit before tax before deducting remuneration to employees and remuneration to directors), a sum within 1% shall be appropriated as remuneration to employees. Such motion shall be posed to and resolved by the board of directors before being reported to the shareholders' meeting.

5) Pursuant to the requirements set forth under the Articles of Incorporation, with the profits earned by the Company in the current year, a sum 1% shall be distributed for compensation to employees and a sum within 2% maximum as remuneration to the directors. Where the Company remains in accumulated loss, nevertheless, such loss should be made up. The term "the profits earned by the Company in the current year" denotes the profits earned in the current year before tax after deducting compensation to employees and remuneration to directors.

6) The Company's management estimated compensation to employees and remuneration to directors based on the profitability of the current year, and taking account the amounts expected for the payment and factors of the minimum and maximum limits set forth under the Articles of Incorporation to estimate the amount of net profit before tax and before deduction of the compensation to employees and remuneration to directors. The amounts estimated for compensation to employees were NT$67,180 thousand and NT$45,544 thousand, respectively and the amounts estimated for remuneration to directors were NT$134,360 thousand and NT$91,088 thousand, respectively for the years ended December 31, 2021 and 2020. However, there is a significant change in the amount distributed by the resolution of the board of directors taking place before the date of authorization and issuance of the annual financial statements, such adjustment of change provided as annual expenses; if the amount still changes after the date of authorization and issuance of the annual financial statements, such change shall be handled as a change in accounting estimation and would be entered into account in the ensuing fiscal year.

7) As resolved by the Company's board of directors on March 29, 2022 and March 25, 2021, the compensation to employees for the years ended 2021 and 2020 amounted to NT$67,180 thousand and NT$45,544 thousand, respectively, and the remuneration to directors and supervisors amounted to NT$134,360 thousand and NT$91,088 thousand, respectively. The aforementioned amounts resolved show no significant difference from the expenses entered into the financial statements of Year 2021 and Year 2020. The aforementioned compensation/remunerations were paid in cash.

8) For information relating to the compensation to employees and remuneration to directors and supervisors of the Company, please inquire through the "Market Observation Post System (MOPS)" of Taiwan Stock Exchange Corporation (TSEC).

(36) Changes in liabilities coming from financing activities

Items	Short-term loans	Long-term loans	Lease labilities	Guarantee deposits received
January 1, 2021	$ 400,000	$ 400,000	$ 40,593	$ 2,086
Net change in financing cash flows	724,846	(400,000)	(16,502)	1,245
Change in non-cash - lease addition/remeasurement	-	-	326,807	-
December 31, 2021	$1,124,846	$ -	$ 350,898	$ 3,331

Items	Short-term loans	Long-term loans	Lease labilities	Guarantee deposits received
January 1, 2020	$ -	$ -	$ 44,226	$ 2,934
Net change in financing cash flows	400,000	400,000	(13,640)	(848)
Change in non-cash - lease addition/remeasurement	-	-	10,007	-
December 31, 2020	$ 400,000	$ 400,000	$ 40,593	$ 2,086

(37) Income tax

1) Composition of income tax expense (gain):

A. Income tax recognized in profit or loss

Items	Year Ended December 31, 2021	Year Ended December 31, 2020
Current income tax expense payable	$ 649,143	$ 303,342
Deferred income tax expenses (gains)		
Origination and reversal of temporary differences	(11,389)	5,076
Net change in deferred income tax decrease (increase)	(11,389)	5,076
Adjustment to income taxes in previous year	(2,441)	555
Income tax expenses (gains) recognized in profit or loss	$ 635,313	$ 308,973

B. Recognized in income tax related to other comprehensive income

Items	Year Ended December 31, 2021	Year Ended December 31, 2020
Current income tax		
Exchange difference resulting from translating the financial statements of foreign operations	$ 31,043	$ 53,579
Deferred income tax		
Remeasurements of defined benefit plan	(575)	977
Net change in deferred income tax decrease (increase)	(575)	977
Income tax expenses (gains) recognized in other comprehensive income	$ 30,468	$ 54,556

2) Reconciliation of income in the current fiscal year and the income tax expense recognized into profit or loss is as follows:

Items	Year Ended December 31, 2021	Year Ended December 31, 2020
Net profit (loss) before tax from continuing operations unit	$ 6,516,474	$ 4,417,776
Income tax with profit (loss) loss before tax at statutory tax rate	1,303,295	883,555
Effects of income tax upon adjustments		
Effects not counted into the items upon determination of the taxable income	(834,049)	(674,099)
Tax to be made up under the minimum taxation system	-	-
Income tax levied additionally on undistributed earnings	179,897	93,886
Loss carry-forward incurred in the current year	-	-
Loss carry-forward for offset in the current year	-	-
Deduction of investment tax credit for the current year	-	-
Current income tax expense payable	649,143	303,342
Net change in deferred income tax decrease (increase)	(11,389)	5,076
Adjustment to income taxes in previous year	(2,441)	555
Income tax expenses (gains) recognized in profit or loss	$ 635,313	$ 308,973

The Company applied 20% statutory tax rate.

3) Balance of the income tax assets (liabilities) in the year

Items	December 31, 2021	December 31, 2020
Income tax assets for the year: Nil		
Income liabilities for the year		
Current income tax expense payable	$ 649,143	$ 303,342
Less: Credit for the income tax paid in advance in the current year	(2,090)	(1,246)
Total	$ 647,053	$ 302,096

4) Balance of deferred income tax assets (liabilities)

	Year Ended December 31, 2021			
Items	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Deferred income tax assets				
Unrealized exchange loss	$ -	$ 1,266	$ -	$ 1,266
Losses on obsolescence and market value decline in inventories	298	12,597	-	12,895
Employee leave payment obligations	2,403	226	-	2,629
Defined employee benefits plans	18,480	(10,636)	575	8,419
Loss on impairment of tangible assets	8,240	500	-	8,740
Decommissioning cost liability	-	58	-	58
Unrealized accrued expense	-	7,000	-	7,000
Total	$ 29,421	11,011	575	$ 41,007

Deferred income tax liabilities				
Unrealized exchange profit	327	(327)	-	-
Financial & taxation difference in depreciation expenses	237	(51)	-	186
Reserve for land value increment tax	979,556	-	-	979,556
Total	$ 980,120	(378)	-	$ 979,742
Changes in net increase (decrease)		$ 11,389	$ 575	

Items	Year Ended December 31, 2020 Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Deferred income tax assets				
Unrealized exchange loss	$ 3,090	($ 3,090)	$ -	$ -
Losses on obsolescence and market value decline in inventories	2,355	(2,057)	-	298
Employee leave payment obligations	2,481	(78)	-	2,403
Defined employee benefits plans	19,144	313	(977)	18,480
Loss on impairment of tangible assets	8,140	100	-	8,240
Total	$ 35,210	(4,812)	(977)	$ 29,421
Deferred income tax liabilities				
Unrealized exchange profit	-	327	-	327
Financial & taxation difference in depreciation expenses	300	(63)	-	237
Reserve for land value increment tax	979,556	-	-	979,556
Total	$ 979,856	264	-	$ 980,120
Changes in net increase (decrease)		($ 5,076)	($ 977)	

5. The items of the deferred income tax assets not recognized by the Company because of being not very likely to be realized are as follows:

Items	December 31, 2021	December 31, 2020
Deferred income tax assets		
Loss on impairment of financial assets	$ 686	$ 686

6) The unrecognized deferred income tax liabilities related to investment

The temporary difference related to investment in subsidiaries, while the Company could control the very timepoint of reversal of that temporary difference and was very likely not to dispose and reverse within the foreseeable future, the Company did not recognize the deferred income tax liabilities. As of December 31, 2021 and 2020, the aggregate total amounts of the temporary differences of investment in subsidiaries which had not been recognized for the deferred income tax liabilities amounted to NT$2,534,195 thousand and

NT$1,790,995 thousand, respectively.

7) As of December 31, 2021, the Company's income tax returns through 2019 has been assessed and approved by the tax authority.

8) Where the distribution of earnings for Year 2022 to be resolved in the shareholders' meeting remains uncertain, the undistributed earnings added with the very outcome of the potential income tax in Year 2021 could not be determined in a reliable way.

(38) Earnings per share (EPS)

The basic earnings per share (EPS) of the Company was calculated by dividing the current year's net profit (loss) by the weighted average number of common shares outstanding; the shares added by undistributed earnings or capital reserve conversion to capital increase in cash, then with retroactive adjustment calculation.

If the Company was entitled to the option to distribute compensation to employee in stocks or cash, then upon calculating the diluted earnings per share (EPS), it was assumed that the compensation to employee would be distributed by stocks and would be included in the weighted average number of outstanding shares when the potential common stocks were entitled to dilution effect so as to calculate the diluted earnings per share (EPS). When calculating the diluted earnings per share (EPS) before the resolution of distributing compensation to employee in the following year, the Company also continues to take into account the dilution effect of these potential common shares.

	Year Ended December 31, 2021			Year Ended December 31, 2020		
	Amount after tax	Weighted average number of outstanding shares (in thousand shares)	Earnings per share (EPS) (NT$)	Amount after tax	Weighted average number of outstanding shares (in thousand shares)	Earnings per share (EPS) (NT$)
Basic earnings per share:						
Net profit for the year	$5,881,161	906,507	$ 6.47	$4,108,803	906,373	$ 4.52
Less: Dividends on preferred shares	(12,000)			(12,000)		
Net profit attributable to shareholders of common shares for the year	5,869,161			4,096,803		
Effect of potential common shares having dilution function						
Compensation to employee	-	2,756		-	2,367	
Diluted earnings per share:						
Net profit attributable to shareholders of common shares for the year						
Effect added to potential common shares	$5,869,161	909,263	$ 6.45	$4,096,803	908,740	$ 4.51

7. Related party transactions

(1) Parent company and ultimate controller

The Company does not have an ultimate parent company and hence the Company is the ultimate controller.

(2) Names/titles of the related parties and relationship thereof

Name of related party	Relationship with the Company
GPPC Chemical Corporation	Subsidiary
GPPC Investment Corp.	Subsidiary
Videoland Inc.	Subsidiary
KK Enterprise Co., Ltd.	Subsidiary
GPPC Hospitality and Leisure Inc.	Subsidiary
GPPC Development Co., Ltd.	Subsidiary
Perfect Meat Co., Ltd.	Subsidiary
QuanZhou Grand Pacific Chemical Co., Ltd.	Subsidiary
Zhenjiang Chimei Chemical Co., Ltd.	Associate
China Development Financial Holding Corporation	The subsidiary is the legal person director of the company (other related party)
China Life Insurance Co., Ltd.	The subsidiary is the legal person director of the parent company (other related party)
KGI Securities Co., Ltd.	The subsidiary is the legal person director of the parent company (other related party)
He Xin Venture Investment Enterprise Co., Ltd.	Other related party
All directors, general manager and deputy general managers	Main management

(3) Significant transactions with related parties

1) Sales

Type of the related party	Year Ended December 31, 2021	Year Ended December 31, 2020
Subsidiary	$ 1,548,147	$ 1,011,797
Associate	18,285	15,785
Total	$ 1,566,432	$ 1,027,582

The Company sells SM to its subsidiaries at contract price. The purchase or selling price under the contract is based on the mean price in the three regions, that is, FOB Korea, CFR Taiwan, and CFR SE Asia, in the respective issues of Styrene intelligence reports for the month according to Platt's Far East Petrochemical Scan. The quantity is 3,000 – 6,000 tons a month. The payment method is settlement at the end of each month and paid off 45 days following settlement. If the subsidiary fails to make payments as scheduled, the goods will be on hold and interest will be calculated at the one-year time deposit annual rate of the Bank of Taiwan as of January 1 of the specific year. Such holding period, however, is limited to 3 months at maximum.

Except for those mentioned above, there are no significant differences in the remaining selling price and sales trading conditions for related parties and those for ordinary customers of the Company.

2) Purchases

Type of related party	Year Ended December 31, 2021	Year Ended December 31, 2020
Subsidiary	$ 2,762	$ 2,181

There are no significant differences in the buying price and purchases trading conditions for related parties and those for ordinary customers of the Company.

3) Operating expense

Type of the related party	Year Ended December 31, 2021	Year Ended December 31, 2020
Subsidiary	$ 118	$ 295
Other related party	6,513	5,838
Main management	300	-
Total	$ 6,631	$ 6,133

4) Lease agreement

A. Right-of-use assets

Type of related party	December 31, 2021	December 31, 2020
China Life Insurance Co., Ltd.	$ 305,154	$ -

B. Refundable deposits

Type of related party	December 31, 2021	December 31, 2020
China Life Insurance Co., Ltd.	$ 5,766	$ -

C. Lease liabilities - current

Type of related party	December 31, 2021	December 31, 2020
China Life Insurance Co., Ltd.	$ 19,429	$ -

D. Lease liabilities - noncurrent

Type of related party	December 31, 2021	December 31, 2020
China Life Insurance Co., Ltd.	$ 303,650	$ -

E. Interest expenses

Type of related party	Year Ended December 31, 2021	Year Ended December 31, 2020
China Life Insurance Co., Ltd.	$ 2,770	$ -

F. Lease payments

Type of related party	Year Ended December 31, 2021	Year Ended December 31, 2020
China Life Insurance Co., Ltd.	$ 5,572	$ -

G. Rent expense

Type of related party	Year Ended December 31, 2021	Year Ended December 31, 2020
Subsidiary	$ 72	$ 72

H. The Company has entered a property operating lease contract China Life Insurance Co., Ltd. for future years and issued, as agreed, forward notes (not recognized) for future payments worth NT$101 thousand and NT$0, respectively, during the years ended December 21, 2021 and 2020.

I. Rentals in the lease contracts are based on market prices and negotiations between both parties and are paid monthly.

5) Lease agreements

A. Rent revenues

Type of related party	Year Ended December 31, 2021	Year Ended December 31, 2020
Subsidiary	$ 117	$ 205
Other related party	71	114
China Development Financial Holding Corporation	1,654	-
Total	$ 1,842	$ 319

B. Rents collected in advance

Type of related party	December 31, 2021	December 31, 2020
Subsidiary	$ -	$ 57
Other related party	-	71
Total	$ -	$ 128

C. Deposits received

Type of related party	December 31, 2021	December 31, 2020
Subsidiary	$ -	$ 50
China Development Financial Holding Corporation	1,734	-
Total	$ 1,734	$ 50

D. The abovementioned leases are for the Company to let out its own properties and some office spaces. The lease agreements calculate rents based on market prices and negotiations between both parties. Rents are collected each month or each year.

6) The creditor's rights and debts between the Company and related parties (all without including the interest) are as follows:

A. Accounts receivable

Type of related party	December 31, 2021	December 31, 2020
Subsidiary	$ -	$ 784
Associate	-	6,940
Total	$ -	$ 7,724

B. Other receivables

Type of related party	December 31, 2021	December 31, 2020
Subsidiary	$ 377	$ -

C. Other payables

Type of related party	December 31, 2021	December 31, 2020
Subsidiary	$ 13,966	$ -
Other related party	456	-
Total	$ 14,422	$ -

D. Prepaid service fees

Type of related party	December 31, 2021	December 31, 2020
Main management	$ 3,300	$ -

7) Endorsements and guarantees

As of December 31, 2021 and 2020, the Company endorsed and guaranteed for QuanZhou Grand Pacific Chemical Co., Ltd. at CNY3,500,000 thousand and CNY0, respectively. The amounts utilized were CNY585,000 thousand and CNY0, respectively.

8) The Company's participation in rights issues and increase in investments in related parties:

(A) Year ended December 31, 2021

Type of related party/ target	Entry	Increase in No. of shares (1,000)	Amount	Holding before rights issue	Holding after rights issue
QuanZhou Grand Pacific Chemical Co., Ltd.	Investment under equity method	-	$3,334,644	100.00%	100.00%

(B) Year ended December 31, 2020

Type of related party/ target	Entry	Increase in No. of shares (1,000)	Amount	Holding before rights issue	Holding after rights issue
QuanZhou Grand Pacific Chemical Co., Ltd.	Investment under equity method	-	$3,251,088	-	100.00%

G. Others

Items	Type of related party/Name	Year Ended December 31, 2021	Year Ended December 31, 2020
Revenue from administrative expenses (recorded as other revenues) (Note 1)	GPPC Chemical Corporation	$ 8,400	$ 8,400
Revenue from remuneration to directors/supervisors (recorded as other revenues)	Subsidiary	565	292
Revenues from scrap waste sales (recorded as other revenues)	Subsidiary	2	1
Fee income (recorded as Manufacturing overhead) (Note 2)	Subsidiary	377	-
Disbursement of technical service fee (Note 3)	GPPC Chemical Corporation	3,048	3,741
Disbursement of technical service fee (Note 3)	QuanZhou Grand Pacific Chemical Co., Ltd.	21,423	4,023
Sales of machinery & equipment (Note 4)	Subsidiary	-	138

Note: (1) GPPC Chemical Co., Ltd. relies on the experiences and talents of the Company and entrusts the Company in the business activities management and sales etc. The parties have reached an agreement and signed a contract.

(2) The guarantee processing fees for the Company provides endorsements and guarantees to subsidiaries are based on the cost of capital obtained.

(3) The subsidiaries entrust the Company to dispatch personnel for technical support at subsidiary's factory zones. Various expenses for technical support are reimbursed as actually paid. The technical service fee collected by the Company is recorded as the deduction of various reimbursement expenses.

(4) For the year ended December 31, 2020, the net profit/loss of the Company for machinery & equipment sales to its subsidiary amounted to 0.

(4) Information of compensation for main management

Items	Year Ended December 31, 2021		Year Ended December 31, 2020	
Salaries and other short-term employee benefits	$	191,107	$	135,858
Termination benefits		-		-
Post-employment benefits		5,144		5,743
Other long-term benefits		-		-
Shares-based payment		-		-
Total	$	196,251	$	141,601

8. Pledged assets

(1) Facts of pledge in property, plant and equipment

Items	Purposes of pledge (mortgage)	December 31, 2021		December 31, 2020	
Land	Comprehensive facility of credit extension, security for purchase	$	3,052,970	$	3,185,217
Buildings & constructions	Comprehensive facility of credit extension,, security for purchase		258,386		323,477
Machinery & equipment	Guarantee for comprehensive facility of credit extension		605,955		745,843
Total		$	3,917,311	$	4,254,537

(2) Pledges on investment properties

Items	Purposes of pledge (mortgage)	December 31, 2021		December 31, 2020	
Land	Security for purchase	$	132,247	$	-
Buildings & constructions	Security for purchase		24,726		-
Total		$	156,973	$	-

9. Significant contingent liabilities and unrecognized contract commitments

(1) Endorsements/guarantees: Please refer to Note 7 (3)-7.

(2) Refundable deposit guarantee notes and debit notes

1) The Company issued guaranteed promissory notes with facility and debit notes lent them to financial institutions as a commitment to repay the loan. As of December 31, 2021 and 2020, the guaranteed promissory notes were USD37,000 thousand, NT$7,950,000 thousand and USD38,000 thousand, NT$7,250,000

thousand, respectively.

2) To apply for the government subsidies, the Company issued performance guarantee notes to subsidy management agencies for NT$25,000 thousand and NT$0 as of December 30, 2021 and 2020, respectively.

(3) Deposited guarantee notes and collateral

The Company collected deposited guarantee notes and collateral as its performance guarantee. As of December 31, 2021 and 2020, the deposited guarantee notes were NTD130,787 thousand, SGD208 thousand, EUR730 thousand, USD2,909 thousand, JPY1,850 thousand and NT$131,845 thousand, SGD208 thousand, EUR730 thousand, USD2,827 thousand, JPY1,850 thousand, respectively.

(4) To apply for the government subsidies, the Company requested financial institutions to provide performance guarantees for NT$10,000 thousand and NT$0 as of December 30, 2021 and 2020, respectively.

(5) The balance of L/C opened but not used by the Company as of December 31, 2021 and 2020 was USD2,799 thousand, NTD895,000 thousand and USD4,021 thousand, NT$594,547 thousand, respectively.

(6) The property, plant and equipment and other major capital expenditures for which the Company had executed contracts but had not paid off as of December 31, 2021 and 2020 were NT$25,400 thousand and NT$9,447 thousand, respectively.

(7) Under the agreement duly executed by and between the Company and CPC Corporation, Taiwan (CPC), the Company has been required to procure from CPC specified volumes of ethylene, benzene and butadiene from every year. If the annual purchase volume of the Company did not reach the minimum contract amount, CPC may reduce the supply in the following year as appropriate. In addition, the Company committed to purchase CPC's ethylene, benzene and butadiene as raw materials for factory-made styrene and acrylonitrile-butadiene-styrene copolymer resin (ABS), unless approved by government authorities, or in case of the internal dispatch for petrochemical feedstock, the Company should not transfer into other uses or resell the quotas (Where required for petrochemical scheduling, and with the prior written consent of CPC, the Company was allowed to transfer the ethylene, benzene and butadiene to petrochemical users of CPC as petrochemical feedstock either in whole or in part), otherwise CPC may would stop supplying ethylene, benzene and butadiene at any time and terminate the agreement.

(8) In order to manufacture ABS and other products, the Company purchased butadiene from Formosa Petrochemical Corporation as a raw material for which the Company signed a transaction agreement. Under the agreement, the Company committed itself to purchase at least 100 metric tons of butadiene from Formosa Petrochemical Corporation every month as the raw material for the production of ABS and other products.

(9) In order to manufacture ABS and other products, the Company purchased acrylonitrile from China Petrochemical Development Corporation as a raw material for which the Company signed a transaction agreement. Under the agreement, the Company committed itself to purchase 3,600 metric tons to 7,200 metric tons of acrylonitrile every quarter as a raw material for the production of ABS and other products.

10. Significant Disaster Loss: Nil

11. Significant Events after the Balance Sheet Date:

The Company applied for the outward remittance of CNY759,600 thousand (about NT$3,433,392 thousand) as the third phase investment for the capital increase of QuanZhou Grand Pacific Chemical Co., Ltd. This capital increase project was approved by the Investment Commission, Ministry of Economic Affairs via Letter Jin-Shen-II-Zi No. 11000001240 dated January 22, 2022. The Company made the outward remittance on March 25, 2022 and the capital injection was completed.

12. Other events

(1) Seasonal or cyclical interpretation of interim operations

All sorts of business operations inside the Company have been free of any potential impact in reasonable or cyclical factors.

(2) Capital risk management

The Company carries out capital management to assure a sound capital base, and maximizes shareholder compensation by means of optimizing debt and equity balances. After regularly reviewing and measuring related costs, risks and returns, the Company ensures a good profitability level and financial ratio. Where necessary, the Company would balance its overall capital structure through various financing methods to live up to the needs of various capital expenditures, working capital, debt repayment, and dividend expenditures in the future period.

(3) Financial instruments

1) Type of financial instruments

Financial liabilities	December 31, 2021	December 31, 2020
Investment in equity instrument of financial assets at fair value through other comprehensive income	$ 472,251	$ 285,084
Financial assets carried at amortized cost		
Cash & cash equivalents	2,630,126	1,948,666
Notes and accounts receivable (including related parties)	1,449,971	1,552,820
Other receivables (including related parties)	58,057	13,524
Other financial assets - current	841,665	1,600,000
Refundable deposits	6,823	6,649
Financial liabilities		
Financial liabilities carried at amortized cost		
Short-term loans	1,124,846	400,000
Accounts payable	1,372,311	944,541
Other payables (including related parties)	639,631	376,423
Long-term loans	-	400,000
Lease liabilities-Current and Noncurrent	350,898	40,593
Guarantee deposits received	3,331	2,086

2) Financial risk management policies

In terms of routine business operation, the Company has been subject to impact from a variety of financial risks, including market risks (including exchange rate risks, interest rate risks and price risks), credit risks and liquidity risks. In an attempt to minimize relevant financial risks, the Company has put forth maximum possible efforts to identify, evaluate and evade the uncertainty in the markets to minimize the negative impact of market variation upon the Company's financial performance.

The Company has set up appropriate policies, procedures and internal controls in response to the aforementioned financial risk management in accordance with relevant regulations, and all important financial activities must be reviewed by the Board of Directors in accordance with relevant regulations and internal control systems. During the implementation of the financial plan, the Company must comply with the relevant financial operation procedures for overall financial risk management and division of powers and responsibilities.

3) The attribute and level of significant financial risks

A. Market risks

Here at the Company, the market risk has notably been the risk in financial instruments' fair value or cash flow fluctuations due to changes in market prices. Such market risks mainly include exchange rate risks, interest rate risks and price risks.

① Exchange rate risks

The Company's business involves certain non-functional currencies (the functional currency of the Company has been the New Taiwan Dollars so it is subject to exchange rate fluctuations impact. Information on foreign currency assets and liabilities with significant exchange rate fluctuations is as follows:

Items (Foreign currencies: Functional currency)	December 31, 2021 Foreign currencies	Exchange rate foreign currencies vs. functional currency	New Taiwan Dollars	December 31, 2020 Foreign currencies	Exchange rate foreign currencies vs. functional currency	New Taiwan Dollars
Financial assets						
Monetary items						
USD:NTD	$ 51,416	27.68	$ 1,423,195	$ 35,127	28.48	$ 1,000,417
CNY:NTD	193,845	4.3440	842,063	196,144	4.3770	858,522
Non-monetary items						
USD:NTD	515,902	27.68	14,280,167	393,699	28.48	11,212,548
CNY:NTD	1,533,143	4.3440	6,659,973	765,843	4.3770	3,352,095
Financial liabilities						
Monetary items						
USD:NTD	19,688	27.68	544,964	5,857	28.48	166,807
CNY:NTD	2	4.3440	9	-	-	-

Note: The foreign currency related non-monetary assets measured at the historical exchange rate on the transaction date have not been disclosed because they have no significant impact on the parent company only financial statements.

Here at the Company, the sensitivity analysis on the exchange rate risks mainly focuses on the major foreign currency monetary items and non-monetary items at the end of the financial statement period, and the related foreign currency appreciation/depreciation impact on the Company's profit and loss as well as equity. All other risk factors being equal, any 1% movement in exchange rates of the Company’s foreign currency position would result in NT$13,762 thousand and NT$13,534 thousand change in profit and loss and NT$209,401 thousand and NT$145,646 thousand change in equity on December 31, 2021 and 2020, respectively. The sensitivity ratio with which the management reports exchange rate risks is based on 1%. It also represents the management’s assessment on the possible and reasonable range of changes in exchange rates.

The unrealized exchange profit (loss) of monetary items in foreign currency of the Company for the years ended December 31, 2021 and 2020 was (NT$6,332) thousand and NT$1,638, thousand respectively, as affected by the fluctuation of USD and CNY exchange rate.

② Interest rate risks

The interest rate related risks refers to the risks of financial instruments' fair value or future cash flow fluctuations due to changes in market interest rates. The Company's interest rate risks mainly come from floating rate in loans where some of the risks would be held with floating rates through cash & cash equivalents offset. Where the Company regularly assesses the trend of interest rate changes and responds to it, it is not expected that there would be a significant risk of market interest rate changes. All other risk factors being equal, a 10% basis point movement in yields of the position exposed to interest rate risks would result in NT$171 thousand and NT$267 thousand change in the Company’s profit and loss on December 31, 2021 and 2020, respectively.

③ Price risks

The investment held by the Company as shown through the balance sheet has been primarily classified as financial assets at fair value through profit and loss and financial assets at fair values through other comprehensive income. The Company has been, therefore, exposed to pricing risks of financial instruments. In an effort to manage the pricing risks of financial instruments, the Company virtually diversifies its investment portfolio in a manner that was based on the limits set by the Company. The Company has invested in financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income with the price of financial instruments such as profit or loss affected by the uncertainty of the future value of the investment target. All other risk factors being equal, a 1% movement in spot prices of the position in financial instruments would result in NT$4,723 thousand and NT$2,851 thousand change in the Company’s equity on December 31, 2021 and 2020, respectively.

B. Credit risks

Credit risks refer to such risks in financial losses incurred in an event where a customer of the Company or financial instrument transaction counterparty fails to perform the contract. The credit risks of the Company primarily resulted from operating activities (primarily as accounts & notes receivable) and financial activities (primarily as bank deposits and a variety of financial instruments). The credit risks related to business operation and financial credit risks have been managed respectively.

① Credit risks related to business operation

The business department faithfully complies with the Company's customer credit risk policies, procedures and controls to manage customer credit risk. The credit risks assessment of all customers is a comprehensive consideration such as the financial status of the customers, the rating of the credit rating agency, past historical transaction experience, the current economic environment and the internal rating criteria of the Company. In addition, the Company also uses certain credit enhancement instruments (such as payments collected in advance, etc.) at appropriate times to minimize the credit risk of specific customers.

② Financial credit risks

Here at the Company, the Finance Department manages credit risks of bank deposits and other financial instruments in accordance with company policies. Since the Company's transaction objects have been determined by internal control procedures as banks with good credit and an investment grade and above in the forms of institutions, company organizations. Where all such entities prove free of major performance doubts, there have been no major credit risks upon the Company.

③ Information of credit-related risks in accounts receivable

The Company adopted the assumption provided under IFRS 9. As the payment was more than 30 days overdue from schedule in the provision of contracts, the financial asset was deemed to have significantly increased in credit risks from the initial recognition. In an event where a contract payment was more than 365 days overdue or where the loanee would be highly unlikely to fulfill the credit obligations to pay amount in full to the Company, the Company deemed that financial asset in default.

In an effort to minimize credit risks, the management of the Company would assign the special team to assume the responsibility to determine the facility of credit extension, approve of credit extension or other supervisory procedures with actions to be taken as appropriate to assure successful retrieval of receivables. Besides, on the balance sheet date, the Company would, on one-by-one basis, recheck the reclaimable amounts of receivables to assure that appropriate allowance would have been provided against the potential loss. For facts of changes regarding aging analysis of accounts receivables and allowance loss, please see Note 6(2) & (3).

The credit risk of the Company focuses on the Top 10 sales customers of the Company. As of December 31, 2021 and 2020, the ratios of the above-mentioned customers in the total amount of accounts receivable (including related parties) were 47.00% and 49.88%, respectively.

④ Exposure to credit risks

The Company has been well known for the sound quality of credit standing with financial institutions and has tried to profoundly diversify potential credit risks with multiple financial institutions. As natural result, the Company has seen very low potential default. Besides, the Company has been in transactions with only third parties of very fine credit standing and would grant credit lines toward customers exactly based on the credit facility procedures. Meanwhile, with continued efforts to look into customers' credit standing and with evaluation of the possibility to retrieve accounts receivable on a regular basis, the Company has amortized adequate allowance against loss. The management has, therefore, firmly believed that the Company's receivables would not have been significantly concentrated in the credit risks. As of the balance sheet date in terms of cash & cash equivalents, receivables and other financial assets, the maximum possible exposure to credit risks would be exactly the carrying amounts of such financial assets.

Financial instruments	December 31, 2021 Carrying amount	December 31, 2021 Maximum credit exposure to risks	December 31, 2020 Carrying amount	December 31, 2020 Maximum credit exposure to risks
Cash & cash equivalents	$2,630,126	$ 2,630,126	$1,948,666	$ 1,948,666
Notes receivable	4,307	4,307	1,788	1,788
Accounts receivable (including related parties)	1,445,664	1,445,664	1,551,032	1,551,032
Other receivables (including related parties)	58,057	58,057	13,524	13,524
Other financial assets - current	841,665	841,665	1,600,000	1,600,000

C. Liquidity risk

The liquidity risk refers to the risk that the position could not be settled as expected. The Company mainly used financial institutions to use loans, and cash & cash equivalents and other instruments to adjust funds, and achieve the goal of flexible use of funds and stable funds. The share capital and working capital of the Company were sufficient to meet all contract obligations, so there would be no liquidity risk due to the inability to raise funds to fulfill contract obligations.

The table below summarizes the Company's non-derivative financial liabilities, grouped by the relevant maturity date based on the earliest possible date of repayment and compiled with its undiscounted cash flow. The Company did not expect that the time when the cash flow of the analysis of the due date occurred would be significantly earlier or the actual amount would be significantly different. The interest cash flow paid at floating interest rates, the undiscounted interest amount derived based on the yield curve on the balance sheet date which was the amount of floating interest rate instrument of a non-derivative financial liability. The amount of the floating interest rate instrument would change according to the different interest rate and the estimated interest rate on the balance sheet date. For more details regarding the analysis of the due date of lease liabilities, please see Note 6(11)2-(2) to B.

	December 31, 2021						
Items	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Contract cash flow	Carrying amount
Non-derivative financial liabilities							
Short-term loans	$1,125,191	$ -	$ -	$ -	$ -	$1,125,191	$1,124,846
Accounts payable	1,372,311	-	-	-	-	1,372,311	1,372,311
Other payables (including related parties)	639,631	-	-	-	-	639,631	639,631

	December 31, 2020						
Items	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Contract cash flow	Carrying amount

Non-derivative financial liabilities							
Short-term loans	$400,501	$ -	$ -	$ -	$ -	$400,501	$400,000
Accounts payable	944,541	-	-	-	-	944,541	944,541
Other payables	376,423	-	-	-	-	376,423	376,423
Long-term loans	1,488	1,512	402,441	-	-	405,441	400,000

(4) Information of fair value

1) Fair value hierarchy

The evaluation technique used to measure the fair value of financial and non-financial instruments divided the fair value into Level 1 to Level 3 based on the observable degrees. Each fair value hierarchy was defined as follows:

Level 1: Referring to the public quotation (unadjusted) from the same asset or liability in the active market.

Level 2: In addition to the public quotation of the Level 1, the fair value is derived using observable input parameters that belong to the asset or liability directly (i.e., the price) or indirectly (i.e., derived from price).

Level 3: Referring to the input parameters (non-observable parameters) of the valuation techniques for assets or liabilities that are not based on observable market data to derive fair value.

2) Financial instruments not measured at fair values

The Company's financial instruments not measured at fair values (including cash & cash equivalents, notes receivable and accounts receivable (including related parties), other receivables (including related parties), other financial assets - current, short-term loans, accounts payable, other payables (including related parties) and the like) refer to rational approximate values in the carrying amounts at fair values. Where refundable deposits and guarantee deposits received would not be subject to significant impact in the cash flow discounting, their carrying amounts should be the very rational grounds to estimate the fair values. The long-term loan contracts bore an agreed floating interest rate. Since the floating interest rates were mostly close to the market interest rates, the discounted value of its expected cash flow is used to estimate its fair value to approximate its book value.

3) As of December 31, 2021 and 2020 for financial and non-financial instruments at fair values were classified by the Company based on the attributes, characteristics, risks and fair value hierarchy, with the relevant information as follows:

	December 31, 2021			
Financial and non-financial instruments	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at fair value through profit or loss - noncurrent				
Listed stocks in Taiwan	$ 372,705	$ -	$ -	$ 372,705
Unlisted stocks in Taiwan	-	-	99,546	99,546
Total	$ 372,705	$ -	$ 99,546	$ 472,251

	December 31, 2020			
Financial and non-financial instruments	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value				
Financial assets at fair value through profit or loss - noncurrent				
Listed stocks in Taiwan	$ 198,066	$ -	$ -	$ 198,066
Unlisted stocks in Taiwan	-	-	87,018	87,018
Total	$ 198,066	$ -	$ 87,018	$ 285,084

4) Evaluation technology and assumptions adopted to measure fair values:

The fair values of the financial and non-financial instruments refer to the amounts of current transaction of the said instruments with the interested counterparties (instead of mandatory means or liquidation). Here at the Company, the methods and assumptions used for the financial and non-financial instruments to measure the fair values are as follows:

A. In case of financial instruments with standard terms and conditions and traded in the active market, the fair value was determined by referring to the market quotation. The listed stocks were counted based on the closing price as fair values, the unlisted emerging stocks were counted based on the transaction price as the fair value.

B. For financial instruments with higher complexity, the Company measured the fair value based on the evaluation model developed using evaluation method and technology which were widely used between the fellow traders. Some of the parameters used in such evaluation models were not market observable information. The Company must make appropriate estimates based on assumptions. The Company's unlisted stocks held by the Company (excluding the emerging stocks that were traded in the active market) were counted based on the market approach or the asset approach to estimate the fair value. The judgment was conducted with reference to the same type company evaluation, third-party quotation, the Company's net worth and business performance. In addition, the significant non-observable input value was mainly current discount. For more details regarding the impact of non-market observable parameters on the evaluation of financial instruments please see Note 12(4)-10.

C. The output of the evaluation model was the approximate value of the estimate and the evaluation technology might not reflect all relevant factors of the Company’s holding of financial instruments and non-financial instruments. Therefore, the estimated value of the evaluation model would be appropriately adjusted according to additional parameters, e.g., the model risk or liquidity risk. According to the Company’s fair value evaluation model management policy and related control procedures, the management believes that the fair value of financial instruments and non-financial instruments as shown in the balance sheet should be expressed in a fair way. The evaluation adjustment is appropriate and essential. The price information and parameters used in the evaluation process have been carefully evaluated and appropriately adjusted according to the current market conditions.

D. The Company took credit risks evaluation adjustment into consideration of calculation in fair value of the financial instruments and non-financial instruments to respectively reflect the credit risk of the transaction counterparties and credit quality of the Company.

5) Transfer of fair values between the Level 1 and Level 2 for the years ended December 31, 2021 and 2020: Nil

6) Change in the financial instruments of Level 3 for the years ended December 31, 2021 and 2020.

Items	Non-derivative equity instruments－Unlisted stocks Year Ended December 31, 2021	Non-derivative equity instruments－Unlisted stocks Year Ended December 31, 2020
Beginning balance	$ 87,018	$ 86,665
Acquisition this year	-	-
Disposal this year	-	-
Capital distribution this year	-	(17)
Inward (Outward) transfer of Level 3	-	344
Recognized in other comprehensive income	12,528	26
Ending balance	$ 99,546	$ 87,018

7) Facts of outward transfer from Level 3 and inward transfer into Level 3 for the years ended December 31, 2021 and 2020.

During the period starting for the year ended December 31, 2020, the Company's original holding of emerging stocks not listed onto TWSE/TPEx listed companies was terminated from transaction in emerging stocks on August 20, 2020. This resulted in a lack of sufficient observable market information. Accordingly, on the date such very fact took place, the Company transferred the fair value from Level 1 to Level 3.

8) The Company's evaluation process for the fair value classified in Level 3 was the independent fair value verification of financial instruments conducted by the Company's Financial Department in collaboration with an outsourced professional evaluation agency. The independent sources of data were used to bring the evaluation results closer to the market status as independent, reliable, and other resources consistent with and represent the executable price, and regularly update the required input values and data, and any other necessary fair value adjustments to ensure that the evaluation results would be rational.

9) The quantitative information about the significant unobservable input value of the evaluation model used in Level 3 fair value measurement items and the sensitivity analysis of the significant unobservable input value change are

explained as follows:

Items	Fair value as of December 31, 2021	Evaluation technology	Significant unobservable input value	Range (Weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Unlisted (OTC) stocks	$ 98,068	Market approach	Liquidity discount	21.16%～27.76%	The higher the Liquidity discount, the lower the fair value
Unlisted (OTC) stocks	1,478	Asset approach	Discount for lack of control	21.45%	The higher the discount for lack of the control, the lower the fair value
Total	$ 99,546				

Items	Fair value as of December 31, 2020	Evaluation technology	Significant unobservable input value	Range (Weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Unlisted (OTC) stocks	$ 85,735	Market approach	Liquidity discount	10.00%～16.50%	The higher the Liquidity discount, the lower the fair value
Unlisted (OTC) stocks	1,283	Asset approach	Discount for lack of control	10.00%	The higher the discount for lack of the control, the lower the fair value
Total	$ 87,018				

10) The Company selected the evaluation model and evaluation parameters used after prudential evaluation so it was reasonable to measure the fair value but the use of different evaluation models or evaluation parameters might lead to different evaluation results. For financial assets classified as Level 3 and financial liabilities, if the evaluation parameter changes by 1% basis point, the impact on the current profit/loss or other comprehensive income would be as follows:

			December 31, 2021			
			Recognized in profit or loss		Recognized in other comprehensive income	
Items	Input value	Change	Favorable change	Adverse change	Favorable change	Adverse change
Non-derivative equity instruments:						
Unlisted (OTC) stocks	Liquidity discount and Discount for lack of control	+1%	$ -	$ -	$ -	($1,268)
		-1%	$ -	$ -	$1,260	$ -

Items	Input value	Change	December 31, 2020			
			Recognized in profit or loss		Recognized in other comprehensive income	
			Favorable change	Adverse change	Favorable change	Adverse change
Non-derivative equity instruments:						
Unlisted (OTC) stocks	Liquidity discount and Discount for lack of control	+1%	$ -	$ -	$ -	($ 881)
		-1%	$ -	$ -	$1,056	$ -

13. Additional disclosure in the notes

(1) Significant transactions and (2) Information relating to investee companies

1) Funds loaned to others: Nil

2) Provision of endorsements and guarantees to others

Name of endorsers and guarantors	Subject on endorsees and Guarantees		Endorsement and guarantee limit for a single entity	Highest balance of endorsement and guarantee for the year	Balance of endorsement /guarantee at the end of year	Actual amount drawn down	Amount endorsement and guarantee collated by property	Ratio of accumulated amount of endorsement and guarantee to net worth in the financial statements of the company in the latest year	Maximum amount of endorsement and guarantee	Provision of endorsement and guarantee by parent company to subsidiary	Provision of endorsement and guarantee by subsidiary to parent company	Provision of endorsement and guarantee to the party in Mainland China
	Name of company	Relationship										
Grand Pacific Petrochemical Corporation	QuanZhou Grand Pacific Chemical Co., Ltd.	A subsidiary with direct shareholding in equity up to 100%	No more than 70% of the company's net value according to the most recent financial statements ($24,826,379)	$15,204,000 (CNY3,500,000)	$15,204,000 (CNY3,500,000)	$2,541,240 (CNY585,000)	—	42.87%	The total endorsement/guarantee of the Company shall not exceed 80% of the net worth as shown through the latest financial statements of the Company ($28,373,004)	Yes	No	Yes
KK Enterprise Co., Ltd.	KK Enterprise (Malaysia) Sdn. Bhd.	A subsidiary with direct shareholding in equity up to 70%	Within the maximum limit not in excess of 50% of the total endorsement/guarantee of the Company. ($237,881)	56,814 (RM8,940)	56,814 (RM8,940)	37,749 (RM5,940)	—	5.97%	The total endorsement/guarantee of the Company shall not exceed 50% of the net worth as shown through the latest financial statements of the Company ($475,762)	Yes	No	No

3) Holding of Marketable Securities at the End of Year (Not Including Subsidiaries, Associates and Joint Ventures)

Securities held by	Type and name of marketable securities		Relationship with the marketable securities issuer	General ledger account	At the end of year			
					Unit expressed in thousand shares	Carrying amount	Shareholding ratio (%)	Fair value
Grand Pacific Petrochemical Corporation	Stock	He Xin Venture Investment Enterprise Co., Ltd.	Other related party	Financial assets at fair values through other comprehensive income - noncurrent	37	$1,478	2.85	$1,478
		YODN Lighting Corp.	—	Financial assets at fair values through other comprehensive income - noncurrent	165	697	0.93	697
		Bridgestone Taiwan Co., Ltd.	—	Financial assets at fair values through other comprehensive income - noncurrent	1,151	97,371	1.42	97,371
		China Development Financial Holding Corporation	Other related party	Financial assets at fair values through other comprehensive income - noncurrent	21,297	372,705	0.12	372,705
GPPC Chemical Corporation	Stock	He Xin Venture Investment Enterprise Co., Ltd.	Other related party	Financial assets at fair values through other comprehensive income - noncurrent	49	1,977	3.80	1,977
		YODN Lighting Corp.	—	Financial assets at fair values through other comprehensive income - noncurrent	64	271	0.36	271

Securities held by	Type and name of marketable securities		Relationship with the marketable securities issuer	General ledger account	At the end of year			
					Unit expressed in thousand shares	Carrying amount	Shareholding ratio (%)	Fair value
		Kuo Tsung Development Co., Ltd.	—	Financial assets at fair values through other comprehensive income - noncurrent	200	-	1.06	-
		Kuo Tsung Construction Development Co., Ltd.	—	Financial assets at fair values through other comprehensive income - noncurrent	200	-	1.31	-
		Bridgestone Taiwan Co., Ltd.	—	Financial assets at fair values through other comprehensive income - noncurrent	934	79,028	1.15	79,028
		Com2B Corporation	—	Financial assets at fair values through other comprehensive income - noncurrent	750	-	1.67	-
		Grand Pacific Petrochemical Corporation - preferred shares	The Company's parent company	Financial assets at fair values through other comprehensive income - noncurrent	1,776	62,160	8.88	62,160
		China Development Financial Holding Corporation	The Company is that company's legal person director	Financial assets at fair values through other comprehensive income - noncurrent	12,110	211,925	0.07	211,925
GPPC INVESTMENT CORP.	Stock	YODN Lighting Corp.	—	Financial assets at fair values through other comprehensive income - noncurrent	631	2,662	3.54	2,662
	Partnership	China Development Asset Management Corporation's advantageous venture capital limited partnership	—	Financial assets at fair values through other comprehensive income - noncurrent	-	214,843	-	214,843
	Fund	KGI Victory Money Market Fund	—	Financial assets at fair value through profit or loss - current	5,242	61,293	-	61,293
GPPC Hospitality And Leisure Inc.	Fund	KGI Victory Money Market Fund	—	Financial assets at fair value through profit or loss - current	2,025	23,679	-	23,679
GPPC Development Co., Ltd.	Fund	KGI Victory Money Market Fund	—	Financial assets at fair value through profit or loss - current	7,486	$87,530	-	$87,530
Perfect Meat Co., Ltd.	Fund	KGI Victory Money Market Fund	—	Financial assets at fair value through profit or loss - current	686	8,025	-	8,025
Goldenpacific Equities Ltd.	Partnership	CDIB Capital Asia Partners L.P.	—	Financial assets at fair values through other comprehensive income - noncurrent	-	146,993	-	146,993
		CDIB Capital Global Opportunities Fund L.P.	—	Financial assets at fair values through other comprehensive income - noncurrent	-	251,348	-	251,348
Videoland Inc.	Partnership	CDIB Capital Asia Partners L.P.	—	Financial assets at fair values through other comprehensive income - noncurrent	-	125,877	-	125,877
	Stock	China Development Financial Holding Corporation - common shares	Other related party	Financial assets at fair values through other comprehensive income - noncurrent	150,647	2,636,320	0.88	2,636,320
		China Development Financial Holding Corporation - preferred shares	Other related party	Financial assets at fair values through other comprehensive income - noncurrent	86,818	832,587	4.59	832,587
	Stock	Jeoutai Technology Co., Ltd.	—	Financial assets at fair values through other comprehensive income - noncurrent	2,007	76,108	5.96	76,108

Securities held by	Type and name of marketable securities		Relationship with the marketable securities issuer	General ledger account	At the end of year			
					Unit expressed in thousand shares	Carrying amount	Shareholding ratio (%)	Fair value
		Global Mobile Corp.	—	Financial assets at fair values through other comprehensive income - noncurrent	1,440	-	0.52	-
		Great Dream Pictures, Inc.	—	Financial assets at fair values through other comprehensive income - noncurrent	100	524	9.98	524
		Ruei-Guang Broadcasting Co., Ltd.	—	Financial assets at fair values through other comprehensive income - noncurrent	10	1,233	10.00	1,233
		21st Digital Technology Co., Ltd.	—	Financial assets at fair values through other comprehensive income - noncurrent	1,276	126,781	2.84	126,781
		Citiesocial Holding Cayman Co., Ltd.	—	Financial assets at fair values through other comprehensive income - noncurrent	1,769	29,007	12.82	29,007

4) Purchase or sale of the same marketable security with the accumulated amount reaching NT$300 million or 20% of paid-in capital or more

Company of Buy/sale	Kind and Name of security	General ledger account	Transaction party	Relationship	At Beginning of year		Purchase		Sale				At end of year	
					1,000 shares/unit	Amount	1,000 shares/unit	Amount	1,000 shares/unit	Selling price	Carrying cost	Disposal of gain (loss)	1,000 shares/unit	Amount
Videoland Inc.	KGI Victory Money Market Fund	Financial assets at fair value through profit or loss - current	Open trading market	-	23,146	$270,129	12,845	$150,000	35,991	$420,376	$420,014 115 (Note 2)	$362	-	-
Videoland Inc.	China Life Insurance Co., Ltd.	Financial assets at fair values through other comprehensive income - noncurrent	Share conversion	- -	114,355	2,538,680	4,574 (Note 1)	- 1,322,498 (Note 3)	118,929	3,861,178	1,116,736 (Note 4) 2,744,442 (Note 5)	-	-	-
Videoland Inc.	China Development Financial Holding Corporation - common shares	Financial assets at fair values through other comprehensive income - noncurrent	Share conversion	-	55,504	516,183	95,143	1,665,009	-	-	-	-	150,647	$2,636,320
Videoland Inc.	China Development Financial Holding Corporation - preferred shares	Financial assets at fair values through other comprehensive income - noncurrent	Share conversion		-	-	86,818	832,587	-	-	-	-	86,818	832,587
Land & Sea Capital Corp.	Zhangzhou Chimei	Investments accounted for using	Rights issues	Associate	-	2,034,143	-	926,176	-	-	-	-	-	3,114,827

Company of Buy/sale	Kind and Name of security	General ledger account	Transaction party	Relationship	At Beginning of year		Purchase		Sale				At end of year	
					1,000 shares/unit	Amount	1,000 shares/unit	Amount	1,000 shares/unit	Selling price	Carrying cost	Disposal of gain (loss)	1,000 shares/unit	Amount
	Chemical Co., Ltd.	the equity method						154,508 (Note 6)						
Grand Pacific Petrochemical Corporation	QuanZhou Grand Pacific Chemical Co., Ltd.	Investments accounted for using the equity method	Rights issue	Subsidiary	-	3,352,093	-	3,334,644	-	-	- 26,762 (Note 6)	-	-	6,659,975

Note: (1) Stock dividends from capitalization of retained earnings .

(2) Profit and loss from equity instruments measured at fair value through profit or loss

(3) Unrealized valuation profit and loss from equity instruments measured at fair value through other comprehensive income

(4) Original investment amount in the disposed equity instruments measured at fair value through other comprehensive income

(5) Conversion of gains from disposal of equity instruments measured at fair value through other comprehensive income into retained earnings

(6) Evaluation adjustments accounted and impact upon exchange rates for using the equity method.

5) Acquisition of property reaching NT$300 million or 20% of paid-in capital or more: Nil

6) Disposal of property reaching NT$300 million or 20% of paid-in capital or more: Nil

7) Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

Purchase (sale) company	Name of transaction party	Relationship	Descriptions of transaction				Description and reasons for difference in transaction terms compared to general transaction		Notes or accounts receivable (payable)	
			Purchas(sales of goods	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes or accounts receivable (payable)
Grand Pacific Petrochemical Corporation	GPPC Chemical Corporation	The Company's subsidiaries	Sales	$1,548,147	8.52%	Based on sales contracts	The purchase or selling price under the contract is based on the mean price in the three regions, that is, FOB Korea, CFR Taiwan, and CFR SE Asia, in the respective issues of Styrene intelligence reports for the month according to Platt's Far East Petrochemical Scan.	To be settled at the end of each month and paid off 45 days following settlement, if the payment is not received as scheduled, the interest will be calculated at the one-year time deposit annual rate of the Bank of Taiwan as of January 1 of the specific year, however, is limited to 3 months at maximum.	-	-
GPPC Chemical Corporation	Grand Pacific Petrochemical Corporation	The Company's parent company	Purchase	1,548,147	82.06%	Based on purchase contracts	The purchase or selling price under the contract is based on the mean price in the three regions, that is, FOB Korea, CFR Taiwan, and CFR SE Asia, in the respective issues of Styrene intelligence reports for the month according to Platt's Far East Petrochemical Scan.	To be settled at the end of each month and paid off 45 days following settlement, if the payment is not received as scheduled, the interest will be calculated at the one-year time deposit annual rate of the Bank of Taiwan as of January 1 of the specific year, however, is limited to 3 months at maximum.	-	-

8) Receivable from related parties reaching NT$100 million or 20% of paid-in capital or more: Nil

9) Trading in derivative instruments: Nil

10) Significant impact either directly or indirectly, name, location and such information of investees under control or joint ventures (excluding investment in Mainland China)

Name of investor	Name of investee	Location	Main business	Original investments: Ending balance of current year	Original investments: Ending balance of prior period	Holding status at end of year: Shares in thousands	Holding status at end of year: Shareholding ratio (%)	Holding status at end of year: Carrying amount	Current profit/loss of the investee	Profit/loss recognized by the Company	Notes
Grand Pacific Petrochemical Corporation	GPPC Chemical Corporation	No.66, Changxing Rd., Luzhu Dist., Kaohsiung City	Production and sale of impact-resistant and flame-resistant polystyrene	$262,953	$262,953	34,200	100.00	$846,574	$297,977	$294,674	The investment profit/loss recognized includes the cash dividend of $1,243 received from parent company and the difference in the parent company only financial statements and the consolidated financial statements to reduce by NT$2,060.
	GPPC Investment Corp.	10F, No.1, Sec. 4, Nanjing E. Rd., Taipei City	Investment business	170,307	170,307	22,032	81.60	289,601	(10,446)	(8,524)	
	GPPC Development Co., Ltd.	10F, No.1, Sec. 4, Nanjing E. Rd., Taipei City	General hotel business	50,000	50,000	5,000	38.46	46,494	(3,616)	(1,391)	Comprehensive shareholding up to control force
	Videoland Inc.	3F, No.480, Ruiguang Rd., Neihu Dist., Taipei City	Radio and television program production, domestic and foreign film copying, domestic film production, distribution, trading and other services	1,536,404	1,536,404	71,093	62.29	5,837,706	380,836	237,223	
	KK Enterprise Co., Ltd.	No.1, Ziqiang 3rd Rd., Nangang Industrial Zone, Nantou City	Manufacture, wholesale and retail of various trademark paper, glue paper and PU Resin	110,190	110,190	7,934	15.73	149,675	89,848	14,133	Comprehensive shareholding up to control force
	Goldenpacific Equities Ltd.	British Virgin Islands	Investment business	10,510	10,510	75	100.00	680,423	1,063	1,063	
	Land & Sea Capital Corp.	British Virgin Islands	Investment business	1,139,923	1,973,173	26,319	100.00	13,066,743	3,809,680	3,682,625	The recognized investment profit / loss including adjustment with difference in the parent company only financial statements and the consolidated financial statements to reduce by NT$127,055
GPPC Investment Corp.	GPPC Hospitality And Leisure Inc.	1F, No.26, Lane 295, Sec. 1, Dunhua S. Rd., Taipei City	Catering service business	40,000	40,000	4,000	100.00	27,325	(10,390)	(10,390)	
GPPC Development Co., Ltd.	Perfect Meat Co., Ltd.	10F, No.1, Sec. 4, Nanjing E. Rd., Taipei City	Meat import sales	10,000	10,000	1,000	100.00	9,506	(135)	(135)	
Videoland Inc.	Videoland International Limited	Hongkong	Engaged in the business of trading wine related alcohol products	97,800	97,800	25,000	100.00	87,790	(886)	(886)	
	KK Enterprise Co., Ltd.	No.1, Ziqiang 3rd Rd., Nangang Industrial Zone, Nantou City	Manufacture, wholesale and retail of various trademark paper, glue paper and PU Resin	238,248	238,248	17,046	33.79	321,520	89,848	30,360	
	GPPC Investment Corp.	10F, No.1, Sec. 4, Nanjing E. Rd., Taipei City	Investment business	35,372	35,372	4,968	18.40	65,302	(10,446)	(1,922)	Comprehensive shareholding with significant power of influence
	GPPC Development Co., Ltd.	10F, No.1, Sec. 4, Nanjing E. Rd., Taipei City	General hotel business	29,873	29,873	3,000	23.08	27,902	(3,616)	(834)	
KK Enterprise Co., Ltd.	K.K. Chemical Company Limited	Hong Kong	Trademark paper, glue paper and such business	5,255	5,255	125	49.90	3,959	(24)	(12)	With control force
	Dragon King Inc.	Samoa	Outward investment business	3,258	3,258	100	100.00	4,247	15	15	
	KK Enterprise (Malaysia) Sdn.Bhd.	Malaysia	Trademark paper, glue paper and such business	15,995	15,995	1,680	70.00	50,921	7,385	5,169	Recognition of investment gains and losses include realized and unrealized net gains and losses from forward and reverse side-current transaction

(3) Information on investments in Mainland China

Name of investors	Name of investee in China	Main business lines	Paid-in capital	Method of investment	Beginning amount of accumulated investment with outward remittance from Taiwan this year	Amount of investment remitted outward or retrieved this year		Ending amount of accumulated investment with outward remittance from Taiwan this year	Profit or loss of investees this year Note (5)	The Company's shareholding ratio either directly or indirectly investment Note (4)	Investment gain /loss recognized in the year Note (5)	Carrying amount of investment at end of year Note (4)	Investment gains having been received at end of year
						Outward remittance	Retrieval						
Grand Pacific Petrochemical Corporation	Zhenjiang Chimei Chemical Co., Ltd.	Production and sales of series products and their products using styrene as raw materials and various chemical raw materials and fuel oil handling, storage and transportation and operation	USD380,850	Note (2)	$1,652,206 (USD52,830)	-	-	$1,652,206 (USD52,830)	$13,150,760	30.40%	$3,997,831	$8,429,325	$473,318 (USD15,496)
	Zhangzhou Chimei Chemical Co., Ltd.	Primary form plastics and synthetic resin manufacturing	CNY2,308,000	Note (2)	716,901 (USD23,340)	-	-	716,901 (USD23,340)	305,083	30.40%	92,745	3,114,827	-
	QuanZhou Grand Pacific Chemical Co., Ltd.	Propane dehydrogenation to propylene, polypropylene and hydrogen products	CNY1,519,200	Note (1)	3,251,088 (CNY759,600)	$3,334,644 (CNY759,600)	-	6,585,732 (CNY1,519,200)	33,579	100.00%	33,579	6,659,975	-
KK Enterprise Co., Ltd.	KK Enterprise (Zhongshan) Co., Ltd.	Trademark paper, glue paper and such business	HKD12,300	Note (3)	21,509 (HKD6,150)	-	-	21,509 (HKD6,150)	11,294	50.00%	5,515 Note (6)	78,151	45,491
	KK Enterprise (Kunshan) Co., Ltd.	Trademark paper, glue paper and such business	USD6,100	Note (1)	206,958 (USD5,168) (Machine USD827)	-	-	206,958 (USD5,168) (Machine USD827)	5,808	100.00%	5,768 Note (6)	203,689	36,061

Name of investor	Amount of accumulated investment remitted from Taiwan to the Mainland China at end of year	Amounts of investment approved by Investment Commission, Ministry of Economic Affairs	Maximum limit of investment in Mainland China as promulgated by Investment Commission, Ministry of Economic Affairs (Note 7)
Grand Pacific Petrochemical Corporation	$8,954,839(USD76,170, CNY1,519,200)	$13,235,607(USD478,165)(Note 8)	$23,538,324
KK Enterprise Co., Ltd.	$228,467(USD5,168, HKD6,150 and Machine USD827)	$228,467(USD5,995、HKD6,150)	$632,266

Note: (1) As direct investment.

(2) Investment in the Mainland China based firm through a company incorporated in a third territory after being approved by the government.

(3) Investment in the Mainland China based firm by outsourcing a company incorporated in a third territory after being approved by the government.

(4) As the shareholding ratio of direct investment, reinvestment, or direct and indirect investment of a third-region company entrusted to it, and the book value of the investment at the end of the period.

(5) Based on the financial statements audited/certified by other certified public accountants of the international Certified Public Accountant Firms in cooperation relationship with the Certified Public Accountant Firms of the Republic of China and other Certified Public Accountant (practicing) of the Company's Certified Public Accountant Firms as well as the certified public accountant of the parent company in Taiwan to recognize the investment gains or losses accounted for using the equity method to the shareholding ratio of investment, either directly or indirectly.

(6) The investment gains and losses recognized in this current year including the realized, unrealized net gains and losses generated by the forward, countercurrent and side stream exchanges.

(7) Under the provisions of the Investment Commission, Ministry of Economic Affairs, the maximum limit for the amounts or percentages of accumulated investment toward Mainland China shall be 60% of the Company's net worth or the consolidated net worth (whichever was the higher).

(8) As of December 31, 2021, the amount of accumulated investment by the Company toward Mainland China as approved by the Investment Commission, Ministry of Economic Affairs totaled at USD629,348 thousand. Pursuant to Article 3 of "Principles for Investment or Technical Cooperation Review in the Mainland China", the amount of capital increase with earnings into Mainland China would not be counted into the accumulated investment. Besides, where the share capital or earnings of investment in Mainland China were remitted back to Taiwan by investor, the accumulated amount of investment could be deducted accordingly. The Company's earnings used for capital increase (additional investment) in Mainland China as approved by the Investment Commission, Ministry of Economic Affairs came to USD135,687 thousand and the surplus remitted back amounted to USD15,496 thousand, which had both been deducted from the cumulative amounts of approved investment in Mainland China.

(9) The foreign currency amounts in this Table are converted to New Taiwan Dollars the exchange rate quoted on the balance sheet date, except that the amount of investment remitted outward from Taiwan which was measured at historical exchange rates.

2) Significant transactions occurring with Mainland China based investees via a

third territory directly or indirectly as follows:

A. Ending balance and percentage of payables regarding purchase amounts & percentage: Nil

B. Ending balance and percentage of receivables regarding sales amounts & percentage:

① For the Year Ended December 31, 2021 & December 31, 2021

Company name of sales	Name of transaction object	Sales revenues Amount	Sales revenues Percentage of net sales	Accounts receivable Amount	Accounts receivable Percentage of total accounts receivable
Grand Pacific Petrochemical Corporation	Zhenjiang Chimei Chemical Co., Ltd.	$ 18,285	0.10%	$ -	-
KK Enterprise Co., Ltd.	KK Enterprise (Zhongshan) Co., Ltd.	144	0.02%	-	-
KK Enterprise Co., Ltd.	KK Enterprise (Kunshan) Co., Ltd.	13,862	1.45%	-	-

② For the Year Ended December 31, 2020 & December 31, 2020

Company name of sales	Name of transaction object	Sales revenues Amount	Sales revenues Percentage of net sales	Accounts receivable Amount	Accounts receivable Percentage of total accounts receivable
Grand Pacific Petrochemical Corporation	Zhenjiang Chimei Chemical Co., Ltd.	$ 15,785	0.13%	$ 6,940	0.45%
KK Enterprise Co., Ltd.	KK Enterprise (Zhongshan) Co., Ltd.	152	0.02%	-	-
KK Enterprise Co., Ltd.	KK Enterprise (Kunshan) Co., Ltd.	12,956	1.42%	1,704	1.27%

③ The transactions terms and conditions had been conducted as per the specified selling prices. The payments were collected 30 days – 90 days maturity after account settlement on a monthly basis.

C. Amounts in property transaction and amount of profit or loss so incurred: Nil

D. Ending balance of the endorsements/guarantees of notes or the collateral provided:

As of December 31, 2021 and 2020, the Company endorsed and guaranteed for QuanZhou Grand Pacific Chemical Co., Ltd. at CNY3,500,000 thousand and CNY0, respectively. The amounts utilized were CNY585,000 thousand and CNY0, respectively.

E. The highest balance of fund financing, ending balance, interest rate range and total amount of interest in the current year: Nil

F. Other transactions that had a significant impact on the current profit/loss or financial status:

① As of December 31, 2021 and 2020, the Company charged NT$377 thousand and NT$0 in service fees for its endorsements and guarantees for QuanZhou Grand Pacific Chemical Co., Ltd. There were recognized as other revenues. As of December 31, 2021 and 2020, a total of NT$377 thousand and NT$0 was not received yet, respectively, recognized as other receivables – related parties. The guarantee processing fees are based on the cost of capital obtained.

② The Company dispatched personnel to QuanZhou Grand Pacific Chemical Co., Ltd. to render technical support for plant construction. The technical support fees were reimbursed at the cost as indicated by receipts. The Company collected technical service fees for NT$21,423 thousand and NT$4,023 thousand, respectively, for the years ended December 31, 2021 and 2020. There were recorded as the reduction of various reimbursements.

(4) Information of major shareholders:

No single shareholder held 5% or more of the Company's stakes as of December 31, 2021.

14. Information of the operating segments

The Company already disclosed related information of the operating segments in the consolidated financial statements and hence the disclosure is not required in the parent company only financial statement.