Stock Code
1312

國喬石油化學股份有限公司
GRAND PACIFIC PETROCHEMICAL CORPORATION

ANNUAL REPORT 2022

Enquiry Website: http://mops.twse.com.tw
Company Website: http://www.gppc.com.tw

Published on April 30, 2023

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6. **Company website: http://www.gppc.com.tw**

—Policy of Quality of Grand Pacific—

All are united as one.

Match our words with deeds.

Your satisfaction is the only measure of my success.

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One Report to Shareholders

I. 2022 Business Report:

(I) Implementation Results of Operating Plan

In 2022, revenues of SM products were greatly suppressed with continual impact by the added production capabilities ceaselessly proposed by Chinese petrochemical companies. Wanhua of Shandong, Lihuayi of Shandong, and Ningbo ZRCC Lyondell have all successfully delivered their productions; they have all produced more than 2.5 million tons every year for three consecutive years, causing a considerable market oversupply. On the other hand, as influenced by countries' sanction on Russian oil products, pure benzene prices in Europe and the U.S. hiked up to a historical level in the second and third quarters, which also prompted steeply rising benzene prices in Asia and seriously suppressed profits of SM. Operational gains for the whole year consequently declined, which resulted in deficits.

Market outlook in the first half of the year was affected by Russia-Ukraine war, pandemic lockdowns in China, and rising inflations in the U.S., causing weak demands overall in the market. Moreover, main downstream ABS/PS demands also made a sudden drop weakening at the end of the second quarter. The whole supply chain is dedicated in reducing inventory; and with U.S. Fed rapidly raising the interest rates, the global economy made the turn and went down the slope, which in turn impacted the drastically tightening of SM demands from downstream ABS/PS. Starting in the fourth quarter, even though there was a short period of restocking before China's National Day holiday, improvement of the overall demand was still unseen. The market was originally anticipating for new stimulus measures to be announced after the 20th National Congress of the Chinese Communist Party (CCP) after the National Day, but the overall market demand was still unable to rise at the end of the quarter, which made the prices to slide once again.

In 2022, SM Plant III went through maintenance in the first quarter. Due to greatly reduced market demand in the third quarter, inventory was largely increased, forcing SM Plant II to perform maintenance in advance in the third quarter. Total annual production was reduced to 279,000 tons, which was a decrease of 65,000 tons as compared with the production in the prior year. Overall delivery amount, including the self-use portion, achieved a total of 282,000 tons, which was approximately a decrease of 70,000 tons as compared with the amount from the prior year.

In the first quarter of 2022, ABS followed the high-volume demand and high price from fourth quarter, 2021, and maintained superior gains. In the second quarter, as the market entered the traditional off season, and as energy price skyrocketed, ABS faced both the high costs and drop in price, causing revenues to slow down and gains to be suppressed. The global economy was severely impacted by high inflation, China's lockdown and Zero-COVID policy, and Russia-Ukraine war, which in turn affected consumers' purchasing power and led to weakening demands and high inventory. Beginning in the second half of the year, inventory adjustments continued; with supply exceeding demand, outlook for ABS dimmed with declining revenues as it was restricted in both amount and price, and ABS profits were further suppressed.

The consolidated revenues of Grand Group for the year of 2022 were NT$18,180 million, a decrease of NT$4,370 million from 2021. The consolidated net loss before tax was NT$16 million, a decrease of NT$7,370 million from 2021. The consolidated net loss after tax was NT$450 million and the consolidated net loss after tax attributable to owners of the Company was NT$490 million.

The Parent Company Only revenue of the Company was NT$14,720 million, representing 81% of the consolidated revenue. The 2022 Parent Company Only operating status is summarized as follows:

Main products between two years are compared as follows: The Company's 2022 annual production volumes of SM was 277,047 tons, a decrease of 18.93% from 341,718 tons in 2021; sale volume was 242,493 tons, a decrease of 18.45% from 297,349 tons in 2021; Sale amount of SM was $8,744,587 thousand, a decrease of 8.71% from $9,579,384 thousand in 2021. Annual production volume of ABS was 72,127 tons, a decrease of 29.63% from 102,490 tons in 2021; sale volume was 74,461 tons, a decrease of 24.58% from 98,724 tons in 2021; the sale amount of ABS was $4,253,490 thousand, a decrease of 36.83% from $6,733,748 thousand in 2021. Annual production volume of Nylon was 12,796 tons, an increase of 8.81% from 11,760 tons in 2021; sale volume was 12,709 tons, an increase of 12.57% from 11,290 tons in 2021; the sale amount of Nylon was $1,341,362 thousand, a decrease of 0.03% from $1,341,712 thousand in 2021.

In total, the Company's net revenue for the year of 2022 was $14,723,385 thousand, a decrease of 18.94% from $18,163,272 thousand for the year of 2021; the net operating loss for the year of 2022 was $704,944 thousand, an increase of 131.87% from $2,212,016 thousand of net operating profit for the year of 2021; the net gain on reinvestment for the year of 2022 was $285,424 thousand, a decrease of 93.32% from $4,271,075 thousand of net gain on investment for the year of 2021. The net loss after tax for the year of 2022 was $493,812 thousand.

(II) R&D Status

Styrene represents the Company's core niche, with tentacles extending upward. Nylon 66 known as crystal engineering plastic laid downward to optimize the ABS quality. These represent as the very orientations of our efforts in the year.

This year, the Company will continue to conduct the following tasks:

1. We spared no effort to optimize agglomerated PBL large particle latex and little particle latex to, in turn, upgrade ABS dyeing with wholehearted effort to develop high temperature nylon engineering plastic toward the three major targets including notably energy saving and waste reduction.
2. With PBL (polybutadiene latex) rubber agglomerated large particle latex and little particle latex, we further improved the quality of ABS products with better dyeing, electroplating grades, tube levels, flame retardant grades, high heels, punch and rigidity for use in vehicle battery materials.
3. Development of renewable plastics post consumption – PCR ABS will help to reduce plastics waste and simultaneously reduce energy consumption, lower carbon emission, and actualize circular economy.
4. We tried hard to expand nylon industrial yarn market and develop high-temperature nylon, develop engineering plastics such as super tough nylon, heat-resistant super tough nylon, soft, water transparent grade and PPO blended to create high performance, high quality, high price nylon 66 plastic products.
5. We are committed to the long-term diversification strategy, with investments in the fully integrated polypropylene (PP) facilities in Quanzhou, China with new capacities in propane dehydrogenation (PDH) and polypropylene (PP). The purpose is to extend our footprint from SM to acrylic products.

II. Business Plan Summary for 2022:

(I) Business Strategy

1. To survive: Grand Group to thrive for sustainable development.
2. To be successful: Strengthen crisis awareness and hold ground in survival niche.
3. To stand steadfast: Implement annual maintenance and revamp projects to secure baseline revenues and profits.
4. To be pragmatic: Leverage and extension of the existing competitiveness position to constant growth.
5. To refine: Enhance the added value of all individuals and teams.

(II) Expected Sales Volume and Basis for Projections

1. Styrene Monomer (SM)

Year 2022 was impacted by Russia-Ukraine war, which led to soaring energy prices around the world. In fourth quarter, 2022, the overall energy prices began to fall, and inflation imposed by U.S. Fed also began to ameliorate. However, the war is still ongoing and the global market demand continues to stay weak, bringing continual challenges to the petrochemical industry.

Additional production amounts delivered in China exceeded 2.5 million tons in 2022, in which Wanhua of Shandong, Linuayi of Shandong, Ningbo ZRCC Lyondell, Maoming of Guangdong, and Dagu of Tianjin have all successfully delivered productions; in early 2023, Lianyungang Petrochemical also successfully delivered its production; in 2023, it is expected that a total of approximately more than 3 million tons of additional production capability will be delivered from Zhejiang Petrochemical Phase II, Anqing Petrochemical, and Shenghong Petrochemical of Lianyungang. The continued aggressive expansion of the Chinese capacities have gradually changed the trading dynamics. Imports have reduced significantly from a few years ago and exports have been increasingly year over year. The styrene monomer (SM) trading environment and logistics development are worthy of attention.

In 2023, our SM Factory II and III are expected to have no annual maintenance plans, and their annual production amounts are estimated to be near 359,000 tons.

2. Acrylonitrile - Butadiene-Styrene copolymer resin (ABS)

In first quarter 2023, soaring crude oil prices and favorable policies in China prompted increased market demands. However, operational performance was depleted as rises in finished product prices were not comparable to those found in crude oil prices; and it was impacted by the longer Lunar New Year holidays, thus fewer work days, and being during demand’s off season.

2023 ABS target sales are 87,840 tons, but facing great amounts of additional production capabilities from China, challenges that global inflation and carbon reduction issues pose on prospective demands and operational variants, we remain conservative on our operation performance. We will be responsive to timely adjust production and marketing strategies; our inventory will be rationalized and carefully planned for the response. Further, we will continue to implement product differentiation to expand distinctive niche markets in hope of creating gains.

3. Hydrogen (H2)

The Company sold 10.60 million cubic meters of hydrogen in 2022, exceeding the original annual target of 9.72 million cubic meters, where the additional amount mainly came from supporting competitors and demands of customers shipped via pipelines.

The customers shipped via pipelines exhibit a stable demand for 2023. The sales target is increased from the prior year and is set at 10.5 million cubic meters.

4. Steam and Electricity

The Company's steam power plants generate steam and electricity for internal use and sells the excess to external parties. In 2022, global coal prices were affected by the Russia-Ukraine war and skyrocketed by more than 4 times of the prior level; the energy costs at petrochemical plants have thus drastically increased. Beginning in March, after SM plants' maintenance, and until the end of May, the plants temporarily paused to generate electricity to save on coal use. At the end of the summer, around the end of September, electricity generation was ceased once again and sales of steam were also partially halted. As a result, steam and electricity generation in 2022 were greatly reduced as compared with those in 2021.

In 2022, the steam power plants produced 1,161,020 tons of steam for internal consumption and 92,036 tons for external sales. A total of 106,487,600 KwH of electricity was generated and 41,304,000 KwH was sold to TaiPower.

In 2023, coal prices and water supply in Southern Taiwan may affect steam production at steam power plants; the Company plans to generate 948,551 of steam for internal consumption and 50,930 tons for external sales, as well as 7,200,000 KwH of electricity in total and 2,160,000 KwH sold to TaiPower.

5. Nylon 66 (PA66)

In first quarter, 2022, Nylon 66 price slid down from a high point as it had experienced an overblown increase in the prior year. And the second quarter was mainly restrained by the pandemic, which led to relatively low operation rates at downstream plants, and the delayed productions caused poor demands; most customers held back from Nylon 66 with relatively conservative mindset towards material purchase, resulting in continual price drops. In the third quarter, due to inflations and high energy costs, upstream raw material for Nylon 66, hexamethylenediamine, had slightly tightening supply and upwardly adjusted price. In addition, operation rates at all major plants were significantly lowered. Nylon 66 was experiencing stringent raw material supply, and with limited supply of 66, its price bounced back up. However, as downstream clients maintained their firm demands, the price increase was limited. The fourth quarter kept a balanced supply-demand state. 2022 continued to be impacted by the pandemic, inflation factors, and the Russia-Ukraine war, but Nylon 66 from Grand Pacific still maintained a stable production of Nylon 66, and with the advantages of our consistent quality, localization advantage, speedy product delivery, and satisfying services, we were still well supported by our core clients.

Looking into 2023, the demand for Nylon 66 is stable and the demand/supply dynamic is close to equilibrium. We maintain our target of producing and selling 24,000 tons. Going forward, we continue to develop new markets and materials by working with electric vehicle makers in Europe and the U.S. We will also develop degradable materials and specialty engineering plastics, to enhance the value added of the Nylon 66 business and seek profits via innovation in stability.

III. Future company development strategies:

Our Company upholds to its fearless and persistent determination as we stride forward. Besides dedicating to secure its competitiveness in the core business, by focusing on our baseline revenues and main markets, i.e., SM, ABS, hydrogen and Nylon 66 (PA66), we have further proactively created low-carbon three-level carbon industry chain with overall optimization and regeneration on cost, efficiency, quality, and craftsmanship. We will also strive to expand sales channels for energy efficiency and emission reduction, and other niche products. To pursue profits, we tirelessly seek after steady growth in both quality and quantity and capitalize on the spread when the demand is high. Meanwhile, the Company's large-scale future projects of 660 thousand tons/year capacity of propane dehydrogenation (PDH) and 450 thousand tons/year capacity of polypropylene in Quangang Chemical Industrial Park, Quanzhou City, Fujian Province is aiming to attain full ramp-up and commercial operation of these capacities exiting 2023 or into 2024. Furthermore, the R&D center under incubation is continuing to invest in the appointments of industry's leading experts who will be actively and diversely researching and developing in areas that encompass high-performance nylon fibers, PP engineering plastics and other high-value products, so as to lay the grand foundations for further potential growth and flourishing territories going forward.

IV. External competition environment, regulatory environment and overall business environment impact:

To prepare and respond to the daunting challenges internally and externally in this complex and everchanging environment, the Company remains fully committed to creating the expected benefits of each target. In order to meet the high standards requirements for best-practice companies in industrial safety and environmental protection such as production safety, energy savings and carbon reduction, the Company has launched a series of major capital expenditures during past years for critical projects e.g., introduction of best-in-class control technology for optimized improvement. The Company has been upholding to its beliefs, while pushing, supporting and strengthening itself so to establish the Company's environmentally friendly advanced craftsmanship as the underlying driver of corporate operation and to honor our mission statement as a model corporate citizen. Looking forward, the Company strives to meet the expectation and support of shareholders by gradually enhancing and completing various hardware and software infrastructure and with the collaborated dedication from the management. We will continue to create new businesses of the next level and showcase our operational synergies so to return shareholders' sincere trusts.

At last, we wish all shareholders,

good health and good luck!

Responsible person: Manager: Chief accountant:

Two. Company Profiles

I. Date of incorporation: September 25, 1963

Address of Head Office: No. 4, Xinggong Rd., Dashe District, Kaohsiung City
Tel: (07)351-3911
Address of Taipei Office: 8F, No.135, Dunhua N. Rd., Taipei City
Tel: (02)2175-4567

II. Evolution history of the Company:

2020 QuanZhou Grand Pacific Chemical Co., Ltd. was established mainly to produce PDH & PP and hydrogen products in Fujian Province.

2018 ZhangZhou Chi Mei Chemical, a joint venture with Chi Mei Corp., was established mainly to produce ABS. GPPC owns a 30.4% share of the joint venture.

2016 The 2^{nd} Nylon 66 (PA66) production line was added to meet the demand for engineering plastics and industrial filament application.

2014 Nylon 66 (PA66) Products received UL High temperature RTI certificate.

2013 Audit Committee, replacing the supervisor's function, is set up to strengthen corporate governance.

2012 Nylon Division was established in January and the production started in July.

ABS capacity expansion was completed, increasing the annual output.

Subsidiary GPPC Chemical Corp. and BC Chemical Corp. were merged, with GPPC Chemical Corp. being the surviving company.

2011 Two seats of independent directors were added to strengthen corporate governance.

Compensation Committee was established.

2010 A cogeneration plant was completed and started operation in May.

Zhenjiang GPPC Chemical Co., Ltd. and Zhenjiang Chi Mei Co., were officially merged on July 1^{st}.

GPPC's styrene monomer plant No. 3 completed the debottlenecking expansion construction in December, and the SM capacity was increased.

2009 Grand Pacific Chemical (Thailand) Co., Ltd. was approved by Thailand's Ministry of Commerce to dissolve in August.

A successful trial run was conducted for steam production facilities in cogeneration plant in October.

2008 Germany SAP information system was successfully introduced.

Subsidiary, Zhenjiang merger agreement was signed with Chi Mei company in April, while GPPC owned 30.4% shareholding of the surviving company.

Specialty Chemicals Business Division was set up in August.

2007 Promoting three-in-one ISO system integration with ISO 9001: 2000 and ISO 14001: 2004 certificates transferred to SGS Taiwan for certification.

Zhenjiang GPPC Chemical Co., Ltd. expanded its SAN/ABS capacity.

A cogeneration plant started construction.

2006 BC Chemical transformed the original GPS production line into SAN. GPPC expanded its ABS capacity. Adding new grade of ABS product to meet customer's needs.

2005 GPPC was awarded ASUS "Green Environment Management System" certificate.

2004 Delta Petrochemical's styrene monomer plant No. 1, being the first in Taiwan was dismantled. The plant’s thirty-year service was culminated with a grand ceremony by GPPC acknowledging its long term contribution.

2003 GPPC was awarded SONY "Green Partner" certificate and OHSAS 18001 registration by SGS.

2002 Zhenjiang GPPC Chemical Co., Ltd. expanded its SAN/ABS capacity.

2001 GPPC was awarded ISO 9001:2000 registration by the Bureau of Standards, Metrology and Inspection, Ministry of Economic Affairs, R.O.C.

2000 BC Chemical expanded its HIPS capacity.

Zhenjiang GPPC Chemical Co., Ltd. expanded its SAN/ABS capacity.

1999 GPPC’s styrene monomer plant No. 3 was completed.

1997 GPPC was awarded both ISO 9002 and ISO 14001 certificates by the Bureau of Commodity Inspection and Quarantine, Ministry of Economic Affairs, R.O.C.
GPPC pursued a diversified investment strategy.

1996 GPPC subsidiary, Zhenjiang GPPC Chemical Co., Ltd., was founded in Jiangsu Province, China.
Grand Pacific Chemical (Thailand) Co., Ltd. expanded its ABS capacity.

1995 GPPC acquired Delta Gas Products, a high purity hydrogen producer.

1994 ABS/SAN capacity was expanded.
The production process for SM plant No. 2 was streamlined.

1992 ABS/SAN capacity was expanded.
GPPC invested in CITC Enterprise in Malaysia, a pre-colored plastic compounder.

1991 GPPC acquired BC Chemical, a high-impact and general purpose polystyrene producer.
GPPC invested in Grand Pacific Chemical (Thailand) Co., Ltd. and acquired a Thai ABS plant.

1990 GPPC acquired GPPC Chemical, a high-impact polystyrene (HIPS) producer.

1988 GPPC was listed on the Taiwan Stock Exchange.

1987 ABS/SAN plant was expanded to increase capacity.

1984 Following a corporate reorganization, Delta Petrochemical became Grand Pacific Petrochemical Corp.

The Company's first ABS/SAN plant was completed. The plant marked the first step in Grand Pacific's product diversification and vertical integration strategy.

1981 Delta Petrochemical's styrene monomer plant No. 2 was completed.

1974 Delta Petrochemical's styrene monomer plant No. 1, being the first in Taiwan, was completed and started production.

1973 Grand Pacific Petrochemical Corporation (GPPC) was founded under the name of Delta Petrochemical Corporation.

In the most recent year and as of the publication date of the Annual Report:

(1) Fact of merger/acquisition (M&A): Nil.

(2) Reorganization in the wake of reinvestment in an affiliated enterprise: Nil.

(3) Significant shift, change of directors and supervisors or major shareholders with shareholding in excess of 10%: Nil.

(4) Change in operating right, operating manner or significant changes in contents of business operation: Nil.

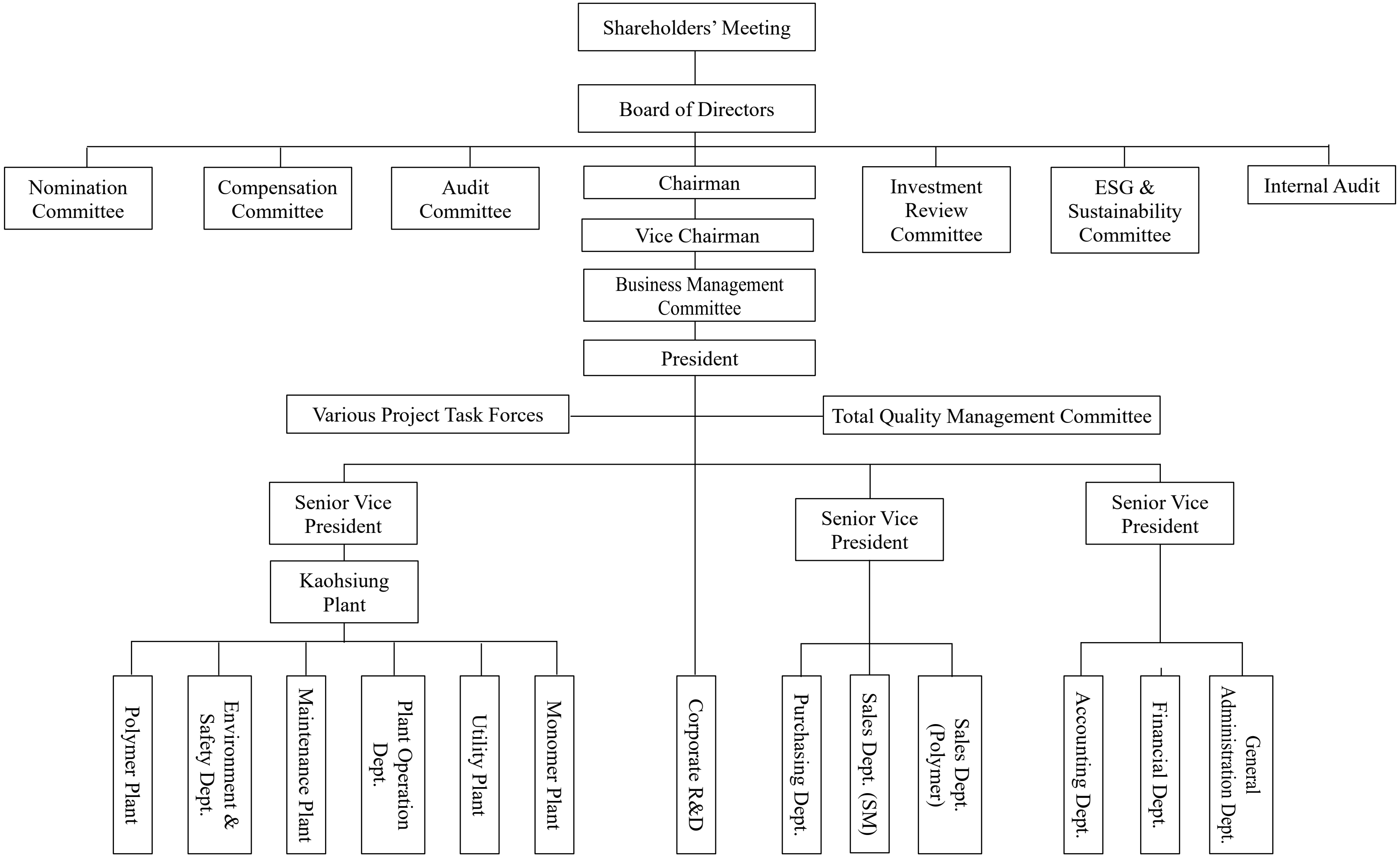
(5) Other significant events likely to affect shareholders' equity and the impact upon the Company: Nil.

Three. Report on Corporate Governance

I. Organization System

(I) Organization chart

Organization chart of Grand Pacific Petrochemical Corporation



(II) Business operations of major departments

Departments	Contents of duties
General Administration Dept.	1. Track performance evaluation on business policies and business plans 2. Map out the human resources related policies, including notably selection of talents, putting talents into optimal use, cultivation of talents and retaining talents. 3. Work out plans for utilization of human resources and implementation thereof. 4. Maintain and assure sound and harmonious ties between employees and the Company. 5. Take charge of external public relations, internal communications and coordination.
Internal Audit	Take charge of audit affairs
Accounting Dept.	1. Map out, verify and compile annual budgets. 2. Take charge of calculation of the Company's production costs, accounting affairs and prepared for final account settlement. 3. Provide managerial reports and statements.
Sales Dept.(SM)	1. Contact and negotiate for procurement of bulk petrochemical materials and coals. 2. Determine and implement the Company’s marketing strategy in petrochemical products and steam and electricity. 3. Provide information linked up with petrochemical industry and help assess investment plans.
Sales Dept.(Polymer)	1. Take charge of formulation and execution, marketing evaluation and development of domestic and foreign marketing strategies for plastic products (ABS / PS / nylon). 2. Take charge of distributors’ establishment, coordination and contact affairs. 3. Execute administrative affairs for sales of a variety of products of the Company and procurement of bulk materials. 4. Provide market updates, coordinate with research & development and products.
Purchasing Dept.	1. Take charge of procurement of chemicals and equipment from sources at home and abroad. 2. Take charge of execution of contracts for project outsourcing and procurement affairs. 3. Take charge of inventory control and procurement points of chemicals. 4. Map out information system.
Financial Dept.	1. Take charge of the Company's financial planning, asset management and utilization of funds. 2. Take charge of the Company, equity affairs, general affairs as well as a variety of administrative affairs. 3. Take charge of the Company's financial risk management, financial & wealth management and investment strategies.
Corporate R&D	1. Focus on research & development of core products and technology & know-how. 2. Upgrade the quality of core products and improve the production manufacturing process. 3. Take charge of quality improvement, technical upgrade and general research programs. 4. Assure success in production of industrial silk grade nylon and development of special grade nylon; 5. Orient to energy saving & carbon reduction, high valued products and green and optimized manufacturing process. 6. Assure excluding implementation of manufacturing process improvement, effective implementation exactly in accordance with the specified procedures. 7. Carry out evaluation of a variety of investment abroad.
Factory manager office	Take overall charge of all business affairs of Kaohsiung Plant.
Monomer Plant	Assure successful accomplishment of high quality, low cost production in annual production target of styrene and hydrogen.
Polymer Plant	Assure successful accomplishment of high quality, low cost production in annual production target of annual production target of plastic products.
Plant Operation Dept.	1. Take charge of storage, transportation, personnel and general affairs 2. Serve as a handy bridge to assure sound communications between Kaohsiung Plant employees and the Company. 3. Assure harmonious ties between the Company and the Union.

Departments	Contents of duties
Maintenance Plant	1. Take charge of maintenance & repair services for equipment & facilities for entire Plant. 2. Take charge of additional construction and construction modification. 3. Take charge of power systems of Kaohsiung Plant. 4. Maintenance and on-site inspection for underground pipelines outside the plant
Environment & Safety Dept.	1. Oversee all units concerned in labor safety & health management to assure safety & health oriented working environments. 2. Take charge of exhaust water disposal, control and prevention of air, noise pollution to assure compliance with requirement by laws. 3. Take charge of laboratory testing and quality control affairs.
Utility Plant.	1. Supply common fluids, including steam, water, air, nitrogen, and bottom oil for the entire Plant. 2. Operate steam power plants to generate electricity. 3. Supply fire prevention oriented water system for the entire Plant.

II. Information on Directors, President, Senior Vice Presidents, Vice Presidents and Managers of Each Department and Branch

(I) Information on Directors (1)

April 30, 2023

Title	Nationality or venues of registration	Name	Sex Age	Date when elected or to the position	Term	Date of on Board for the First Time (yy/mm/dd)	Shareholding When on Board		Shareholding for the Time Being		Shareholding of the Spouse, Underage Children for the Time Being		Shareholding Held in the Name of a Third Party		Academic Qualifications/ Experience	Concurrent Positions in this Group and Other Companies	Other Managers, Directors or Supervisors that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Director/Supervisor			Remark (Note 8)
							Number of Shares	Share-holding Rate	Number of Shares	Share-holding Rate	Number of Shares	Share-holding Rate	Number of Shares	Share-holding Rate			Title	Name	Relation	
Chairman	Republic of China	Jing Kwan Investment Co., Ltd. Representative: Pin Cheng Yang	Male 61 ~ 70 years old	June 12, 2020	June 12, 2020 ~ June 11, 2023	June 24, 2011	20,380,000 0	2.25% 0	20,280,000 0	2.24% 0	0 0	0 0	0 0	0 0	Master, Institute of Chemical Engineering, National Cheng Kung University	Note 1	Nil	Nil	Nil	Nil
Vice Chairman	Republic of China	Chung Kwan Investment Co., Ltd. Representative: Teh Hsin Chiu	Female 51 ~ 60 years old	June 12, 2020	June 12, 2020 ~ June 11, 2023	June 18, 2020	28,262,722 0	3.12% 0	28,262,722 0	3.12% 0	0 0	0 0	0 0	0 0	Master, Weatherhead School of Management, Case Western Reserve University	Note 2	Nil	Nil	Nil	Nil
Director	Republic of China	Hung Wan Investment Co., Ltd. Representative: Chen Ching Ting	Male 51 ~ 60 years old	June 12, 2020	June 12, 2020 ~ June 11, 2023	June 24, 2021	200,000 0	0.02% 0	200,000 0	0.02% 0	0 0	0 0	0 0	0 0	Department of Law, Fu Jen Catholic University	Note 3	Nil	Nil	Nil	Nil
Director	Republic of China	Hung Wan Investment Co., Ltd. Representative: Chin Chu Lin	Male 71 ~ 80 years old	June 12, 2020	June 12, 2020 ~ June 11, 2023	April 16, 2010	200,000 0	0.02% 0	200,000 0	0.02% 0	0 0	0 0	0 0	0 0	Department of Chemical Engineering, Feng Chia University	Note 4	Nil	Nil	Nil	Nil
Independent Director	Republic of China	Wen Tzong Chen	Male 71 ~ 80 years old	June 12, 2020	June 12, 2020 ~ June 11, 2023	June 25, 2014	0	0	0	0	0	0	0	0	MBA, Rider University, the U.S. Master, Institute of Law, Soochow University	Note 5	Nil	Nil	Nil	Nil
Independent Director	Republic of China	Mu Hsien Chen	Male 51 ~ 60 years old	June 12, 2020	June 12, 2020 ~ June 11, 2023	June 12, 2020	0	0	0	0	0	0	0	0	Master in Accounting, California State University	Note 6	Nil	Nil	Nil	Nil
Independent Director	Republic of China	Chih Hung Hsieh	Male 61 ~ 70 years old	June 12, 2020	June 12, 2020 ~ June 11, 2023	June 12, 2020	0	0	0	0	0	0	0	0	Juris Doctor, National Chengchi University Master of Laws, Waseda University	Note 7	Nil	Nil	Nil	Nil

Note 1: Chairman, QuanZhou Grand Pacific Chemical Co., Ltd.; Chairman, GPPC Chemical Corporation; Director, Land & Sea Capital Corp.; Director, GPPC Investment Corp.; Director, Goldenpacific Equities Ltd.; Director, Videoland Inc.; Director, Zhenjiang Chimei Chemical Co., Ltd.; Director, KK Enterprise Co., Ltd.
Note 2: Supervisor, Videoland Inc.
Note 3: Independent director, Allied Industrial Corp., Ltd.
Note 4: Nil.
Note 5: Director, Test Rite International Co., Ltd.; Independent director, Advancetek Enterprise Co., Ltd.; Independent director, Hiyes International Co., Ltd.
Note 6: CPA, Diwan & Company
Note 7: Independent Director, Sanyang Motor Co., Ltd.
Note 8: Where the Company's Chairman and President or a ranking staff member of the equivalent level (the higher manager) were in a same person, as spouse or blood relatives within the first degree of kinship to each other, the Company should explain the reasons why, rationality, necessity and countermeasures (e.g., an increase in the seat(s) of independent director(s) while one half majority of directors do not concurrently serve as an employee or manager) and such relevant information.

Major shareholders of juristic person shareholders

April 30, 2023

Name of juristic person shareholder (Note 1)	Major shareholders of the juristic person shareholder (Note 2)	Shareholding ratio (%)
Hung Wan Investment Co., Ltd.	Shu Min Lin	100.00
Jing Kwan Investment Co., Ltd.	Yu Ming Investment Co., Ltd.	96.62
	Chun Tai Wu	3.35
	Yi Ying Huang	0.03
Chung Kwan Investment Co., Ltd.	Kuan He Development Co., Ltd.	99.03
	Jui Hui Lin	0.25
	Wen Lung Yen	0.25
	Wen Tzu Yen	0.175
	Wen Hsi Yen	0.175
	Ming Chi Tsai	0.075
	Hsueh E Chang	0.05

Note 1: Where the directors and supervisors are representatives of juristic person shareholders, please enter the name/title of the juristic person shareholder.

Note 2: Fill up the names of major shareholders of the juristic person shareholders (among the top ten in terms of shareholding ratios) and shareholding ratio thereof. Where the major shareholder is a juristic person, please fill up Table II below.

Note 3: Where a juristic person shareholder is not a company, the name and the shareholding ratio of its shareholder (i.e., investor or sponsor) should be disclosed. (This can be inquired with the Judicial Yuan's directory.) If the sponsor is deceased, a note should be added according: Nil.

Major shareholders Where the Major shareholders Are Juristic Persons

April 30, 2023

Names of juristic persons (Note 1)	Major shareholders of the juristic person shareholder (Note 2)	Shareholding ratio (%)
Yu Ming Investment Co., Ltd.	Wei Hung Investment Co., Ltd.	100.00
Kuan He Development Co., Ltd.	Jui Hui Lin	25.01
	Chin Li Investment Co., Ltd.	24.93
	Chuan Wei Investment Co., Ltd.	24.93
	Chung Chun Investment Co., Ltd.	19.93
	Chung Cheng Investment Co., Ltd.	5.00
	Wen Lung Yen	0.08
	Wen Hsi Yen	0.03
	Wen Tzu Yen	0.03
	Ming Chi Tsai	0.03
	Wen Hui Yen	0.03
	Ya Ju Wu	0.00001

Note 1: Where the major shareholder in Table I above is a juristic person, please enter the name of that juristic person.

Note 2: Fill up the names of major shareholders of the juristic person shareholders (among the top ten in terms of shareholding ratios) and shareholding ratios thereof.

Note 3: Where a juristic person shareholder is not a company, the name and the shareholding ratio of its shareholder (i.e., investor or sponsor) should be disclosed. (This can be inquired with the Judicial Yuan's directory.) If the sponsor is deceased, a note should be added according: Nil.

Information on Directors (2)

April 30, 2023

I. Professional qualifications of directors and supervisors and independence of independent directors

Name \ Terms	Qualification Requirements and Work Experience (Note 1)	Independence Information (Note 2)	Number of the Other Public Companies in Which the Concerned Director Acts Concurrently as an Independent Director
Chairman: Pin Cheng Yang Representative of Jing Kwan Investment Co., Ltd.	1. Master, Institute of Chemical Engineering, National Cheng Kung University 2. Chairman, QuanZhou Grand Pacific Chemical Co., Ltd. 3. Chairman, GPPC Chemical Corporation 4. Director, Land & Sea Capital Corp. 5. Director, GPPC Investment Corp. 6. Director, Goldenpacific Equities Ltd. 7. Director, Videoland Inc. 8. Director, Zhenjiang Chimei Chemical Co., Ltd. 9. Director, KK Enterprise Co., Ltd.		0
Vice Chairman: Teh Hsin Chiu Representative of Chung Kwan Investment Co., Ltd.	1. Master, Weatherhead School of Management, Case Western Reserve University 2. Chairman, CDIB Capital Management Corporation 3. Supervisor, Videoland Inc.		0
Director: Chen Ching Ting Representative of Hung Wan Investment Co., Ltd.	1. Bachelor, Department of Law, Fu Jen Catholic University 2. Independent director, Allied Industrial Corp., Ltd.		1
Director: Chin Chu Lin Representative of Hung Wan Investment Co., Ltd.	Department of Chemical Engineering, Feng Chia University		0
Independent director: Wen Tzong Chen	1. MBA, Rider University, the U.S. 2. Master, Institute of Law, Soochow University 3. Director, Test Rite International Co., Ltd.	1. Whether the director, the director's spouse or relative within two degree serves as a director, supervisor or employee of the Company or its affiliate: Nil 2. Number and ratio of the Company's shares owned by the director, the director's spouse or relative within two degree serves (or under other's names): Nil 3. Serving as a director, supervisor or employee of a company with specific ties with the Company (Subparagraphs 5~8, Paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange): Nil 4. Remuneration obtained by providing business, legal, financial or accounting services to the Company or its affiliates during the past two years: Nil	2
Independent director: Mu Hsien Chen	1. Master in Accounting, California State University 2. CPAs, Diwan & Company 3. Managing Director, CDIB Partners Investment Holding Corp.		0
Independent director: Chih Hung Hsieh	1. Juris Doctor, National Chengchi University 2. Master of Laws, Waseda University 3. Associate Professor, Department of Law, Fu Jen Catholic University		1

II. Board diversity and independence:

(I) Board diversity: This describes the board diversity policy, target and achievement. The diversity policy includes but is not limited to the criteria of director selections, the required qualifications and experiences of directors, the board composition in terms of gender, age, nationality and culture. Please describe the Company's target and achievement according to the aforesaid policy.

The Company has a total of seven directors, including one employee and three independent directors. The professional expertise of the board directors includes petrochemical engineering, finance, accounting, law or work experience or professionalism required by the Company's operations. In terms of age profile, three directors are in the 51-60 age group, two in the 61-70 age group and two above 71 years old. Among the three independent directors, one has served more than five years and two directors have served more than one year. The Company cares about gender equality in the board composition. Currently, one director is female (or 14% of the board).

(II) Board independence: This describes the number and percentage of independent directors and the independence of the board. Please also explain whether there are no circumstances specified in Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act. This includes the relationship between directors, supervisors or the spousal and relative relationships within two degrees between directors and supervisors.

Note 1: Professional qualifications and experiences: Please describe the professional qualifications and experiences of individual directors and supervisors. If a member of the Audit Committee is equipped with accounting or financial expertise, it is necessary to describe his/her accounting or financial background and work experience. Please also explain whether there are circumstances specified in Article 30 of the Company Act.

Note 2: It is required to describe the independence of independent directors. This includes but is not limited to whether the director, the director's spouse or relative within two degree serves as a director, supervisor or employee of the Company or its affiliate; the number and percentage of the Company's shares held by the director, the director's spouse or relative within two degree serves (or under others' name); whether the director, the director's spouse or relative within two degree serves as a director, supervisor or employee of a company with specific ties with the Company (Subparagraphs 5~8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies.); the value of the remuneration obtained by providing business, legal, financial or accounting services to the Company or its affiliates during the past two years.

Note 3: Please refer to the best-practice examples available on the website of Taiwan Stock Exchange Corporation's corporate governance center for disclosure methods.

(II) Information on President, Senior Vice Presidents, Vice Presidents and the Mangers of Each Department and Branch

April 30, 2023

Position Title (Note 1)	Nationality	name	Sex	Date of on Board (mm/yy/dd)	Shareholding		Shareholding of the Spouse and Underage Children		Shareholding Held in the Name of a Third Party		Main Experience/ Educational Background (Note 2)	Concurrent Positions in Other Companies at present	Other Managers that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Person			Remark (Note 3)
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relation	
Chairman	Republic of China	Pin Cheng Yang	M	04/15/2018	0	0	0	0	0	0	Master, Institute of Chemical Engineering, National Cheng Kung University	1. Chairman, QuanZhou Grand Pacific Chemical Co., Ltd. 2. Chairman, GPPC Chemical Corporation 3. Director, Land & Sea Capital Corp. 4. Director, GPPC Investment Corp. 5. Director, Goldenpacific Equities Ltd. 6. Director, Videoland Inc. 7. Director, Zhenjiang Chimei Chemical Co., Ltd. 8. Director, KK Enterprise Co., Ltd.	Nil	Nil	Nil	Nil
President	Republic of China	Chia Hsiung Tseng	M	05/11/2018	0	0	0	0	0	0	Master, Chemical Engineering, National Taiwan University	1. Director, QuanZhou Grand Pacific Chemical Co., Ltd. 2. Director, GPPC Chemical Corporation 3. Director, Zhangzhou Chimei Chemical Co., Ltd.	Nil	Nil	Nil	Nil
Senior Vice President	Republic of China	Chen Ming Chou	M	03/01/2011	0	0	0	0	0	0	Master, Chemical Engineering, National Taiwan University	1. Director, GPPC Investment Corp. 2. Director, Zhenjiang Chimei Chemical Co., Ltd. 3. Director, Goldenpacific Equities Ltd.	Nil	Nil	Nil	Nil
Senior Vice President	Republic of China	Ching Fu Chen	M	01/01/2021	0	0	0	0	0	0	Bachelor, Department of Accounting, Soochow University	1. Director, QuanZhou Grand Pacific Chemical Co., Ltd. 2. Supervisor, GPPC Investment Corp. 3. Director, Videoland Inc. 4. Supervisor, GPPC Hospitality And Leisure Inc. 5. Supervisor, Zhangzhou Chimei Chemical Co., Ltd. 6. Supervisor, Zhenjiang Chimei Chemical Co., Ltd. 7. Supervisor, GPPC Chemical Corporation	Nil	Nil	Nil	Nil

Position Title (Note 1)	Nationality	name	Sex	Date of on Board (mm/yy/dd)	Shareholding		Shareholding of the Spouse and Underage Children		Shareholding Held in the Name of a Third Party		Main Experience/ Educational Background (Note 2)	Concurrent Positions in Other Companies at present	Other Managers that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Person			Remark (Note 3)
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relation	
General Manager	Republic of China	Wen Hui Lin	M	04/20/2021	0	0	0	0	0	0	Master, Department of Safety, Health and Environmental Engineering, National Kaohsiung University of Science and Technology	1. Director, Zhangzhou Chimei Chemical Co., Ltd. 2. Director, GPPC Chemical Corporation 3. President, GPPC Chemical Corporation	Nil	Nil	Nil	Nil
Vice President level, Deputy General Manager	Republic of China	Hung Min Hsueh	M	01/01/2021	0	0	0	0	0	0	Master, Graduate Institute of Environmental Engineering, National Cheng Kung University	Nil	Nil	Nil	Nil	Nil
Vice President	Republic of China	Tsung Ming Chang	M	01/01/2021	0	0	0	0	0	0	Master, Institute of Chemical Engineering, National Cheng Kung University	1. President, QuanZhou Grand Pacific Chemical Co., Ltd.	Nil	Nil	Nil	Nil
Manager	Republic of China	Chih Jung Wu	M	07/01/2013	0	0	0	0	0	0	Dept. of Commercial Documentation, Tamsui Institute of Business Administration	Nil	Nil	Nil	Nil	Nil
Director	Republic of China	Chun Yi Lin	M	07/01/2021	338,000	0.04	0	0	0	0	Bachelor, Shipbuilding & Aviation Machinery Dept., National Cheng Kung University	Nil	Nil	Nil	Nil	Nil
Director	Republic of China	Ling Chu Chen	F	01/01/2009	0	0	0	0	0	0	Bachelor, Accounting Section, Dept. of Commerce, Providence University	1. Director, GPPC Hospitality And Leisure Inc. 2. Supervisor, QuanZhou Grand Pacific Chemical Co., Ltd.	Nil	Nil	Nil	Nil
Director	Republic of China	Hui Ping Chen	F	06/23/2020	0	0	0	0	0	0	Bachelor, Dept. of Accounting, Providence University	Nil	Nil	Nil	Nil	Nil
Director	Republic of China	Mei You Shen	F	07/01/2019	0	0	0	0	0	0	Master of Business Administration (MBA), Goldey-Beacom College USA	1. Chairman, GPPC Hospitality And Leisure Inc.	Nil	Nil	Nil	Nil
Director	Republic of China	Chun Chieh Wang	M	05/11/2020	0	0	0	0	0	0	Bachelor, Department of Chemical Engineering, College of Engineering, Chang Gung University	Nil	Nil	Nil	Nil	Nil
Director	Republic of China	Wei Ta Su	M	07/01/2021	0	0	0	0	0	0	Master, Department of Fiber and Polymer Engineering, National Taiwan University of Science and Technology	Nil	Nil	Nil	Nil	Nil
Director	Republic of China	Se Chin Huang	F	07/01/2021	0	0	0	0	0	0	Bachelor, Dept. of Bank, National Chengchi University	Nil	Nil	Nil	Nil	Nil

Position Title (Note 1)	Nationality	name	Sex	Date of on Board (mm/yy/dd)	Shareholding		Shareholding of the Spouse and Underage Children		Shareholding Held in the Name of a Third Party		Main Experience/ Educational Background (Note 2)	Concurrent Positions in Other Companies at present	Other Managers that Have Spousal Relationship or are within the Second Degree of Kinship with the Concerned Person			Remark (Note 3)
					Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio	Number of Shares	Shareholding Ratio			Title	Name	Relation	
Director	Republic of China	Hsiu Tsan Lo	M	07/01/2021	0	0	0	0	0	0	Bachelor, Department of Chemical and Materials Engineering, Tamkang University	Nil	Nil	Nil	Nil	Nil
Director	Republic of China	Chung Min Yeh	M	07/01/2022	0	0	0	0	0	0	Department of Chemical, Lunghwa Junior College of Technology and Commerce	Nil	Nil	Nil	Nil	Nil
Director	Republic of China	Chin Chih Huang	M	07/01/2022	0	0	0	0	0	0	Master, Institute of Business Administration, National Kaohsiung First University of Science and Technology	Nil	Nil	Nil	Nil	Nil

Note 1: Should include all information of all executives as President, Senior Vice President, Vice President, managers of all departments, branches, as well as those in the position ranks equivalent to President, Senior Vice President or Vice President, which should be disclosed in full, disregarding the position titles.

Note 2: In terms of the hands-on experiences linked up with the aforementioned position titles, in case of employment in the attesting CPA Firm or affiliated enterprise thereof during the aforementioned period, should expressly remark the position titles and duties in charge (N/A)

Note 3: Where the President or the equivalent position title (highest manager) is the same person as the chairman, or as the spouse to each other or blood relatives within the first degree of kinship, should disclose the reason why, rationality, necessity and countermeasures (e.g., a measure to increase the seat(s) of independent director(s), or a way with one half majority of the directors not serving concurrently as an employee) and such information. (N/A)

III. Remuneration to Directors (Including Independent Directors), President and Senior Vice Presidents in the Latest Year

(1-1) Remuneration to general directors and independent directors (with individual disclosure of the names and means for remuneration):

Title	Name	Remuneration to Directors: Compensation (A) (Note 2)		Remuneration to Directors: Pension (B)		Remuneration to Directors: Remuneration to Directors (C) (Note 3)		Remuneration to Directors: Fees for Performance of Business (D) (Note 4)		A + B + C + D in total and as % of net income (Note 10)		Remuneration Received by Concurrent Employees: Wages, Bonus and Special Disbursement, etc. (E) (Note 5)		Remuneration Received by Concurrent Employees: Pension (F)		Remuneration Received by Concurrent Employees: Compensation to employee (G) (Note 6)				A + B + C +D + E + F + G in total and as % of net income (Note 10)		Whether Receiving Remuneration from any Investees or parent company other Than the Subsidiaries of the Company (Note 11)
		This Company	All Companies Specified in the Financial Statements (Note 7)	This Company	All Companies Specified in the Financial Statements (Note 7)	This Company	All Companies Specified in the Financial Statements (Note 7)	This Company	All Companies Specified in the Financial Statements (Note 7)	This Company	All Companies Specified in the Financial Statements (Note 7)	This Company	All Companies Specified in the Financial Statements (Note 7)	This Company	All Companies Specified in the Financial Statements (Note 7)	This Company: Cash Bonus	This Company: Share Bonus	All Companies Specified in the Financial Statements (Note 7): Cash Bonus	All Companies Specified in the Financial Statements (Note 7): Share Bonus	This Company	All Companies Specified in the Financial Statements	
Chairman	Jing Kwan Investment Co., Ltd. Representative: Pin Cheng Yang	26,791,122	27,127,122	2,779,014	2,779,014	0	0	921,939	1,005,939	-6.1748%	-6.2599%	0	0	0	0	0	0	0	0	-6.1748%	-6.2599%	0
Vice Chairman	Chung Kwan Investment Co., Ltd. Representative: Teh Hsin Chiu	20,000	140,000	0	0	0	0	154,218	154,218	-0.0353%	-0.0596%	0	0	0	0	0	0	0	0	-0.0353%	-0.0596%	0
Director	Hung Wan Investment Co., Ltd. Representative: Chen Ching Ting	20,000	20,000	0	0	0	0	120,000	120,000	-0.0284%	-0.0284%	0	0	0	0	0	0	0	0	-0.0284%	-0.0284%	0
Director	Hung Wan Investment Co., Ltd. Representative: Chin Chu Lin	2,420,000	2,420,000	0	0	0	0	120,000	120,000	-0.5144%	-0.5144%	0	0	0	0	0	0	0	0	-0.5144%	-0.5144%	0

Director	Jing Kwan Investment Co., Ltd.	0	0	0	0	0	0	0	0	0.0000%	0.0000%	0	0	0	0	0	0	0	0	0.0000%	0.0000%	0
Director	Chung Kwan Investment Co., Ltd.	0	0	0	0	0	112,153	0	0	0.0000%	-0.0227%	0	0	0	0	0	0	0	0	0.0000%	-0.0227%	0
Director	Hung Wan Investment Co., Ltd.	0	0	0	0	0	0	0	0	0.0000%	0.0000%	0	0	0	0	0	0	0	0	0.0000%	0.0000%	0
Independent Director	Wen Tzong Chen	1,420,000	1,420,000	0	0	0	0	188,000	188,000	-0.3256%	-0.3256%	0	0	0	0	0	0	0	0	-0.3256%	-0.3256%	0
Independent Director	Mu Hsien Chen	1,420,000	1,420,000	0	0	0	0	188,000	188,000	-0.3256%	-0.3256%	0	0	0	0	0	0	0	0	-0.3256%	-0.3256%	0
Independent Director	Chih Hung Hsieh	1,420,000	1,420,000	0	0	0	0	188,000	188,000	-0.3256%	-0.3256%	0	0	0	0	0	0	0	0	-0.3256%	-0.3256%	0

1. Please elaborate on the remuneration policy, system, standards and structure for independent directors, and describe the relevance to the amount of remuneration according to the responsibilities, risks, time invested and other factors: Independent directors will be paid with remuneration according to the Company's "standards/criteria for directors and committee members' fees and remuneration payment" to grant a fixed amount of remuneration, not to participate in the distribution of director remuneration with the Company's profits according to Article 29 of the Articles of Incorporation so that the remuneration should be reasonable.
2. Except for the disclosure in the table above, the remuneration received by the Company's directors for services rendered during the most recent year (e.g., as a consultant not in the capacity as an employee for the parent company, any company or equity investee in the financial statement): Nil

(1-2) Remuneration to general directors and independent directors (Summarizing the coordination scale and the methods to disclose names):

Title	Name	Remuneration to Directors								A + B + C + D in total and as % of net income (Note 10)		Remuneration Received by Concurrent Employees								A + B + C +D + E + F + G in total and as % of net income (Note 10)		Whether Receiving Remuneration from any Investees or parent company other Than the Subsidiaries of the Company (Note 11)
		Compensation (A) (Note 2)		Pension (B)		Remuneration to Directors (C) (Note 3)		Fees for Performance of Business (D) (Note 4)				Wages, Bonus and Special Disbursement, etc. (E) (Note 5)		Pension (F)		Compensation to employee (G) (Note 6)						
		This Company	All Companies Specified in the Financial Statements (Note 7)	This Company	All Companies Specified in the Financial Statements (Note 7)	This Company	All Companies Specified in the Financial Statements (Note 7)	This Company	All Companies Specified in the Financial Statements (Note 7)	This Company	All Companies Specified in the Financial Statements	This Company	All Companies Specified in the Financial Statements (Note 7)	This Company	All Companies Specified in the Financial Statements (Note 7)	This Company		All Companies Specified in the Financial Statements (Note 7)		This Company	All Companies Specified in the Financial Statements	
																Cash Bonus	Share Bonus	Cash Bonus	Share Bonus			

1. Please elaborate on the remuneration policy, system, standards and structure for independent directors, and describe the relevance to the amount of remuneration according to the responsibilities, risks, time invested and other factors:
2. Except for the disclosure in the table above, the remuneration received by the Company's directors for services rendered during the most recent year (e.g., as a consultant not in the capacity as an employee for the parent, company any company or equity investee in the financial statement):

* Please remunerate the relevant information of directors (general directors other than an independent director) and independent directors, respectively.

Remuneration Scale Table

Scale of the Remuneration Paid to this Company's Directors	Name of Directors			
	Aggregate Amount of A, B, C and D		Aggregate Amount of A, B, C, D, E, F and G	
	This Company (Note 8)	All companies in the financial statements (Note 9) H	This Company (Note 8)	All companies in the financial statements (Note 9) I
Below $1,000,000	Teh Hsin Chiu, Chen Ching Ting, Chung Kwan Investment Co., Ltd., Jing Kwan Investment Co., Ltd., Hung Wan Investment Co., Ltd.	Teh Hsin Chiu, Chen Ching Ting, Chung Kwan Investment Co., Ltd., Jing Kwan Investment Co., Ltd., Hung Wan Investment Co., Ltd.	Teh Hsin Chiu, Chen Ching Ting, Chung Kwan Investment Co., Ltd., Jing Kwan Investment Co., Ltd., Hung Wan Investment Co., Ltd.	Teh Hsin Chiu, Chen Ching Ting, Chung Kwan Investment Co., Ltd., Jing Kwan Investment Co., Ltd., Hung Wan Investment Co., Ltd.
$1,000,000 (inclusive) ~ $2,000,000 (exclusive)	Wen Tzong Chen, Mu Hsien Chen, Chih Hung Hsieh	Wen Tzong Chen, Mu Hsien Chen, Chih Hung Hsieh	Wen Tzong Chen, Mu Hsien Chen, Chih Hung Hsieh	Wen Tzong Chen, Mu Hsien Chen, Chih Hung Hsieh
$2,000,000 (inclusive) ~ $3,500,000 (exclusive)	Chin Chu Lin	Chin Chu Lin	Chin Chu Lin	Chin Chu Lin
$3,500,000 (inclusive) ~ $5,000,000 (exclusive)				
$5,000,000 (inclusive) ~ $10,000,000 (exclusive)				
$10,000,000 (inclusive) ~ $15,000,000 (exclusive)				
$15,000,000 (inclusive) ~ $30,000,000 (exclusive)				
$30,000,000 (inclusive) ~ $50,000,000 (exclusive)	Pin Cheng Yang	Pin Cheng Yang	Pin Cheng Yang	Pin Cheng Yang
$50,000,000 (inclusive) ~ $100,000,000 (exclusive)				
Above $100,000,000				
Total	10	10	10	10

Note 1: The names of directors should be enumerated separately (juristic person shareholders should have the names and representatives of juristic person shareholders enumerated respectively) and the general directors and independent directors should be enumerated separately and the amount of each payment should be disclosed in a summary manner. In the event that a director concurrently serves as the President or Senior Vice President, this table and the following table (3-1), or the following tables (3-2-1) and (3-2-2) should be filled in as well.

Note 2: Referring to the remuneration of directors in the most recent year (including directors' salary, post bonus, severance payment, various bonuses, incentives and the like).

Note 3: Enter the amount of directors' remuneration resolved by the board of directors in the most recent year.

Note 4: Referring to the directors' related business execution expenses in the most recent year (including traffic allowance, special disbursement, various allowances, dormitory allowance, car distribution and the like). In case of provision of housing, cars and other transportation or exclusive personal expenses, should disclose the nature and cost of assets so provided, actual or fair market-based rents, fuel costs and other payments. In case of a chauffeur was provided, please note that the relevant remuneration paid for the driver which, nevertheless, should not be included in the remuneration.

Note 5: Referring to all such received by the directors concurrent serving as employees (including those concurrently as President, Senior Vice President, other managers and employees), including salary, post bonus, severance payment, various bonuses, incentives, traffic allowances, special disbursement, various allowances, dormitory allowance, provision of objects in kind such as cars, and the like. When providing expenditures for houses, cars and other transportation exclusive for specific individuals, the nature and cost of the assets provided, the actual or fair market rent, fuel and other payments should be disclosed. If there is a chauffeur provided, please note that the Company pays the relevant compensation of the chauffeur which is, nevertheless, not counted into the remuneration. In addition, the salary expenses recognized according to IFRS 2 "share-based payment", including obtaining employee stock option certificates, limiting employee rights, new shares and participation in cash capital increase subscription shares, and the like, should also be included in the remuneration.

Note 6: Referring to the event where employees who have served concurrently as directors (including President, Senior Vice President, other managers and employees) in the most recent year to obtain employee remuneration (including stocks and cash) where the Company should disclose the amount of employee remuneration distributed by the board of directors in the most recent year. In the event that the amount could not be estimated, the proposed distribution amount for this year could be calculated according to the proportion of the actual distribution amount last year, and then fill up Table 1~3.

Note 7: The aggregate total of remuneration paid to the directors of the company by all companies (including the Company) in the consolidated financial statement should be disclosed in full.

Note 8: In the aggregate total of remuneration paid by the Company toward each and every director, the Company shall disclose names of directors in the attribute scale.

Note 9: In the aggregate total of remuneration paid by all companies (including the Company) toward each and every director of the Company in the merger, consolidated financial statement, the Company shall disclose names of directors in the attribute scale.

Note 10: The term "net income after tax" as set forth herein denotes the net income after tax in the entities or parent company only financial statements of the most recent year.

Note 11:

a. This Box should be filled up with the amount(s) of relevant remuneration (s) received by the Company's directors from sources as an investee or parent company other than a subsidiary (Fill up "N/A" if none).

b. Where a director of the Company is paid with relevant remuneration from sources as an investee or parent company other than a subsidiary, the Company should consolidate relevant remuneration from sources as an investee or parent company other than a subsidiary into the Box I of Remuneration Scale Table and change the title of that box into "parent company and all investees".

c. The term "remuneration" as set forth herein denotes the remuneration, pay received by a director of the Company who serves as the director, supervisor or manager while serving as an investee or parent company other than a subsidiary (in such post e.g., employee, director and supervisor) and as the fee for execution of business operation.

＊ Where the contents disclosed under this Table differ from the concept of income under Income Tax Act. This Table, therefore, only functions for disclosure of information instead of taxation.

(2-1) Remuneration payable to the supervisors (Individual disclosure of names and method for remuneration): N/A.

(2-2) Remuneration payable to the supervisors (Method to disclose the summarized coordinative scale, names and method of disclosure): N/A.

(3-1) Remuneration payable to the President and Senior Vice Presidents (Individual disclosure of names and method for remuneration):

Position Title	Name	Wages (A) (Note 2)		Pension (B)		Bonus and Special Disbursement, etc. (C) (Note 3)		Compensation for Employee (D) (Note 4)				A + B + C + D in total and as % of net income (Note 8)		Whether Receiving Remuneration from any Investees or Parent Company Other Than the Subsidiaries of the Company (Note 9)
		This Company	All Companies Specified in the Financial Statements (Note 5)	This Company	All Companies Specified in the Financial Statements (Note 5)	This Company	All Companies Specified in the Financial Statements (Note 5)	This Company		All Companies Specified in the Financial Statements (Note 5)		This Company	All Companies Specified in the Financial Statements (Note 5)	
								Cash Bonus	Share Bonus	Cash Bonus	Share Bonus			
President	Chia Hsiung Tseng	3,501,526	3,597,526	1,399,608	1,399,608	7,657,696	7,657,696	0	0	0	0	-2.5432%	-2.5627%	0
Senior Vice President	Chen Ming Chou	2,512,176	2,608,176	1,004,868	1,004,868	4,119,541	4,119,541	0	0	0	0	-1.5465%	-1.5659%	0
Senior Vice President	Ching Fu Chen	2,235,324	2,547,324	67,062	67,062	5,445,885	5,445,885	0	0	0	0	-1.5691%	-1.6323%	0

* Regardless of position title, all positions equivalent to President, Senior Vice President (for example: President, Chief Executive Officer, Director… etc.) which should be disclosed in full.

(3-2-1) Remuneration payable to the President and Senior Vice Presidents (Method to disclose the summarized coordinative scale. names and method of disclosure)

Remuneration Scale Table

Scale of the Remuneration Paid to Each Respective President and Senior Vice Presidents of this Company	Name of President and Senior Vice Presidents	
	This Company (Note 6)	All companies in the financial statements (Note 7) E
Below $1,000,000		
$1,000,000 (inclusive)～$2,000,000 (exclusive)		
$2,000,000 (inclusive)～$3,500,000 (exclusive)		
$3,500,000 (inclusive)～$5,000,000 (exclusive)		
$5,000,000 (inclusive) ~ $10,000,000 (exclusive)	Chen Ming Chou, Ching Fu Chen	Chen Ming Chou, Ching Fu Chen
$10,000,000 (inclusive) ~ $15,000,000 (exclusive)	Chia Hsiung Tseng	Chia Hsiung Tseng
$15,000,000 (inclusive) ~ $30,000,000 (exclusive)		
$30,000,000 (inclusive) ~ $50,000,000 (exclusive)		
$50,000,000 (inclusive) ~ $100,000,000 (exclusive)		
Above $100,000,000		
Total	3	3

Note 1: The names of President and Senior Vice Presidents should be enumerated separately, and the amount of each payment should be disclosed in a summary manner. If the director concurrently serves as President or Senior Vice President, please fill out this Table and the aforementioned table (1-1), or (1-2-1) and (1-2-2).

Note 2: Should be filled up with the salaries, job bonuses and severance pay for President and Senior Vice Presidents in the most recent year.

Note 3: Should be filled up with a variety of bonuses, incentive payments, traffic allowance, special disbursement, various allowances, dormitory allowance, car distribution and other objects in kind and other remuneration amounts for President and Senior Vice Presidents in the most recent year. In case of provisions of housing allowance, car allowance and other transportation or exclusive personal expenses, the Company should disclose the nature and cost of the assets provided, the actual or fair market rent, fuel and other payments. Where a chauffeur is provided, please note that the Company pays the relevant compensation of the chauffeur which is, nevertheless, not included the remuneration. In addition, the salary expenses recognized according to IFRS 2 "share-based payment" include employee stock option certificates obtained, limitation upon employee from equity, new shares and participating subscription in capital increase through cash injection which should also be included in the remuneration as well.

Note 4: To be filled in with the amount of employee compensation (including stocks and cash) to be distributed to such employees as the President and Senior Vice Presidents as approved by the board of directors in the most recent year. In the event that it is impossible to estimate, the proposed distribution amount for this year shall be calculated according to the proportion of the actual distribution amount of the preceding year and should additionally fill up Table 1~3.

Note 5: The total amount of remuneration paid to the President and Senior Vice Presidents of the Company by all companies (including the Company) in the Consolidated Financial Statement should be disclosed.

Note 6: For the aggregate total remunerations payable to each of the President and the Senior Vice President, the names of the President and Senior Vice Presidents shall be disclosed in the attribution scales.

Note 7: For the aggregate total remunerations payable to each of the President and the Senior Vice President of all companies (including the Company) in the Consolidated Financial Statement, the names of the President and Senior Vice Presidents shall be disclosed in the attribution scales.

Note 8: Net income after tax referring to net income after tax in the most recent individual or respective financial statements of the most recent year.

Note 9:

a. This Box should be fixed up with the relevant amounts received by the Company's President and Senior Vice Presidents from the investees or parent company other than the subsidiaries (If none, please fill up “N/A”)

b. Where the Company's President and Senior Vice Presidents received remuneration from the investees or parent company other than the subsidiaries, the remunerations received by each of the President and the Senior Vice President from the investees or parent company other than the subsidiaries, shall be consolidated into Box E of the remuneration scale table and the title of that Box should be changed into “Parent company and all investees”

c. The term “remuneration” as set forth herein denotes the remunerations, pays received by the Company's President and Senior Vice Presidents where they serve with the investees other than subsidiaries or parent company in the capacities of directors and supervisors or managers (including remuneration payable to employees, directors and supervisors) and expenses for business execution.

∗ Where the contents disclosed under this Table differ from the concept of income under Income Tax Act. This Table, therefore, only functions for disclosure of information instead of taxation.

((4-1) Remunerations of Heads Receiving Top Five Renumerations in TWSE/TPEx Listed Companies (Individual disclosure of names and method for remuneration) (Note 1)

Position Title	Name	Wages (A) (Note 2)		Pension (B)		Bonus and Special Disbursement, etc. (C) (Note 3)		Compensation for Employee (D) (Note 4)				A + B + C + D in total and as % of net income (Note 6)		Whether Receiving Remuneration from any Investees or Parent Company Other Than the Subsidiaries of the Company (Note 7)
		This Company	All Companies Specified in the Financial Statements (Note 5)	This Company	All Companies Specified in the Financial Statements (Note 5)	This Company	All Companies Specified in the Financial Statements (Note 5)	This Company		All Companies Specified in the Financial Statements (Note 5)		This Company	All Companies Specified in the Financial Statements	
								Cash Bonus	Share Bonus	Cash Bonus	Share Bonus			
President	Chia Hsiung Tseng	3,501,526	3,597,526	1,399,608	1,399,608	7,657,696	7,657,696	0	0	0	0	-2.5432%	-2.5627%	0
Senior Vice President	Chen Ming Chou	2,512,176	2,608,176	1,004,868	1,004,868	4,119,541	4,119,541	0	0	0	0	-1.5465%	-1.5659%	0
Senior Vice President	Ching Fu Chen	2,235,324	2,547,324	67,062	67,062	5,445,885	5,445,885	0	0	0	0	-1.5691%	-1.6323%	0
General Manager	Wen Hui Lin	1,955,448	2,051,448	58,662	58,662	3,336,427	3,336,427	0	0	0	0	-1.0835%	-1.1030%	0

Vice President	Tsung Ming Chang	1,887,294	1,887,294	56,616	56,616	4,423,424	4,423,424	0	0	0	0	-1.2894%	-1.2894%	0

Note 1: Within the aforementioned "Heads Receiving Top Five Highest Renumerations", the heads refer to company managers. With respect to the identification standards for managers, they are set forth in accordance with the applicable scope of "managers" as regulated by Tai-Tsai-Cheng III No. 092001301 issued by former Securities and Futures Supervisory Commission on March 27, 2003. And in regard to the calculation recognizing principles for the "Top Five Highest Renumerations", they are referring to total of wages, pension, bonus and special disbursement, etc. that company managers receive all the companies as listed within the Consolidated Financial Statements and the compensation for employees (i.e. total of A+B+C+D); and the top five persons with highest renumerations are finalized after arranging them in order. If directors hold concurrent positions as aforementioned heads, they shall be listed in this table and the above table (1-1).

Note 2: Should be filled with wages, allowances, and severance pays for heads receiving top five highest renumerations for the most recent year.

Note 3: Should be filled with various kinds of bonus, rewards, traffic allowances, special disbursements, various subsidies, housing, car distribution, and other objects in kind and other remuneration amounts. In case of provisions of housing allowance, car allowance and other transportation or exclusive personal expenses, the Company should disclose the nature and cost of the assets provided, the actual or fair market rent, fuel and other payments. Where a chauffeur is provided, please note that the Company pays the relevant compensation of the chauffeur which is, nevertheless, not included in the remuneration. In addition, the salary expenses recognized according to IFRS 2 "share-based payment" include employee stock option certificates obtained, new restricted stock award shares issued to employees, and participating subscription in capital increase through cash injection which should also be included in the remuneration as well.

Note 4: To be filled in with the amount of employee compensation (including stocks and cash) to be distributed to such employees as the heads receiving top five highest renumerations as approved by the board of directors in the most recent year. In the event that it is impossible to estimate, the proposed distribution amount for this year shall be calculated according to the proportion of the actual distribution amount of the preceding year and Table 1-3 should be separately filled up.

Note 5: The total amount of remuneration paid to the heads receiving top five highest renumerations of the Company by all companies (including the Company) in the Consolidated Financial Statement should be disclosed.

Note 6: Net income after tax referring to net income after tax in the most recent individual or respective financial statements of the most recent year.

Note 7:
a. This Box should be accurately filled up with the relevant amounts received by the Company's heads receiving top five highest renumerations from the investees or parent company other than the subsidiaries (If none, please fill up "Nil")
b. The term "remuneration" as set forth herein denotes the remunerations, pays received by the Company's heads receiving top five highest renumerations where they serve with the investees other than subsidiaries or parent company in the capacities of directors and supervisors or managers (including remuneration payable to employees, directors and supervisors) and expenses for business execution.

＊ Where the contents disclosed under this Table differ from the concept of income under Income Tax Act. This Table, therefore, only functions for disclosure of information instead of taxation.

(I) Names of the managers distributed with bonus to employees and the facts in distribution:

April 30, 2023

	Position Title (Note 1)	Name (Note 1)	Share Bonus	Cash Bonus	Total	Ratio of the Aggregate Amount to the Net Income After Tax (%)
Managers	President	Chia Hsiung Tseng	0	0	0	0%
	Senior Vice President	Chen Ming Chou				
	Senior Vice President	Ching Fu Chen				
	General Manager	Wen Hui Lin				
	Vice President level, Deputy General Manager	Hung Min Hsueh				
	Vice President	Tsung Ming Chang				
	Director, Accounting Dept.	Ling Chu Chen				

Note 1: The Company should disclose individual names, position titles where, nevertheless, the distribution of profit could be disclosed by means of summarization.

Note 2: Should be filled up with the amount of the remuneration to employees as resolved by the Board of Directors in the most recent year (including stock and cash). If the amount could not be estimated, fill up the amount proposed to be filled up *pro rata* to the amount substantially distributed in the preceding year as the amount proposed for distribution in the current year. The net income after tax refers to the net income after tax of the most recent year. Where the Company has adopted International Financial Reporting Standards (IFRS), the net income after tax should refer to the net income after tax shown through the parent company only financial statement or respective financial statement in the most recent year.

Note 3: The term “managers” applies to the scope as enumerated below as per Decree Tai-Tsai-Zheng-III-Zi 0920001301 dated March 27, 2003:

(1) President and staff of the equivalent level.
(2) Senior Vice President and staff of the equivalent level.
(3) Vice President and staff of the equivalent level.
(4) Head of Financial Dept.
(5) Head of Accounting Department
(6) Other staff authorized with the powers to take charge of business affairs and as authorized signatories.

Note 4: Where the Director, President and Senior Vice Presidents receive remuneration to employees (including stocks and cash), the Company shall fill up this Table other than Table 1~2.

(II) The respective comparison and explanation for analyses of the percentages of the aggregate total compensations paid to the Company's directors and supervisors, President and Senior Vice Presidents of this Company to the net income after taxes over the past two years in the Company and all companies covered in the consolidated financial statements and explain the policies, criteria, portfolio of remuneration payment, procedures to fix remuneration, business performance and interrelationship to the future risks:

1. Analyses into the ratios in the past two years

Position Title	Percentage of the aggregate total remuneration to the net income after tax in 2021		Percentage of the aggregate total remuneration to the net income after tax in 2022		Descriptions
	This Company	All Companies Specified in the Consolidated Statements	This Company	All Companies Specified in the Consolidated Statements	
Director	2.87%	2.89%	-7.73%	-8.83%	Here at the Company, the remuneration to directors and supervisors and remuneration to employees have been duly granted exactly in accordance with the Articles of Incorporation
Supervisor	N/A	N/A	N/A	N/A	
President and Senior Vice President	0.41%	0.42%	-5.66%	-5.76%	

2. The interrelationship among the remuneration payment policies, standards/criteria and portfolio, the procedures to fix the remunerations, business performance and future risks.
   In an attempt to conserve expenses, the Company's managers and directors do receive traffic allowances. Regarding compensation to directors, as expressly provided for in Article 27 of the Company's Articles of Incorporation, the remuneration to directors and supervisors shall be paid disregarding whether the Company operates at a profit at the amount resolved by the Compensation Committee with reference to the rates prevalent in the firms in the horizontal trade. The remuneration payable to the President and Senior Vice Presidents are proposed by the Compensation Committee based on the personal performance and contribution to the overall business operation of the entire Company to the board of directors for final resolution. Accordingly, the remuneration to directors and supervisors do not directly impact upon the future business risks.

IV. Overview on Performance of corporate governance:

(I) Performance of Board of Directors

(1) In the most recent year (2022), the Board of Directors of this Company convened a total of 6 (A) meetings where the directors showed attendance in the following status:

Position Title	Name (Note 1)	Times of Actual Attendance in Person (B)	Times of Attendance by Proxy	Actual Attendance Ratio (%) (B/A) (Note 2)	Remarks
Chairman	Pin Cheng Yang	6	0	100	Name of juristic person director, as the representative of the juristic person director: Jing Kwan Investment Co., Ltd. June 12, 2020 in the renewed appointment
Director	Teh Hsin Chiu	6	0	100	Name of juristic person director, as the representative of the juristic person director: Chung Kwan Investment Co., Ltd. Appointment on June 18, 2020
Director	Chen Ching Ting	5	1	83.3	Name of juristic person director, as the representative of the juristic person director: Hung Wan Investment Co., Ltd. June 12, 2020 in the renewed appointment
Director	Chin Chu Lin	6	0	100	Name of juristic person director, as the representative of the juristic person director: Hung Wan Investment Co., Ltd. Appointment on April 16, 2020 June 12, 2020 in the renewed appointment
Independent Director	Wen Tzong Chen	6	0	100	June 12, 2020 in the renewed appointment
Independent Director	Mu Hsien Chen	6	0	100	Appointment on June 12, 2020
Independent Director	Chih Hung Hsieh	6	0	100	Appointment on June 12, 2020

Other entries as required:

I. Where the operations by the Board of Directors meet any one among those circumstances enumerated below, the date, term, contents of the agenda, opinions of all independent directors and the handling of the independent directors' opinions shall be expressly remarked:
   (I) Issues to be enumerated under Article 14-3 of the Securities and Exchange Act: Nil
   (II) Issues other than the aforementioned ones where the independent directors voice objection or reserved opinions as backed up with records or written declarations in the minutes of the Board of Directors meeting: Nil.

II. Performance of withdrawal from conflict involvement (recusal) by a director in a motion involving their interests where, please state the name of director, contents of the motion, cause of avoidance from presence (recuse) and facts in participation in the voting process:
   (I) Discussion Item (3) at the 13th meeting of the 13th board on January 20, 2022 regarding the distribution of the year-end bonuses to managers for 2021: Chairman Pin Cheng Yang recused himself according to laws due to personal interest in the bonus distribution. All the other attending directors approved the motion.

III. The TWSE/TPEx listed companies should disclose information on the evaluation cycle and period of the Board's self (or peers) evaluation, the scope, method and content of the evaluation, and fill out the attached Table 2 (2) Board Evaluation Implementation.

IV. The objectives of strengthening the functions of the Board of Directors in the current year and the most recent year (e.g., the establishment of an Audit Committee, the improvement of information transparency, and the like) and the assessment of implementation.:
   (I) Continued training and education programs for directors: On a regular basis, the Company duly arranges directors into Continued training and education programs through outsources.
   (II) Improvement of information transparency: The Company faithfully upholds the transparency of its operations and pays supreme attention to the rights and interests of shareholders. After each Board meeting, it immediately publishes important resolutions of the Board of Directors.

Note 1: Where the directors and supervisors are juristic persons, the Company should disclose the names of such juristic person shareholders and names of representatives thereof.

Note 2:

(1) In case of directors and supervisors who had quit the posts before closure of a fiscal year, the Company should remark the date(s) of severance, the substantial participation (guest participating) rate (%), to be duly calculated based on the number of board meetings during the period and the number of time(s) of participation (guest participating).

(2) In case of reelection of directors and supervisors before closure of a fiscal year, the Company should fill in both the new and former directors and supervisors and should expressly remark on the Box of Remarks as newly elected ones, former ones or reelected ones and the date of reelection. The actual participation (guest participation) rates (%) shall be counted based on the actual number of Board meetings and number of substantial participation (guest participation).

(2) Implementation of the Board of Directors Evaluation:

Evaluation interval (Note 1)	Period of evaluation (Note 2)	Scope of evaluation (Note 3)	Method of evaluation (Note 4)	Contents of evaluation (Note 5)
On an annual basis	Jan. 1, 2022 ~ Dec. 31, 2022	Evaluation of performance by the Board of Directors, individual directors and functional committee	Self-evaluation inside the Board of Directors and self-evaluation by directors themselves	The performance evaluation of the Board of Directors includes five aspects: participation in the Company's operations; enhancement of the Board's decision-making quality; composition and structure of the Board; selection of directors and continuous training; and internal control. The result of the comprehensive evaluation indicates excellent performance. The performance evaluation of individual director members includes the Company's objectives and tasks, the directors' responsibilities, the degree of participation in the Company's operations, internal relationship management and communication, the director's professional and Continued training and education programs, and internal control. The results of the comprehensive evaluation indicate excellent in performance. The performance evaluation of Audit Committee and Compensation Committee includes five aspects: participation in the Company's operations; enhancement of functional committee's decision-making quality; composition and structure of functional committees; selection of members and continuous training; and internal control. The result of the comprehensive evaluation indicates excellent performance.
Once every three years	January 1, 2022 to December 31, 2022	Evaluation of performance by the Board of Directors and members of the Board of Directors	Independent professional institution appointed – KPMG	Evaluation of performance by the Board of Directors include nine major aspects: building an efficient Board of Directors; effective operation of the Board; professional development and continued education; business prospect; execution of duties; governance of management level personnel; creation of corporate culture; communication with stakeholders; evaluation of performance. Evaluation of performance by the members of the Board of Directors includes six major aspects: grasp of company goals and missions; understanding of directors' duties; professional development and continued education; execution of duties; participation level of company operation; and management and communication of internal relationships. After the evaluation, it is believed that the Company's Board of Directors has followed relevant laws and regulations and Taiwan's corporate governance index to set forth related policies and procedures. Members of the Board are also equipped with relevant

				professionalism and capabilities; they proceed with appropriate task distributions per their experiences in order to effectively operate related occupational competencies of the Board. The overall evaluation showed superior results.

Note 1: Should fill in the interval in implementation of the Board of Directors evaluation, e.g., on an annual basis.

Note 2: Should fill in the period covered within the Board of Directors evaluation, i.e., evaluation during January 1, 2019~December 31, 2019.

Note 3: The scope covered within the evaluation includes evaluation of the Board of Directors, the individual Board members and the functional committee(s).

Note 4: The methods of evaluation include internal self-evaluation of the Board of Directors, self-evaluation of directors, peer evaluation, appointment of external professional institutions, experts or other appropriate methods for performance evaluation.

Note 5: Pursuant to the scope of evaluation, the contents of evaluation shall include the minimum of the following:

(1) Performance evaluation for the Board of Directors: The contents of evaluation shall include the level of participation in the Company's business operation, quality of policymaking process by the Board of Directors, composition and structure of the Board of Directors, election and continued training and education programs for directors, internal control and the like.

(2) Performance evaluation for the individual members of the Board of Directors: contents of evaluation shall include the minimum domination of the Company's targets and duties, the level of participation in the Company's business operation, management and communications in internal relationship, profession and Continued training and education programs of directors, internal control and the like.

(3) Performance evaluation for the functional committee(s): contents of evaluation shall include the minimum the level of participation in the Company's business operation, awareness of the responsibilities and powers of the functional committees, composition of the functional committees, election of the Committee members, internal control and the like.

(II) Performance of Audit Committee

In the most recent year (2022), the Audit Committee of this Company convened a total of 6 (A) meetings where the independent directors showed attendance in the following status:

Position Title	Name	Times of Actual Attendance in Person (B)	Times of Attendance by Proxy	Actual Attendance Ratio (%) (B/A) (Note 1, Note 2)	Remarks
Convener Independent Director	Mu Hsien Chen	6	0	100	Appointment on June 12, 2020
Independent Director	Wen Tzong Chen	6	0	100	June 12, 2020 in the renewed appointment
Independent Director	Chih Hung Hsieh	6	0	100	Appointment on June 12, 2020

Annual activity highlights

Audit Committee serves to assist the Board of Directors in the implementation of accounting, audit, and financial reporting workflows to ensure quality and integrity of financial control.

The list of items reviewed by Audit Committee includes the following:

- Financial statements
- Audit and accounting policies and procedures
- Internal control system, relevant polices, and procedures
- Major asset or derivatives instrument transactions
- Major lending funds, endorsements or guarantees
- Placement or issuance of marketable securities
- Investment in derivatives and cash instruments
- Legal compliance
- Related party transactions and potential conflict of interest for managers and directors
- Complaints and reports
- Fraud prevention plans and fraud investigations and reports
- Information security
- Corporate risk management
- CPA qualifications, independence and performance review
- CPA appointment, dismissal or remuneration
- Appointment and dismissal of finance, accounting or internal audit managers
- Implementation of Audit Committee's duties and responsibilities
- Self-evaluation questionnaire on Audit Committee's performance review

*Evaluation of the internal control system's effectiveness

Audit Committee assesses the effectiveness of the policies and procedures (including control measures in finance, operation, risk management, information security, outsourcing and legal compliance) of the internal control system and reviews the periodical reports (such as in risk management and legal compliance) by internal auditors, CPAs and management. In reference to the Internal Control — Integrated Framework published for internal control systems in 2013 by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), Audit Committee believes that the Company's risk management and internal control systems are effective and the Company has adopted necessary control mechanisms to monitor and rectify the breach of rules.

*Review of financial reports

The Board of Directors has prepared the Company's 2021 business report, financial statements and proposal for earnings distribution. Under the commission from the board, the financial statements were audited and issued with independent auditor's reports by Crowe (TW) CPAs. The aforesaid business report, financial statements and proposal for earnings distribution were reviewed by Audit Committee and no incompliance was found.

Other entries as required:

I. In case of any of the following circumstances with the functioning of the Audit Committee, it is necessary to describe the meeting date; session; agenda; independent directors' opposition, reservation or major suggestion; the Audit Committee's resolution; and the Company's handling of opinions from the Audit Committee.

(I) Matters as set forth under Article 14-5 of Securities and Exchange Act: Nil

(II) Issues other than the aforementioned one, not duly passed in the Audit Committee, the key motions resolved in the Board of Directors through two-thirds majority of all directors: Nil.

Audit Committee	Contents of the motions and the subsequent measures	Issues enumerate under Securities and Exchange Act §14-5	Not duly passed in the Audit Committee, the key motions resolved in the Board of Directors through two-thirds majority of all directors.
The 12th of Session 3 01/20/2022	1. Report on audits	V	Nil
	2. Provided guarantee for the subsidiary GPPC Development Co., Ltd.'s deposit for the lease with China Life Insurance Co., Ltd.	V	Nil
	3. The Company injected cash into Land & Sea Capital Corp. and the latter invested in Zhangzhou Chimei Chemical Co., Ltd. for the joint venture PC capacity.	V	Nil
	4. The Company's indirect investment in Zhenjiang Chimei Chemical Co., Ltd. will intend for capital increase converted with earnings.	V	Nil
	Result of resolution by the Audit Committee (01/20/2022): Unanimously resolved by all members of the Audit Committee		
	Management by the Company toward the opinions of the Audit Committee: Unanimously resolved by all directors.		
The 13th of Session 3 03/29/2022	1. Approval of the Company's distribution of earnings 2021	V	Nil
	2. Approval of the Company's parent company only financial statement and consolidated financial statement, 2021	V	Nil
	3. Approval of amendment for the Company's "Procedures for Acquisition or Disposal of Assets" plan.	V	Nil
	4. Approval of the Company's Declaration in Internal Control System 2021	V	Nil
	Result of resolution by the Audit Committee (03/29/2022): Unanimously resolved by all members of the Audit Committee		
	Management by the Company toward the opinions of the Audit Committee: Unanimously resolved by all directors.		
The 14th of Session 3 05/12/2022	1. Approval of the Company's financial statements of the first quarter, 2022.	V	Nil
	Result of resolution by the Audit Committee (05/12/2022): Unanimously resolved by all members of the Audit Committee		
	Management by the Company toward the opinions of the Audit Committee: Unanimously resolved by all directors.		
The 15th of Session 3 08/11/2022	1. Approval of "Supervision and Governance of Subsidiary Videoland Inc." special project report.	V	Nil
	2. Approval of the Company's financial statements of the second quarter, 2022.	V	Nil
	3. Approval of proposed additional indirect investment in China from the Company's reinvestment in Land & Sea Capital Corp.	V	Nil
	4. Approval of proposed extension of the investment period by one year for the private equity fund GLOBAL OPPORTUNITIES FUND subscribed by the Company's 100% reinvested subsidiary Golden Pacific Equities Ltd.	V	Nil
	5. Approval of the detailed report for the consolidated accounts receivable overdue for more than 3 months as of June 30, 2022 for the Company and subsidiaries.	V	Nil
	Result of resolution by the Audit Committee (08/11/2022): Unanimously resolved by all members of the Audit Committee		
	Management by the Company toward the opinions of the Audit Committee: Unanimously resolved by all directors.		
The 16th of Session 3 10/13/2022	1. Approval of amendment for the Company's "Operational Procedures for Making Endorsements / Guarantees" plan.	V	Nil
	2. Approval of amendment for the Company's "Operational Procedures for Loaning Funds to Others" plan.	V	Nil
	3. Approval of the Company's loaned fund of CNY140 million from subsidiary Land & Sea Capital Corp.	V	Nil
	Result of resolution by the Audit Committee (10/13/2022): Unanimously resolved by all members of the Audit Committee		
	Management by the Company toward the opinions of the Audit Committee: Unanimously resolved by all directors.		
The 17th of Session 3 11/11/2022	1. Approval of the Company's financial statements of the third quarter, 2022.	V	Nil
	2. Approval of the Company's internal audit and annual audit plan 2023.	V	Nil
	3. Approval of the establishment of the Company's "Sustainability Report Compilation and Evaluation Operation Procedure" and amendment to the internal control system / internal audit implementation acts for management operations.	V	Nil
	4. The first supplementary agreement for appended ratification of the lease contract for the headquarters building of China Development Financial Holding Corporation signed between the Company and China Life Insurance Co., Ltd. on July 1, 2021.	V	Nil
	5. Approval of the detailed report for the consolidated accounts receivable overdue for more than 3 months as of September 30, 2022 for the Company and subsidiaries.	V	Nil
	6. Approval of capital increase through cash injection for subsidiary GPPC Development Co., Ltd.	V	Nil
	Result of resolution by the Audit Committee (11/11/2022): Unanimously resolved by all members of the Audit Committee		
	Management by the Company toward the opinions of the Audit Committee: Unanimously resolved by all directors.		

II. Avoidance from presence (recuse) by independent directors from involvement in interests, with the name(s) of the independent director(s), contents of the motion(s), cause of avoidance from presence (recuse) and facts of participation voting process: Nil

III. Performance by independent directors with internal audit head and Certified Public Accountant(s) (including communications with them all regarding the Company's financial conditions, business performance, the method and outcome thereof):

1. Where at the Company, the internal audit head, independent directors and Audit Committee members meet on a quarterly basis at least and would report to the Audit Committee members immediately in case of an extraordinary event. As of the publication date of the Annual Report, there had been no such special situation. The communication by and between the Audit Committee and the internal audit head have been

in an excellent performance.

Date	Key points of communications	Proposals by Independent Directors
01/20/2022	Implementation of audit matters and the tracking report thereof.	No opinion was expressed in the present meeting
03/29/2022	1. Report on the self-evaluation result upon the internal control system 2021. 2. Performance evaluation on the effectiveness of internal control system 2021. In accordance with the results of self-evaluation and the internal audit, the evaluation into the overall internal control system was conducted to work out Declaration in Internal Control System and submit it into the Audit Committee.	No opinion was expressed in the present meeting
05/12/2022	Descriptions on implementation of audit conducted in Q1 2022, along with the tracking report thereof.	No opinion was expressed in the present meeting
08/11/2022	Descriptions on implementation of audit conducted in Q2 2022, along with the tracking report thereof.	No opinion was expressed in the present meeting
11/11/2022	1. Descriptions on the audit conducted in Q3 2022. 2. Report on audit plan for 2023.	No opinion was expressed in the present meeting

2. The independent directors and certified public accountants meet on an annual basis at least. As of the publication date of the Annual Report, the aforementioned matters had been virtually nonexistent. The communication by and between the Audit Committee and the certifying CPA have been in an excellent performance.

Date	Key points of communications	Proposals by Independent Directors
03/29/2022	The CPAs rendered communications report aiming at the Company's key issues in 2021, notably Materiality in financial statement, key audit items, summary of overall audit results, audit opinions, internal control audit results, etc. toward the independent directors and Audit Committee members.	No opinion was expressed in the present meeting

Note 1: In case an independent director resigned before the end of the fiscal year, the resignation date should be indicated in the remarks box. The actual participation rate (%) should be calculated based on the number of Audit Committee meetings and the actual number of participants during his or her tenure.

Note 2: In case reelection of independent director(s) before the end of the fiscal year, both the former and newly reelected independent directors should be entered, and it is required to expressly remark on the Box of Remarks as newly elected ones, former ones or reelected ones and the date of reelection. The actual participation rate (%) should be calculated based on the number of Audit Committee meetings and the actual number of participants during his or her tenure.

Facts of continued training and education programs by directors:

Position titles	Names	Date of program	Unit in charge	Titles of the program courses	Number of training hours	Was the Program consistent with requirements?
Chairman	Pin Cheng Yang	3/30/2022	Human Resources Section	Commercial Case Adjudication Act	2	Yes
Chairman	Pin Cheng Yang	4/12/2022	Human Resources Section	ESG Trend and Financial Management of Post-Pandemic Era	2	Yes
Chairman	Pin Cheng Yang	7/4/2022	Human Resources Section	Thorough Corporate Governance for Prudent Prevention of Insider Trading	2	Yes
Chairman	Pin Cheng Yang	10/5/2022	Securities & Futures Institute	Response to Global Net Zero Emission and Corporate ESG Initiative	3	Yes
Chairman	Pin Cheng Yang	10/19/2022	Corporate Operating and Sustainable Development Association	Must-Know Legal Specifications and Risk Responsibilities Under Corporate Governance for Directors, Supervisors, and Insiders	3	Yes
Vice Chairman	Teh Hsin Chiu	3/30/2022	Human Resources Section	Commercial Case Adjudication Act	2	Yes
Vice Chairman	Teh Hsin Chiu	7/4/2022	Human Resources Section	Thorough Corporate Governance for Prudent Prevention of Insider Trading	2	Yes
Vice Chairman	Teh Hsin Chiu	7/12/2022	Taiwan Corporate Governance Association	Advanced Practical Experience Sharing by Audit Committee – Merger and Acquisition Audit and Director Responsibilities	3	Yes
Vice Chairman	Teh Hsin Chiu	11/15/2022	Taiwan Corporate Governance Association	Analyses for Competition for Operating Right and Prevention Strategies	3	Yes
Director	Chen Ching Ting	12/9/2022	Taiwan Corporate Governance Association	Creating Risk Intelligence Organization – From Fraud Risk Prevention, Detection, Investigation, to Crisis Management	3	Yes
Director	Chen Ching Ting	12/13/2022	Taiwan Corporate Governance Association	Trends and Risk Management for Digital Technology and Artificial Intelligence	3	Yes
Director	Chin Chu Lin	12/23/2022	Accounting Research and Development Foundation in Taiwan	Legal Responsibilities and Case Analyses Related to "Competition for Operating Right"	3	Yes
Director	Chin Chu Lin	12/26/2022	Accounting Research and Development Foundation in Taiwan	Corporate Ethics and Sustainable Development	3	Yes
Director	Wen Tzong Chen	8/19/2022	Taiwan Corporate Governance Association	Case Analyses on Competition for Company Operating Right	3	Yes

Director	Wen Tzong Chen	8/29/2022	Taiwan Corporate Governance Association	2023 Global Economy and Outlook Prospect	3	Yes
Director	Wen Tzong Chen	8/29/2022	Taiwan Corporate Governance Association	How Does the Board of Directors Monitor and Manage ESG Risks and Create Business Sustainable Competitive Capability	3	Yes
Director	Mu Hsien Chen	11/29/2022	CPA Associations R.O.C.(Taiwan)	Sustainable Carbon Accounting Management (Taipei)	3	Yes
Director	Mu Hsien Chen	12/13/2022	CPA Associations R.O.C.(Taiwan)	Cash Out Merger as in “Business Mergers and Acquisitions Act” & Protection of Shareholder Rights and Directors’ Avoidance of Conflicts of Interests	3	Yes
Director	Chih Hung Hsieh	8/11/2022	Taiwan Corporate Governance Association	Discussion of Corporate Sustainable Operation from the Perspective of ESG Investment and Loan	3	Yes
Director	Chih Hung Hsieh	12/14/2022	Taiwan Corporate Governance Association	Cross-Border Management and Sustainable Operation	3	Yes

Continued training and education programs by managers:

Position titles	Names	Date of program	Unit in charge	Titles of the program courses	Number of training hours
President	Chia Hsiung Tseng	3/30/2022	Human Resources Section	Commercial Case Adjudication Act	2
President	Chia Hsiung Tseng	4/12/2022	Human Resources Section	ESG Trend and Financial Management of Post-Pandemic Era	2
President	Chia Hsiung Tseng	7/4/2022	Human Resources Section	Thorough Corporate Governance for Prudent Prevention of Insider Trading	2
Treasurer	Ching Fu Chen	1/1/2022	KGI Securities Co., Ltd.	KGI Securities Co., Ltd. Stock Affairs Seminars	3
Treasurer	Ching Fu Chen	3/16/2022	The Institute of Internal Auditors-Chinese Taiwan	Items to Notify and Practical Experience Analyses of “Shareholder Meeting” and “Corporate Act”	6
Treasurer	Ching Fu Chen	3/30/2022	Human Resources Section	Commercial Case Adjudication Act	2
Treasurer	Ching Fu Chen	4/12/2022	Human Resources Section	ESG Trend and Financial Management of Post-Pandemic Era	2
Treasurer	Ching Fu Chen	7/4/2022	Human Resources Section	Thorough Corporate Governance for Prudent Prevention of Insider Trading	2
Accounting Head	Ling Chu Chen	2/16/2022	Accounting Research and Development Foundation in Taiwan	Global Enterprise ESG Sustainability Trend and Management Strategy and the Latest Securities and Financial Tax Laws and Regulations and Topics of Professional Guidelines	4
Accounting Head	Ling Chu Chen	3/30/2022	Human Resources Section	Commercial Case Adjudication Act	2
Accounting Head	Ling Chu Chen	4/7/2022	Human Resources Section	Task Guidance and Elevation of Guiding Capability for Management Officers	6
Accounting Head	Ling Chu Chen	4/12/2022	Human Resources Section	ESG Trend and Financial Management of Post-Pandemic Era	2
Accounting Head	Ling Chu Chen	7/4/2022	Human Resources Section	Thorough Corporate Governance for Prudent Prevention of Insider Trading	2
Accounting Head	Ling Chu Chen	8/17/2022	Accounting Research and Development Foundation in Taiwan	Practical Topics Analyses on Self-Compiling Financial Statements and Analyses of the Latest Professional Standards Topics under Corporate Governance 3.0 Policy	4

(III) The performance of corporate governance and the status on discrepancy and reasons in relation to the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies

The performance of corporate governance and the status on discrepancy and reasons in relation to the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies

Evaluation Items	Facts of performance (Note)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Descriptions in summary	
I. Does the Company specify and disclose the corporate governance best practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"?	V		The Company has set up the corporate governance best practice principles.	Compliant
II. Corporate Equity Structure and Shareholders' Equity				
(I) Does the Company specify internal operation procedures to dispose recommendations, doubts, disputes and lawsuit matters of shareholders, and implement in accordance with such procedures?	V		The Company has designated Spokesperson and Deputy Spokesperson. Our shareholder service unit has dedicated personnel receiving suggestions or handling disputes from shareholders.	Compliant
(II) Does the Company master the major shareholders in actual control of the company and the name list of the final controllers of such major shareholders?	V		We keep track by using the list of shareholders maintained by a shareholder service agent.	Compliant
(III) Does the Company establish and execute the risk control and firewall mechanism with the affiliates?	V		We adhere to relevant laws and regulations and disclose information accordingly in our dealing with affiliates. All our member companies have set up internal control systems and internal audit guidelines and follow these frameworks in practice. We have also established monitoring rules on our subsidiaries and implemented these rules accordingly.	Compliant

Evaluation Items	Facts of performance (Note)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Descriptions in summary	
(IV) Does the Company establish internal specifications to prohibit the internal parties of the company from trading securities by taking advantage of the non-opened information in market?	V		The Company has set up internal control systems such as the Code of Conduct and the Preventive Measures Against Insider Trading. The purpose is to ensure our personnel not to use company assets or information or take advantage of their jobs for persona gains. If any of our directors, supervisors, managers, or employees has acquired inside and significant information, they should avoid trading the Company's shares or other marketable securities of equity nature within a certain period of time, pursuant to Article 157-1 of the Securities and Exchange Act.	Compliant
III. Organization and Functions of Board of Directors (I) Does the Board of Directors formulate a diversity policy, management target and implementation?	V		The Company has a total of seven directors, including one employee and three independent directors. The professional expertise of the board directors includes petrochemical engineering, finance, accounting, law or work experience or professionalism required by the Company's operations. In terms of age profile, three directors are in the 50-59 age group, three in the 60-69 age group and one above 70 years old. Among the three independent directors, one has served more than five years and two directors have served more than one year. The Company cares about gender equality in the board composition. Currently, one director is female (or 14% of the board). Members of the Company's directors possess backgrounds in legal affairs, law, and chemical engineering.	Compliant
(II) Does the Company, besides establishing Compensation Committee and Audit Committee in accordance with laws, also voluntarily establish other committees with similar functions?	V		The Company has set up Investment Review Committee.	Compliant

Evaluation Items	Facts of performance (Note)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Descriptions in summary	
(III) Does the Company establish performance rules and evaluation methods of the Board of Directors, and periodically engages in performance evaluation every year? Besides, does the Company submit the outcome of performance evaluation to the board of directors to be used as the handy reference in salary remuneration of respective directors and their salaries?	V		The Company has set of the Criteria Regarding Performance Assessment of Board Directors.	Compliant
(IV) Does the Company periodically evaluate the independence of the certified public accountant?	V		The Company's Accounting Department assesses the independence of external auditors once a year. **The Assessment Form for Independence of External Auditors is designed according to Article 47 of the Certified Public Accountant Act and No. 10 Gazette for Professional Ethics for Certified Public Accountant of the Republic of China.** Meanwhile, Statements of Auditor Independence is obtained. All the findings were submitted to the 3rd Audit Committee's 18th meeting and the 19th Board's 13th meeting on January 12, 2023. The Company's Accounting Department determined that CPA Ying Chia Hsiao and CPA Chih Lung Lin of Crowe (TW) CPAs meet the independence assessment criteria set by the Company. The Assessment Form of Auditor Independence consists of the following elements: 1. Statement from the external auditors regarding their independence; 2. No direct or material financial interest between the external auditors and the client; 3. No improper interest between the external auditors and the client; 4. The audit service team practicing in an honest, fair and independent manner;	Compliant

Evaluation Items	Facts of performance (Note)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Descriptions in summary	
			5. No reviewing or auditing of the financial statements issued by the organization the external auditor worked for within the past two years; 6. No use of the external auditor's name by any other party; 7. No member of the accounting firm or the audit service team owning the client's shares; 8. No borrowing/lending relationship between external auditors and the client, except normal dealings in the financial industry; 9. No common investments or gains sharing between external auditors and the client; 10. No commissioning of regular work by the client and regular compensations to external auditors; 11. No involvement of external auditors in the management function and decision-making for the client; 12. No side job taken by external auditors that may compromise their independence; 13. No spousal, direct relative by blood or by marriage, or relative by blood within four degrees of relationship between external auditors and the client; 14. No receiving of commissions by external auditors related to businesses; 15. No tenure by external auditors for more than seven consecutive years (returning only possible after two years of internal rotation within the accounting firm)	
IV. Have TWSE/TPEx listed companies been equipped with eligible and appropriate corporate governance personnel, and designated corporate governance executives responsible for corporate governance-related affairs (including but not limited to providing directors, supervisors with the information needed to perform business,	V		In order to secure shareholders' rights and to reinforce the professional capabilities of the Board of the Directors, the Company has appointed via final resolution and approval of the Board on May 13, 2021 Vice President Ching Fu Chen as the Head of Corporate Governance, serving as the highest level of supervisor responsible for affairs related to corporate governance. Vice President Ching Fu Chen possessed a CIA	Compliant

Evaluation Items	Facts of performance (Note)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Descriptions in summary	
assisting directors, supervisors in complying with laws to handle matters related to meetings of the board of directors and shareholders 'meetings in accordance with the law, with production of minutes of board of directors meetings and shareholders' meetings)?			and a CPA and has had more than three years of experiences serving as the head of finance department in a public company. His main responsibilities include convening the Board of Directors and shareholders meetings and handling related matters, compiling Board of Directors and shareholders meetings minutes, assisting the directors with position assuming matters and continued education, providing directors necessary information to execute business affairs, and assisting directors to comply with laws and regulations.	
V. Does the Company establish communication channel of the stakeholders (including but not limited, shareholders, employees, customers and suppliers, etc.), and establish an exclusive zone of the stakeholders in the company's website, and properly respond the important issues of corporate social responsibility concerned by the stakeholders?	V		There is an exclusive zone of the stakeholders at our official website. Dedicated personnel respond to handle questions about specific issues.	Compliant
VI. Does the Company appoint a professional stock affair handling agency to process the affairs of general meeting?	V		The Company has assigned KGI Securities to provide registrar services.	Compliant
VII. Information Opening (I) Does the Company set up a website to disclose the financial business and the corporate governance information?	 V		 Company website at http://www.gppc.com.tw	 Compliant
(II) Does the Company adopt other information disclosure methods (such as setting up an English website, designating dedicated personnel to be in charge of the corporate information collection and disclosure, actualizing the spokesperson system, the juristic person conference process placement in the company's website, etc.)?	V		The Company adheres to regulations governing information disclosure by providing information to shareholders via Market Observation Post System regarding financials, business, insider holdings and corporate governance. The Company's website also discloses information collected by dedicated personnel according to nature of information.	Compliant

Evaluation Items	Facts of performance (Note)			Status on discrepancy and reasons in relation to Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
	Yes	No	Descriptions in summary	
(III) Did the Company announce and declare its annual financial statements within two months after the end of the fiscal year, and announce and declare the financial statements of the first, second and third quarters and operating performance of each month ahead of schedule as required?		V	The Company has one spokesperson and one deputy spokesperson. The Company is reporting annual and quarterly financial reports and monthly operational status in accordance with the designated date in "Agenda Items for Public Negotiable Securities Issuer".	N/A
VIII. Does the Company have other available important information helpful to understand the corporate governance and performance status (including but not limited to employee interests, employee concern, investor relationship, supplier relationship, rights of stakeholders, advanced study status of directors and supervisors, execution status of risk management policy and risk measurement standard, execution status of client policy, the status of purchasing liability insurance of the company for its directors and supervisors, etc.)?	V		(I) Our employee benefit and care efforts are as follows: 1. We arrange annual health checks for employees in major hospitals. We also have nurses at factory sites. 2. We emphasis training and education of employees. In addition to professional training, we offer long-term English lessons to develop language capabilities of our employees. (II) The Company adopts a spokesperson system, and we also have a deputy spokesperson. Investors can fully communicate with the spokesperson or deputy spokesperson via phone or email. (III) The Company has purchased liability insurance for directors. (IV) The advanced study status of directors and independent directors, execution status of risk management policy and risk measurement standard, execution status of client policy are all disclosed in annual reports. Please refer to relevant details contained in annual reports available on our website.	Compliant
IX. Please explain the performance in improvement of the Company's corporate governance in response to the evaluation results released by the Corporate Governance Center of the Taiwan Stock Exchange Corporation in the most recent year, and the proposed preferential measures of improvement for those which call for further improvement. The evaluation of the independence of external auditors is detailed in the 2022 annual report. The proportion of pledges held by directors and supervisors has been reduced to 50% and the nominating committee has been established. Meanwhile, the Company continues to enhance information transparency by amending the disclosure of shareholder structures and management team on our website. We are also deploying English webpages on our site to provide information to investors.				

Note: Brief explanations required whether Yes or No is ticked for the facts of performance.

(IV) Composition, responsibilities and powers of Compensation Committee and the facts of performance:

(1) Information on Compensation Committee members:

<table>
<tr><th colspan="2">Term
Position (Note 1)
Name</th><th>Qualification Requirements and Work Experience (Note 2)</th><th>Independence Information (Note 3)</th><th>Number of Other Public Companies Concurrently Serving as a Member of Compensation Committee</th></tr>
<tr><td>Convener
Independent Director</td><td>Wen Tzong Chen</td><td>1. MBA, Rider University, the U.S.
2. Master, Institute of Law, Soochow University
3. Independent Director, Hiyes International Co., Ltd. and Advancetek Enterprise Co., Ltd.</td><td rowspan="3">(1) Whether the director, the director’s spouse or relative within two degree serves as a director, supervisor or employee of the Company or its affiliate: Nil
(2) Number and ratio of the Company’s shares owned by the director, the director’s spouse or relative within two degree serves (or under other’s names): Nil
(3) Serving as a director, supervisor or employee of a company with specific ties with the Company (Subparagraphs 5~8, Paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange): Nil
(4) Remuneration obtained by providing business, legal, financial or accounting services to the Company or its affiliates during the past two years: Nil</td><td>2</td></tr>
<tr><td>Independent Director</td><td>Mu Hsien Chen</td><td>1. Bachelor in Accounting, California State University
2. CPA, Diwan & Company</td><td>0</td></tr>
<tr><td>Independent Director</td><td>Chih Hung Hsieh</td><td>1. Juris Doctor, National Chengchi University
2. Master of Laws, Waseda University
3. Associate Professor, Department of Law, Fu Jen Catholic University
4. Independent Director, Sanyang Motor Co., Ltd.</td><td>1</td></tr>
</table>

Note 1: Please provide in the form the number of relevant work years, professional qualifications, experience and independence of the individual member of the Remuneration Committee. The member who is also an independent director can be noted in reference to Table 1 Information on Directors (1) on page OO. Please note whether the identity is an independent director or others (e.g., convener).

Note 2: **Professional qualifications and experiences:** Please provide the professional qualifications and experience of individual member of the Remuneration Committee.

Note 3: **Requirement for independence:** Please describe the independence of the Remuneration Committee members. This includes but is not limited to whether the member, the member’s spouse or relative within two degree serves as a director, supervisor or employee of the Company or its affiliate; the number and percentage of the Company’s shares held by the member, the member’s spouse or relative within two degree serves (or under others’ name); whether the member, the director’s spouse or relative within two degree serves as a director, supervisor or employee of a company with specific ties with the Company (Subparagraphs 5~8, Paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); the value of the remuneration obtained by providing business, legal, financial or accounting services to the Company or its affiliates during the past two years.

Note 4: Please refer to the best-practice examples available on the website of Taiwan Stock Exchange Corporation’s corporate governance center for disclosure methods.

(2) Information of the performance by the Compensation Committee:

1. **The Company's Compensation Committee has a total of 3 Committee members.**
2. **Tenure of office of Compensation Committee members of the current session: June 18, 2020 ~ June 11, 2023. Within the most recent year (2021), the Compensation Committee convened 5 meetings (A). The qualifications and attendance facts of the Compensation Committee members are enumerated below:**

Position Title	Name	Times of Attendance in Person (B)	Times of Attendance by Proxy	Actual Attendance Ratio (%) (B/A) (Note)	Remarks
Convener	Wen Tzong Chen	5	0	100%	
Commission member	Mu Hsien Chen	5	0	100%	
Commission member	Chih Hung Hsieh	5	0	100%	

Other matters to be noted in the meeting minutes:

I. If the Board of Directors refuses to accept of modify suggestions of the Compensation Committee, the meeting date, session, agenda content, results resolved by the Board of Directors, and the Company's treatment of opinion of the Compensation Committee should be clearly stated (for example, if the Board of Directors approved a compensation structure that is better than that suggested by the Compensation Committee, the circumstance of discrepancy and reason should be clearly stated): Nil

Compensation Committee	Contents of motions and the subsequent measures
The 8th of Session 4 01/20/2022	1. Approval of work plans 2022 2. Approval of bonus to managers 2021 3. Approval of the bonus to Chairman for the subsidiary Land & Sea Capital Corp. in 2021 Opinions voiced by Committee members: Nil Acts taken by the Company in response to the Committee members' opinions: Nil. Result of decision resolved: Unanimously resolved by all directors in full.
The 9th of Session 4 03/29/2022	1. Approval of distribution of remuneration to employees and directors, 2021 2. Approval of incentive award regulations for factory construction for the investment in QuanZhou Grand Pacific Chemical Co., Ltd. Opinions voiced by Committee members : Nil Acts taken by the Company in response to the Committee members' opinions: Nil Result of decision resolved: Unanimously resolved by all directors in full.
The 10th of Session 4 08/11/2022	1. Approval of distribution of remuneration to employees (including managers) and directors, 2021 Opinions voiced by Committee members : Nil Acts taken by the Company in response to the Committee members' opinions: Nil Result of decision resolved: Unanimously resolved by all directors in full.
The 11th of Session 4	1. Approval of salary adjustments for managers 2022 Opinions voiced by Committee members : Nil

11/11/2022	Acts taken by the Company in response to the Committee members' opinions: Nil Result of decision resolved: Unanimously resolved by all directors in full.
The 12th of Session 4 01/12/2023	1. Approval of the 2023 Business Plan. 2. Approval of the 2022 bonus to Chairman for the construction of QuanZhou Grand Pacific Chemical Co., Ltd Opinions voiced by Committee members : Nil Acts taken by the Company in response to the Committee members' opinions: Nil Result of decision resolved: Unanimously resolved by all directors in full.

II. If the members have opposite opinion or reservations against the resolution of the Compensation committee and the opinion or reservations have been recorded or documented, the meeting date, session, agenda content, the opinion of all members of the Compensation Committee, and the treatment of the members' opinion should be clearly stated: Nil

Remarks:

1. In case of resignation by Compensation Committee member(s) before end of a fiscal year, the Company should remark in the Remark Box date of resignation, actual participation rate (%) and the number of time(s) of the meeting(s) convened by the Compensation Committee and attended by the quitting Committee member(s) for calculation.
2. In case of reelection of Compensation Committee members before end of a fiscal year, the Company should enumerate names of the former Committee members and newly elected Committee members and further indicate in the in the Remark Box as former ones, newly elected ones, actual participation rate (%) and the number of time(s) of the meeting(s) convened by the Compensation Committee and attended by the quitting Committee member(s) for calculation.

(3) Data of the members and the functioning of the Nomination Committee: The Company has set up the Nomination Committee, but its members and operation are not yet in place.

(V) Discrepancy and the reason for such discrepancy between the implementation for sustainable development and the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

Item	Implementation status (Note 1)			Implementation discrepancy from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the reason for such discrepancy
	Yes	No	Description in Summary	
I. Does the Company establish a governance structure for sustainable development and put in place the dedicated (part-time) unit to drive sustainable development and authorize? Does the Board of Directors authorize senior management accordingly? How does the Board of Directors supervise? **<u>(TWSE/TPEx Listed Companies shall fill out and report implementation status, and it is not considered "comply or explain".)</u>**	V		1. The Company possesses the governance framework to establish sustainable development and has established a special department for the advancement of corporate sustainable development - "Sustainable Development Committee". Within the respective committee, the Board of Directors authorizes high level supervisors to perform related tasks and to regularly report to the Board on the execution status. 2. The Company's Sustainable Development Committee was founded in December 2021. Its related organizational framework and member information are as shown in Attachment 1. 3. Execution status of the reporting year is as shown in Attachment 2. 4. The Board of Directors would listen to work progress report of the Sustainable Development Committee at their convened meetings. Dates of the Sustainable Development Committee's reporting to the Board of Directors are shown in Attachment 3.	
II. Does the Company conduct environmental, social and governance risk assessments according to the principle of materiality, and formulate relevant risk management policies or strategies accordingly? (Note 2) **<u>(TWSE/TPEx Listed Companies shall fill out and report implementation status, and it is not considered "comply or explain".)</u>**	V		1. The boundaries for the Company's risk assessment are the Kaohsiung plant and the Taipei Office. 2. The Company's methodology is based on analysis procedure from significant consideration aspects, identifying the sustainability issues emphasized by stakeholders,	

Item	Implementation status (Note 1)			Implementation discrepancy from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the reason for such discrepancy
	Yes	No	Description in Summary	
			proceeding with environmental, social, or corporate governance risk assessments related to corporate operation, which in turn became the reference basis for information disclosure and key foundation for future planning of the corporate sustainable development paths. In accordance with 2022 practical topics selection results, the Company evaluated the relation level between stakeholders and the Company based on AA 1000 principle. Each topic's concerning score is weighted by relationship level to calculate the average, which is used to understand stakeholders' level of concern and related impacts and risks. Since sustainability topics encompass a wide array of fields, the Company has referenced to points of views from internal and external experts. Through GRI consideration aspects and indices, SASB standard list, Taiwan Stock Exchange – Chemical Industry Disclosure Index and weather related TCFD, relevant economic, environmental, and social impact topics were gathered for assessing respective risks.	
III. Environmental Issues				
(I) Does the Company establish a proper environmental management system in response to its industry characteristics?	V		1. The Company manages and improves the environmental issues based on the ISO system and PCDA (plan-do-check-act) cycle and abides by the environmental laws of the Republic of China. 2. The Company has obtained the ISO14001 certification in environment management systems.	
(II) Does the Company endeavor to upgrade the energy utilization efficiency and use the regenerated materials with a low environmental	V		Please refer to Section 2, Chapter 3 of Corporate Sustainability Report (CSR).	

Item		Implementation status (Note 1)			Implementation discrepancy from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the reason for such discrepancy
		Yes	No	Description in Summary	
	impact?				
(III)	Does the Company assess existing and potential risks and opportunities associated with climate change and adopt the corresponding responses and measures?	V		Please refer to Section 2, Chapter 3 of Corporate Sustainability Report (CSR).	
(IV)	Does the Company calculate the GHG emissions, water consumption and total wastes during the past two years, and formulate policies to achieve reduction of carbon emissions, GHS emissions, water consumption or manage wastes?	V		Please refer to Section 2 and Section 3, Chapter 3 of Corporate Sustainability Report (CSR).	
IV.	Maintenance of Community Public Welfare				
(I)	Does the company establish related management policies and procedures in accordance with related laws and international covenants on human right?	V		Please refer to Section 1, Chapter 4 of Corporate Sustainability Report (CSR).	
(II)	Does the Company formulates and implemented an employee welfare scheme (including wages, holidays and other benefits) and reflected appropriately the business performance onto employee remunerations?	V		Please refer to Section 1, Chapter 4 of Corporate Sustainability Report (CSR).	
(III)	Does the company provide employees with a safe and healthy working environment, and implement safety and health education to employees on a periodical basis?	V		Please refer to Section 2, Chapter 4 of Corporate Sustainability Report (CSR).	
(IV)	Does the Company establish effective career competency development and training plans for employees?	V		Please refer to Section 1, Chapter 4 of Corporate Sustainability Report (CSR).	

Item	Implementation status (Note 1)			Implementation discrepancy from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the reason for such discrepancy
	Yes	No	Description in Summary	
(V) Does the Company observe the relevant laws, regulations and international standards regarding the health, safety, customer privacy, marketing and labeling of products/services, etc., and has formulated relevant policies and complaint procedures to protect the right of consumers or customers?	V		Please refer to Section 3, Chapter 4 of Corporate Sustainability Report (CSR).	
(VI) Does the Company set up supplier management policies by requesting suppliers to adhere to relevant standards in environmental protection, occupational health & safety or labor & human rights and reporting their implementations accordingly?	V		Please refer to Section 3, Chapter 4 of Corporate Sustainability Report (CSR).	
V. Does the Company refer to internationally acceptable standards or guidelines for the compilation of Corporate Sustainability Report (CSR) to disclose non-financial information? Are these reports confirmed or endorsed by third-party evaluation organizations?	V		1. The Report is supplemented in accordance with Global Reporting Initiative, GRI – Sustainability Reporting Standards, SASB standard list – Chemicals, and Taiwan Stock Exchange – Chemical Industry Disclosure Index; and the disclosure principle is based on the reference selections. We aim to provide reliable and open information to the public. The report is compliant with AA1000 standard. 2. This CSR report is certified by a third-party evaluation organization in May 2023.	
VI. In case a company establishes its own Sustainable Development Code in accordance with "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", please describe its operation and the deviation from the established Best Practice Principles: The Company's website contains a section decided to sustainable development with information regarding our ESG initiatives (https://www.gppc.com.tw/gppc/reponsibility.asp). We released our 2022 ESG report on June 30, 2023. The Company adopts the GRI (Global Reporting Initiative) standards in its compilation of CSR Reports by listing out G4 core items of Sustainability Reporting Guidelines. We upload our ESG report on our official website and Market Observation Post System, so that our stakeholders can browse and download. The Company established its Corporate Social Responsibility Best Practice Principles in April 2016. In February 2022, it was revised to be the Sustainable Development Best Practice Principles, and there is no material discrepancy in functioning.				

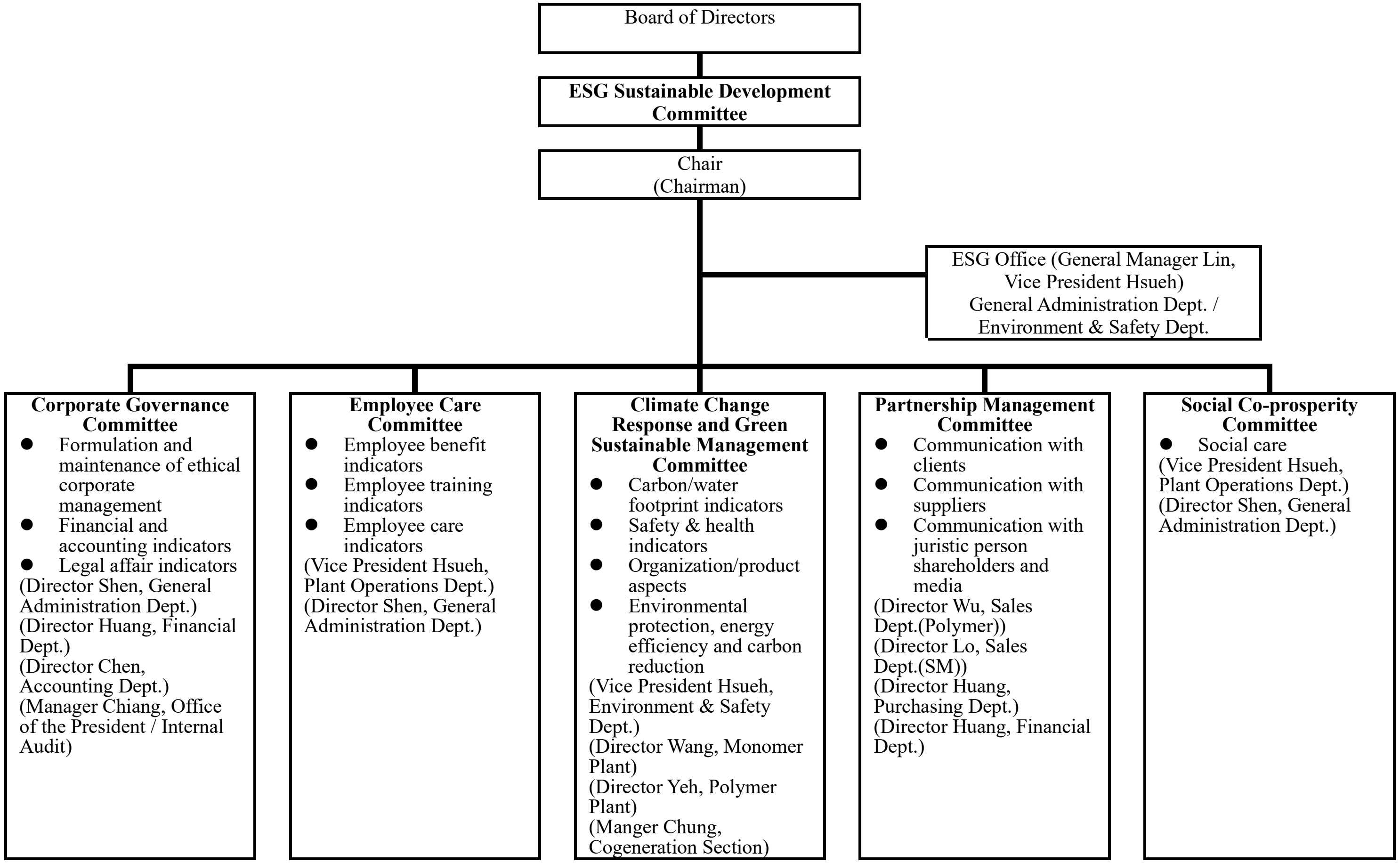
<table>
<tr><th rowspan="2">Item</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Implementation discrepancy from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the reason for such discrepancy</th></tr>
<tr><th>Yes</th><th>No</th><th>Description in Summary</th></tr>
<tr><td colspan="5">VII. Other important information to help understand the implementation status of corporate social responsibility:
Please refer to the Company’s 2023 ESG Report.</td></tr>
</table>

Note 1: If “Yes” is ticked for the implementation status, please explain, specifically, the important policies, strategies, measures and implementation in place. If “No” is ticked, please explain the discrepancy and the reason in the column “Implementation discrepancy from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and the reason for such discrepancy” and provide relevant policies, strategies and measures to be adopted going forward. However, related to Items I and II, TWSE/TPEx Listed Companies shall state clearly the governance and supervision framework for sustainable development, including but not limiting to management guidelines, formulation of strategies and goals, and self-review measures. Additionally, clear statement shall also be made for operation related risk management policies or strategies for the environmental, social, and corporate governance topics, as well as assessment status for aforementioned items.

Note 2: Materiality refers to significant influence of environmental, social, and corporate governance issues on investors and other stakeholders.

Note 3: Please refer to the best-practice examples available on the website of Taiwan Stock Exchange Corporation’s corporate governance center for disclosure methods.

Attachment 1



Attachment 2

Items of Execution Plans from All Committees

(1) Sustainability & Governance Committee (General Administration Dept./Finance Dept./Accounting Dept./President's Office)
- Code of conduct
- Corporate governance
- Finance and accounting indicators
- Legal indicators

(2) Employee Care Committee (General Administration Dept./ Plant Operation Dept.)
- Employee care

(3) Green Operation Committee (Environment & Safety Dept./Utility Plant/Monomer Plant/Polymer Plant)
- Environmental protection, energy efficiency and carbon reduction
- Safety and health of the operational environment

(4) Partnership Management Committee (Sales Dept. (Polymer)/ Sales Dept. (SM)/Finance Dept./Purchasing Dept.)
- Communication with internal and external stakeholders

(5) Social Co-prosperity Committee
- Social care

Attachment 3

Committees Reporting to the Board of Directors on Operation Status

The first meeting in 2022

(1) Date: January 20, 2022

(2) Attending members: Chairman Pin Cheng Yang, President Chia Hsiung Tseng, Senior Vice President Chen Ming Chou, General Manager Wen Hui Lin, Vice President Ching Fu Chen, Director Hung Min Hsueh, Director Ching Chi Huang.

(3) Reported item: Conducting self-review report on promotion of sustainable development initiatives in 2021

The second meeting in 2022

(1) Date: March 29, 2022

(2) Attending members: Chairman Pin Cheng Yang, President Chia Hsiung Tseng, Senior Vice President Chen Ming Chou, General Manager Wen Hui Lin, Vice President Ching Fu Chen, Director Hung Min Hsueh, Director Ching Chi Huang.

(3) Reported item: Progress of the 2021 ESG Report

The third meeting in 2022

(1) Date: August 1, 2022

(2) Attending members: Chairman Pin Cheng Yang, President Chia Hsiung Tseng, Senior Vice President Chen Ming Chou, General Manager Wen Hui Lin, Vice President Ching Fu Chen, Director Hung Min Hsueh, Director Ching Chi Huang.

(3) Reported item: Progress of the 2022 Corporate Sustainability Development

The fourth meeting in 2022

(1) Date: October 30, 2022
(2) Attending members: Chairman Pin Cheng Yang, President Chia Hsiung Tseng, Senior Vice President Chen Ming Chou, General Manager Wen Hui Lin, Vice President Ching Fu Chen, Director Hung Min Hsueh, Director Ching Chi Huang.
(3) Reported item: Conducting discussions of items to be prepared in advance to compiling the 2022 ESG Report.

(VI) Climate-related information of listed companies:

1. Climate-related information execution status: execution will begin on January 1, 2024.

(VII) Facts about the Company's implementation in ethical corporate management and the measures so adopted:

Fulfillment of ethical corporate management and the status on discrepancy and reasons in relation to the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies

Evaluation Items	Facts of performance			Implementation discrepancy from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and the reason for such discrepancy
	Yes	No	Description in Summary	
I. Establishment of policy and measures of ethical management.				
(I) Does the Company establish business ethics code and have it approved by the Board of Directors? Does the Company specify in external documents its policy, practice of operation in good faith in its corporate statutes and bylaws and the commitment from the Board of Directors and senior management to its operation policy?	V		The introduction on our company website articulates our business philosophy: Modesty Leads to Harmony; Honesty Builds Credibility. The Board of Directors on March 25, 2014 passed the Ethical Corporate Management Best Practice Principles to establish an honest corporate culture and a trusting business model.	Compliant
(II) Has the Company put in place an assessment mechanism for the risks associated with unethical conduct, and regularly analyzed and assessed the operating activities exposed to higher risks of unethical conduct, and formulated preventive measures accordingly and covering at least the preventive measures specified in the paragraph 2 of Article 7, the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?	V		The Ethical Corporate Management Best Practice Principles stipulate that the Company's directors (including independent directors), managers, employees, or the parties with control may not directly or indirectly offer, commit, request or accept any improper gains in the process of conducting commercial activities. This includes (1) bribery taking or receiving; (2) illegal political donations; (3) improper charity donations or sponsorships; (4) giving or taking of unreasonable gifts, entertainment, or other improper benefits. Please refer to the Company's Ethical Corporate Management Best Practice Principles.	Compliant
(III) Does the Company specify a scheme to prevent unethical conduct, and expressly describe in operation procedures, conduct guidelines, punitive measures and complaint channels accordingly, in order to properly implement and periodically review the abovementioned scheme?	V		Same as above	Compliant

Evaluation Items	Facts of performance			Implementation discrepancy from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and the reason for such discrepancy
	Yes	No	Description in Summary	
II. Thorough implementation of ethical corporate management				
(I) Does the company evaluate the record of ethics of the transaction parties, and expressly specify clauses dealing with behaviors of ethics in the signed contracts of the transaction parties?	V		The Company's procurement procedures as part of internal control require the assessment of customers and contractors. The contracts also specify the rights and obligations of both parties.	Compliant
(II) Has the Company established a unit under the Board of Directors to promote corporate operation in good faith, and regularly report to the Board of Directors (at least once per year) its execution and oversight of the business ethics policy and prevention of unethical conduct?	V		The Company's internal auditors regularly inspect compliance status and produces audit reports for the review by the Board of Directors.	Compliant
(III) Does the company stipulate a policy of preventing interest conflict, provide due statement channels, and actualize the execution?	V		The Ethical Corporate Management Best Practice Principles require directors to avoid discussions and voting on behalf of themselves or other directors for the issues reviewed by the Board if the directors or the legal entities they represent are stakeholders, and the conflict of interests may detriment the interest of the Company. They may, however, express opinions and answer questions.	Compliant
(IV) Has the Company established an effective accounting system and an internal control system to implement operation in good faith, designated internal auditors or commissioned external auditors accordingly to formulate audit plans based on the assessment of risks associated with unethical conduct as the basis for the audit of unethical conduct?	V		The Company's accounting system and internal control system are formulated according to relevant laws and regulations stipulated by the government and based on our own practical requirements. Auditors have come up with audit plans and report to the Board of Directors regarding the audit results.	Compliant
(V) Does the company hold internal, external educational training for ethical corporate management on a periodical basis?	V		The Ethical Corporate Management Best Practice Principles is uploaded on the intranet for employees to access. Regular training & education sessions on business ethics are organized.	Compliant

Evaluation Items	Facts of performance			Implementation discrepancy from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and the reason for such discrepancy
	Yes	No	Description in Summary	
III. Operation Status of Corporate Whistle-blowing System of an Offense				
(I) Does the company establish substantial whistleblowing and incentive systems, and establish convenient whistleblowing channels, and assign proper exclusively responsible personnel to accept the reported subject of an offense?	V		The procedures for whistleblowing system and penalties specified in the Ethical Corporate Management Best Practice Principles are posted on the website.	Compliant
(II) Has the Company established the standard investigational procedures of receiving whistle-blowing reports, subsequent measures and the confidentiality mechanism after the completion of investigations?	V		Same as above	Compliant
(III) Does the company take measures to protect an offense reporting party from suffering improper disposition due to an offense report?	V		Same as above	Compliant
IV. Strengthen Information Disclosure Does the company disclose the content of Ethical Corporate Management Best Practice Principles and promotion performance in its website and Market Observation Post Site?	V		The procedures for whistleblowing and system for penalties and punitive measures specified in the Ethical Corporate Management Best Practice Principles are posted on the Company website.	Compliant
V. If the Company has duly enacted Ethical Corporate Management Best Practice Principles in accordance with "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies", please elaborate the discrepancy between the substantial performance and the Ethical Corporate Management Best Practice Principles: N/A				
VI. Other significant information which would help better understand the performance by the Company in Ethical Corporate Management Best Practice Principles: (e.g., the company in reviewing and updating the established Ethical Corporate Management Best Practice Principles, etc.): Nil				

Note 1: Brief explanations required whether "Yes" or "No" is ticked for facts of performance.

(VIII) If the Company has established Ethical Corporate Management Best Practice Principles and relevant rules, please disclose the method for inquiry: The Company has enacted "Rules Governing Code of Ethical Conduct" and promulgated it into the Company website.

(IX) Other key information likely to enhance awareness of performance in corporate governance of the Company should be disclosed as well in consolidation:

The Company discloses significant internal information through the operating procedures as enumerated below which are accessible through the Company website or Market Observation Post System (MOPS).

1. The Company's organizer, co-organizer(s) in charge of "material information"

Contents	Unit in charge	Unit of input
The term "material information of listed companies" as set forth herein denotes the issues as enumerated below:		
1. The listed company or its person in charge, the parent company or subsidiary's facts with insufficient deposit, being denied service by banks, or other events that result in the loss of creditability, parent company's significant change in equity, or the listed company's share certificates suspended from trading, terminated from listing or restoration to the *status quo* with public announcement according to the Company's Regulations Governing Business Operation.	Financial Dept.	Financial Dept.
2. The listed company or its person in charge have been in significant impact upon the Company's finance or business operation due to litigious, non-litigious affairs, administrative penalty, provisional seizure (attachment), provisional injunction or compulsory enforcement, or where the Company's chairman or manager violates Securities and Exchange Act, Futures Trading Act, Company Act, Banking Act, Insurance Act, Act Governing Bills Finance Business, Financial Holding Corporation Act, Commercial Accounting Act, or has been prosecuted for having committed corruption, malfeasance, fraud, betrayal, misappropriation.	Financial Dept.	Financial Dept.
3. The severe production reduction or total or partial shutdown takes place, the Company's plant or main equipment is leased out, the Company's assets are mortgaged or pledged either in whole or in part with an impact upon the Company's business operation.	General Manager (Kaohsiung) Spokesperson (in assistance)	Financial Dept.
4. An event among those enumerated under Paragraph 1, Article 185 of the Company Act takes place.	Financial Dept.	Financial Dept.
5. The listed company, its parent company, or its subsidiary company undergoes corporate reorganization or bankruptcy procedures, all events that occur during the proceedings, including any claims, petitions subject to any notice or ruling made by a court, or, as ruled by the court in accordance with the relevant laws and regulations to prohibit the transfer of stocks, or including preservation and punishment, or where there is a major change in the aforementioned issue.	Senior Vice President, Financial Dept.	Financial Dept.
6. Any change during the tenure of appointment (election) of Chairman, President, legal person directors and supervisors and their representatives, independent directors, natural person directors and supervisors, members of the functional committee established in accordance with the provisions of the Securities and Exchange Act; any change of more than one third of directors or the number of seats failing to adhere to the requirements by Paragraph 2, Article 6 of the Taiwan Stock Exchange Corporation Rules for Regulating TWSE Primary Listed Companies and Taiwan Innovation Board Primary Listed Companies After Listing regarding the household registration within the country for directors and independent directors of a TWSE primary listed company or a Taiwan Innovation Board primary listed company.	Financial Dept.	Financial Dept.

7.	Change of certified public accountants not due to the accounting firm’s internal adjustment, or termination of an agreement of mandate between a Taiwan Innovation Board listed company, TWSE Primary listed company or Taiwan Innovation Board primary listed company and its lead underwriter, or change of the mandated securities underwriter.	Accounting Dept.	Accounting Dept.
8.	The spokesperson, acting spokesperson, important operation supervisor (such as: chief executive officer, chief operating officer, marketing chief and strategy chief, etc.), Treasurer, Accounting Head, corporate governance supervisor, Chief information security officer, R & D supervisor, internal audit supervisor and other personnel is (are) changed or where the TWSE Primary Listed Companies, Taiwan Innovation Board Primary Listed Companies’ litigious, non-litigious agent is changed.	Office of the President	Financial Dept.
9.	The fiscal year is changed, where the boards of directors resolves a change in the accounting information subject to public announcement or declaration to the competent authorities as required under the “Regulations Governing the Preparation of Financial Reports” or where an application to the competent authority for an accounting change is disapproved by the competent authority.	Accounting Dept.	Accounting Dept.
10.	A significant memorandum, strategic alliance or other business cooperation plan or non-inter-competition commitment or key contract is(are) executed, terminated or rescinded, changed for the key content, successfully completed in product development into formal volume production, or where new product, new technology & know-how is developed in progress, leading to a significant effect upon the Company's finance or business operation.	President	Financial Dept.
11.	The board of directors resolves to reduce capital, for merger/acquisition (M&A), demerger, acquisition, share exchange, conversion or transfer, dissolution, capital increase to issue new shares, capital reduction and cash capital increase base date, issuance of corporate bonds, issuance of employee stock certificates, issuance of restricted employee rights oriented new shares, issuance of other negotiable securities, private placement of negotiable securities, changes in denominations per share, participation in the establishment or conversion of financial holding companies or investment holding companies or their subsidiaries, or major changes in aforementioned matters; or where the board of directors meeting or shareholders’ meeting oriented to participation in mergers, demerger, acquisitions or transfer of shares is not duly convened as scheduled for any reason or where either party rejects an issue of mergers, demerger, acquisitions or transfer of shares or where board of directors resolves another decision to revoke the decision for merger after having resolved for merger.	Financial Dept.	Financial Dept.
12.	Dates, times, venues and relevant information of capital market days or events of similar nature convened by the Company or the Company is invited to; or other financial and business information announced but yet to be entered into the Market Observation Post System (MOPS).	Financial Dept.	Financial Dept.
13.	The board of directors resolves to disclose financial forecast, where the financial forecast proves not applicable, or where the financial forecast has been corrected or updated: Where the integral financial forecast having been made public meets any one among those circumstances enumerated below with the change in discrepancy exceeds 20% with affected amount up to NT$30 million or 5‰ of the capital: (1) The discrepancy between the comprehensive profit/loss in the self-settlement in the latest promulgation	Accounting Dept.	Accounting Dept.

	& declaration within one month from closure of a fiscal year and the forecast figure of comprehensive profit/loss in the most recent announcement and declaration to public. (2) The discrepancy between the comprehensive profit/loss in the financial statement in the year of announcement and declaration to public and the forecast figures. (3) The discrepancy between the comprehensive profit/loss in the financial statement in the year of announcement and declaration to public and the comprehensive profit/loss in self-settlement in the announcement and declaration within one month from closure of a fiscal year. In case of a company without denominations or with denomination per share not in NT$10, the calculation of the previous 5‰ of the share capital should be replaced by 2.5‰ of the net worth instead.		
14.	The decision resolved by the board of directors regarding distribution or no distribution of dividend, or the decision regarding distribution of dividend resolved by the board of directors has been changed as resolved by the shareholders' meeting, or the cash dividend resolved to be distributed gets the target (base) date for distribution changed after being resolved or the date for cash dividend distribution is resolved after being promulgated or the cash dividend remains not distributed even after the scheduled target (base) date.	Financial Dept.	Financial Dept.
15.	The board of directors or shareholders' meeting resolves for investment plan either directly or indirectly up to 20% of the Company's capital or exceeds NT$1 billion; or where the aforementioned issue is significantly changed. In case of a company without denominations or with denomination per share not in NT$10, the aforementioned 20% shall be counted with 10% of the net worth instead.	Financial Dept.	Financial Dept.
16.	Subsequent change due to the Board of Director's resolution of an effective-upon-registration plan to issue new or additional shares or corporate bonds for fund raising or a private placement plan for marketable securities already approved by the Board of Director or the shareholders' meeting.	Financial Dept.	Financial Dept.
17.	The Board of Directors makes final resolution or receives notification by person with calling right for the dates, convening methods and reasons for convening a general shareholders' meeting or an extraordinary shareholders' meeting and dates of shareholder book closure.	Financial Dept.	Financial Dept.
18.	Major decision(s) resolved in an annual meeting of shareholders or special shareholders meeting.	Financial Dept.	Financial Dept.t.
19.	Occurrence with the Company of a fraud in internal control system, extraordinary transaction, draining corporate funds or such significant event; or an event where the Company is under search investigation according to law; or an event where the Chairman, or the President, is listed as wanted by the police.	Financial Dept.	Financial Dept.
20.	The information consistent with the requirements as enumerated below: (1) A listed company or its subsidiary with stocks not issued to public domestically acquires or disposes of assets in the level subject to announcement and declaration to public as required under Articles 31 and 32 of "Regulations Governing the Acquisition and Disposal of Assets by Public Companies" except an event among any situation among those enumerated below: 1) Where public announcement for merger, demerger, acquisition or inward transfer of shares has been satisfactorily completed in accordance with Subparagraph 11 of this Paragraph. 2) Where public announcement for acquisition or disposal of private placement has been satisfactorily completed in accordance with Subparagraph 24 of this Paragraph.	Financial Dept.t.	Financial Dept.

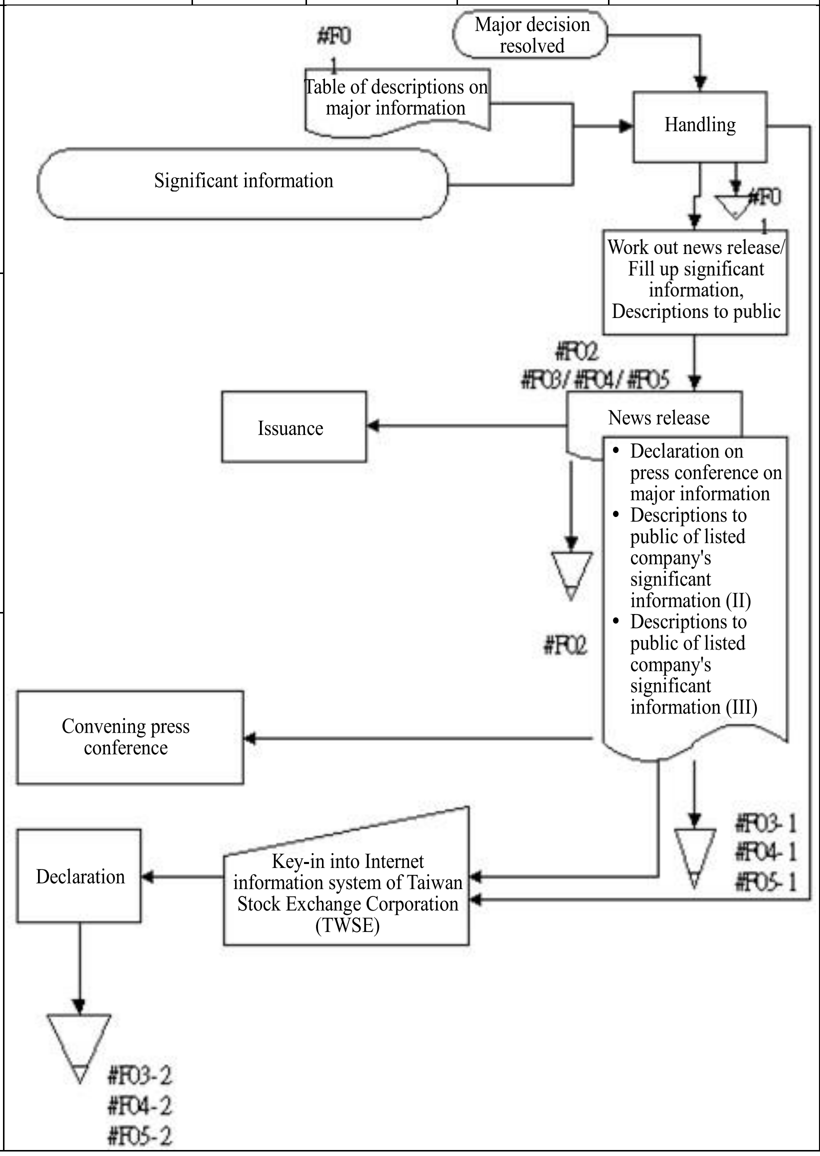
3) Where the information of derivative financial instrument transaction has been declared prior to 10th day of every month. 4) The information of acquisition or disposal of open funds in a variety of public offerings or wealth management commodities issued by commercial banks due within three months. (2) Where a listed company engages in derivative financial instruments where the unrealized loss accounts for over 3% of the net worth, that company shall conduct announcement and declaration.		
21. A decision resolved by the board of directors (or shareholders' meeting) permits a manager (or a director) to engage in an act in competition against the Company, where the Company has been aware that a manager has engaged in business of the same category for himself or herself or for another, or that a director has engaged in an act for business within the same scope of the Company's, or the manager or director has invested or engaged in a business in Mainland China for which no permit has been obtained from the board of directors (or shareholders' meeting) or where an aforementioned business affair has been in a significant change.	Financial Dept..	Financial Dept.
22. A listed company is required under Article 25 of "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" to launch announcement and declaration for endorsement/guarantee.	Financial Dept.	Financial Dept.t.
23. A listed company is required under Article 22 of "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies" to launch announcement and declaration for fund loaned to others.	Financial Dept.	Financial Dept.
24. A listed company or its subsidiary acquires or disposes of negotiable securities in private placement.	Financial Dept.	Financial Dept.
25. A key buyer or supplier of a listed company that accounts for over 10% of the total sales amount or purchase amount as covered in the individual (respective) financial statement in the most recent fiscal year.	Senior Vice President, Sales Dept.	Financial Dept.
26. A disaster, collective protest, strike, environmental pollution, cyber security events or other major incident that results in one of the following (1) A significant loss to or impact on the Company. (2) A decree issued by the competent authority for Suspension of work, suspension of business, discontinuity from business, revocation or cancellation of pollution-related permits. (3) A single case involving accumulated penalty amounting to over NT$1 million.	General Manager (Kaohsiung)	Financial Dept.
27. A listed company and its creditor bank convene a meeting where the result of negotiation is ascertained.	Financial Dept.	Financial Dept.
28. A related party or key debtor of a listed company or the joint guarantor thereof is dishonored of negotiable instruments, petitioning for bankruptcy, reorganization or other significant similarity, where a key debtor under endorsement/guarantee by the listed company is insolvent for due negotiable instrument, loan or other liability.	Financial Dept.	Financial Dept.
29. The contents of the Declaration of Internal Control System in the routine declaration are changed and submitted anew, or where the "Dedicated Review Report of Internal Control System" in the dedicated internal control system audit is obtained from the CPA.	Internal Audit	Internal Audit
30. The Company fails to publish and report the financial statement within the specified time limit; the financial	Accounting Dept.	Accounting Dept.

	statement prepared is found to have any error or omission for which the Company is required to rectify and prepare anew in accordance with Article 6 of Securities and Exchange Act Enforcement Rules; the financial statement published and reported has been issued by the CPAs with an audit or review report stating the material uncertain as a going concern, or an audit report with an opinion other than unqualified opinion or a review report with an opinion other than unqualified conclusion. However, this does not apply to the financial statements for which CPAs issue an audit report with a qualified opinion or a review report with a qualified conclusion according to the regulations from the competent authority or because the interim financial statements are for non-key subsidiaries or because investments and related profit or loss under the equity method are calculated with financial statements not audited or reviewed by CPAs. In the event that the aforementioned non-key subsidiary is a financial holding subsidiary, nevertheless, the interim financial statement shall be duly audited or reviewed by a CPA according to laws and ordinances concerned.		
31.	A listed company required by Paragraphs 2, 3 or 5 of Article 7 to announce material information is not applicable to the requirements thereof in case of any of the following circumstance: (1) Financial statements are duly submitted to the Board of Directors or resolved by the Board of Directors. However, this does not apply to the circumstance where material information has been announced according to the second item of this provision and the contents are consistent. (2) Unaudited annual financial information approved by the Board of Directors according to Article 3-5 of the Company's Regulations on Reporting of Information on Investment of Marketable Securities of TSWE Listed Companies and Investment in Offshore Index Equity Funds (3) A listed company who calls for and notifies the Board of Directors meetings for the first and the second item of this subparagraph in accordance with Paragraph 2 of Article 3 of "Regulations Governing Procedure for Board of Directors Meetings of Public Companies"; or a listed company who has made changes for the aforementioned item.	Accounting Dept.	Accounting Dept.
32.	After the stocks were put under centralized depository custody, the stocks under centralized custody were retrieved under execution order by a court or other cause before expiry of the custody period, making the centralized custody inadequate in ratio.	Financial Dept.	Financial Dept.
33.	A change in equity of the Company under Paragraphs 1 and 2 of Article 369~8 of the Company Act where the Company received the notice.	Financial Dept.	Financial Dept.
34.	One of the directors and supervisors received a court ruling for provisional injunction with suspension from the powers or an emergency measure or where a director received a court ruling for provisional injunction with suspension from the powers or an emergency measure, making the board of directors unable to exercise the power.	Financial Dept.	Financial Dept.
35.	The Company is required to launch announcement and declaration in accordance with the "Regulations Governing Share Repurchase by Exchange-Listed and OTC-Listed Companies".	Financial Dept.	Financial Dept.
36.	In case of any one among those circumstances enumerated below due to capital decrease or a change in the denomination per share: (1) Completion in registration of the capital change.	Financial Dept.	Financial Dept.

(2) A pass in the anticipated conversion of shares. (3) Where the share conversion was not executed as planned later on. (4) Upon promulgation of the financial statement, the number of common shares counted based on the promulgated financial statement differs from the number of shares outstanding because of capital decrease or change in the denomination per share where the procedures for listing of the converted new shares has not been completed. (5) Where the listed company has to launch capital decrease and share conversion and where the transferee in the segmentation is not a TWSE/TPEx listed company, such information including the share capital, net worth and net worth per share in the financial statements under own settlement or audited by CPAs of the company being divided and the transferee company in the division on the date preceding the target (base) date for division three business days prior to restoration of transaction, and the earnings per share (EPS) in the most recent term audited by the CPAs.		
37. The commitment was issued upon application for listing where the commitment could not be fulfilled, and where the supplementary process was not completed within three months from date of occurrence of the fact.	N/A	
38. The information subject to announcement and declaration to public according to the Regulations Governing Public Tender Offers for Securities of Public Companies or the information concerning tender offers after the receipt of the tender offer reports, tender offer prospectus and relevant documents announced and declared by the bidder.	Financial Dept.	Financial Dept.
39. A financial holding corporation or a bank, a listed company as a securities firm, futures firm or insurance company defined under Article 2 of the Organizational Rules of Financial Supervisory Commission is revoked by competent authority from business license, or is penalized with a fine in aa single incident amounting to over NT$1 million because of being in contravention of Financial Holding Corporation Act, Banking Act, Act Governing Bills Finance Business, Insurance Act, securities & futures related law except a case where the penalty is in a category of rectification or corrective action to be completed within the specified time limit without impact not significant enough upon the Company's finance or business operation.	N/A	
40. The transaction is suspended or restored by the Company in accordance with these Procedures through a public announcement.	Financial Dept.	Financial Dept.
41. Increase/decrease change in the number of companies held by an investment holding corporation.	N/A	
42. Resolution by the Board of Directors or by the shareholders' meeting for the following matters or any material change to the following matters: (1) Application for delisting of marketable securities (2) A Taiwan Innovation Board listed company or a Taiwan Innovation Board primary listed company applies to the Company for the status as a listed company or a primary listed company under Article 43 of in the Company's Detailed Business Guidelines or learns of the result of the aforesaid review.	Financial Dept.	Financial Dept.
43. The Company makes a donation to a related party or a non-related party in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies".	Financial Dept.	Financial Dept.
44. The members of Audit Committee, Compensation Committee object or voice reserved opinions as backed up	Financial Dept.	Financial Dept.

	with records or documented declaration; where the listed company having set up Audit Committee with a decision resolved by its board of directors not passed in the Audit Committee but resolved by two-thirds majority vote in the board of directors; where the salary amount(s) passed in the board of directors is(are) superior to the rate proposed by the Compensation Committee.		
45.	The number of shares in the capital increases through cash injection waived by all directors and supervisors exceeds one-second of the total subscribable shares as to be subscribed by specific people.	Financial Dept.	Financial Dept.
46.	The shares of a TWSE/TPEx listed subsidiary held by a TWSE/TPEx listed company exceeds 70% of the aggregate total outstanding issued shares of that subsidiary, or 70% of the outstanding issued shares or total share capital of the listed company are held by another TWSE/TPEx listed company.	Financial Dept.	Financial Dept.
47.	A listed company issues negotiable securities beyond the Republic of China on Taiwan where the financial information declared in the overseas listing venue differs and calls for an adjustment because of the inconsistency between the accounting principles prevalent in the two venues; or where the financial statements of TWSE Primary Listed Companies and Taiwan Innovation Board Primary Listed Companies was not prepared in accordance with the “generally accepted accounting principles” as termed under Article 3 of Regulations Governing the Preparation of Financial Reports by Securities Issuers where the inconsistency of the accounting principles so adopted from that adopted in Taiwan, the difference and the affected amount and the opinions expressed by the certifying CPA on the aforementioned item.	Financial Dept.	Financial Dept.
48.	The information falling under Article 53-25 of the Company's Operating Rules.	Accounting Dept.	Accounting Dept.
49.	The Company forfeits control power over a key subsidiary or a firm under Paragraph 3, Article 7 deemed as a subsidiary, or the ratio of shareholding either directly or indirectly over the aforementioned subsidiary (or invested amount) exceeds 10% in accumulation within three years, or a situation consistent with Paragraph 2, Article 48-3 of the Company's Operating Rules; the part having been promulgated in accordance with this Paragraph is not required to be counted inclusive.	Financial Dept.	Financial Dept.
50.	The resolutions of any board meeting or shareholders’ meeting convened pursuant to Article 48-3 of the Company’s Operating Rules; or any circumstances concerning a subsidiary or securities listed on an overseas exchange: (1) Submittal to apply for listed transaction. (2) Being aware of the result of the current review. (3) Information subsequently announced on an overseas exchange regarding the commitments made for the party who agrees the listing, the listed company or a subsidiary.	Financial Dept.	Financial Dept.
51.	Other information with significant impact upon the major decisions resolved in the board of directors, or the shareholders’ equity of the listed company or prices of securities.	Financial Dept.	Financial Dept.

2. The Company's handling procedures toward significant internal information:

	Taiwan Stock Exchange Corporation (TWEC)/ Securities & Futures Institute	Mass media	Relevant units	Board of Directors	Office of the President	Management data (forms, records)	Relevant information
Proposal							• DOG06 Documentations Regulations • INC02 Regulations of Authorization on Duties
Execution							
Promulgation & declaration							

(IX) Implementation of internal control system

1. Declaration on internal control system

DECLARATION ON INTERNAL CONTROL SYSTEM OF A LISTED PUBLIC COMPANY
Indicating valid in both design and implementation
(All laws and ordinances concerned adopted in the Declaration apply to all parts in law compliance)

Grand Pacific Petrochemical Corporation
Declaration of Internal Control System

Date: March 14, 2023

Over the Company's internal control system of Year 2022, based on the results of our self-audit, we'd hereby like to declare enumerated below:

I. Here at the Company, we confirm full awareness that implementation and maintenance of the internal control system are the inherent responsibility of the Company's Board of Directors and managers. The Company has duly set up such internal control system in an attempt to provide rational assurance of the effectiveness and efficiency of the business operation (including profitability, performance and assurance of the safety of assets), reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations to accomplishment of the compliance targets.

II. Internal control system is subject to inherent restriction, disregarding how sound it has been designed. Effective internal control system could only provide rational assurance for accomplishment of the three aforementioned targets. Besides, in line with the changes in circumstances and environments, effectiveness of internal control system might change as well. For the Company's internal control system, nevertheless, we have set up sound self-superintendence mechanism. As soon as a defect is identified, the Company would take corrective action forthwith.

III. Exactly in accordance with the items of judgement for the effectiveness of the internal control system under "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as the "Regulations"), we duly judge whether the internal control system is effective in design and implementation. The items adopted for aforementioned "Regulations" for judgement of internal control system are the process for management control. The internal control system is composed of five composition elements: 1. Circumstances of control, 2. Risk assessment, 3. Control operation, 4. Information and communication, and 5. Superintendence. Each and every composing element includes a certain items. For more details regarding the aforementioned items, please refer to contents of the "Regulations".

IV. Here at the Company, we have adopted the aforementioned items of judgement over internal control system to verify the effectiveness of the design and implementation of the internal control system.

V. On the grounds of the results of verification in the preceding paragraph, we are confident that the Company's internal control system in design and implementation as of December 31, 2022[Note 2] (including the superintendence and management over subsidiaries), including the understanding of the results and efficiency of business operation in accomplishment of the targets, reliability, timeliness, transparency of reporting and compliance with applicable rulings, laws and regulations are effective and would reasonably assure accomplishment of the aforementioned targets.

VI. The Declaration will function as the key element of the Company's Annual Report and Prospectus and will be made public externally. In the event that the aforementioned made public involve misrepresentation, concealment or such unlawful practice, the Company shall get involved in the legal responsibilities under Articles 20, 32, 171 and 174 of the Securities and Exchange Act.

VII. This declaration has been approved by the Company's Board of Directors on March 14, 2023. Seven directors were in attendance, there were no objecting opinions, and all directors in attendance hereby state their agreement to the contents of this declaration.

Grand Pacific Petrochemical Corporation Chairman: Pin Cheng Yang (Signature & Seal) President: Chia Hsiung Tseng (Signature & Seal)

Note 1: In terms of design and implementation of an internal control system in a listed public company, the significant fault found within a year, if any, shall be expressly enumerated and remarked for the significant fault found in the self-evaluation with a paragraph of descriptions to be added behind Paragraph 4 of the Declaration of Internal Control System, as well as the corrective action having been conducted by the company before the balance sheet date.

Note 2: The date of Declaration is “ending day of the fiscal year”.

2. Where a Certified Public Accountant has been delegated to review internal control system in a special project, the Audit Report of the Certified Public Accountant shall be disclosed: N/A

(X) In the most recent year and as of the publication date of the Annual Report, facts of penalty imposed upon the Company and its internal personnel for their violation of the regulations of the internal control system, the major defects and the corrective actions taken:

The design and implementation of the internal control system of the subsidiaries were deficient, and the Company failed to fulfill its responsibility of supervising and managing the subsidiaries, and was therefore fined NT$1 million by the Taiwan Stock Exchange.

The Company has instructed its subsidiaries to establish relevant internal control rules and revise the management rules of the approval authorization of the internal control system, which was submitted to the board of directors of the subsidiaries for approval and submitted to the supervisors for ratification on December 22, 2022, and submitted to the Company's audit committee for approval and the board of directors for discussion and approval on January 12, 2023. The above deficiencies shall be included in the annual audit plan to track the implementation of improvements.

(XI) In Year 2022 and as of the publication date of the Annual Report, the Key Resolutions resolved in the annual meeting of shareholders and Board of Directors meeting:

1. In Year 2022 and as of the publication date of the Annual Report, the Key Resolutions resolved in the Board of Directors meeting:

Date when Board meeting was convened	01/20/2022	1. Decision duly resolved to appoint Crowe (TW) CPAs to conduct audit & verification of the Company's Financial Statement 2022 and evaluation of independence. 2. Approval of the Company's budget for 2022. 3. Approval of the 2021 bonus distribution to managers 4. Decision resolved by the Company's Board of Directors on the date to convene 2022 annual meeting of shareholders. 5. Approval of the acceptance of proposals from shareholders for 2022 annual meeting of shareholders. 6. Approval of the Company’s providing guarantee for the subsidiary GPPC Development Co., Ltd.’s deposit for the lease with China Life Insurance Co., Ltd. 7. The Company injected cash into Land & Sea Capital Corp. and the latter invested Zhangzhou Chimei Chemical Co., Ltd. for the joint venture PC capacity. The remaining 60% capital will come from earnings of Zhenjiang Chimei Chemical Co., Ltd.

Date when Board meeting was convened	03/29/2022	1. Approval of the Company's distribution of earnings of 2021. 2. Approval of the Company's Parent Company Only Financial Statement and Consolidated Financial Statement 2021. 3. Approval of the Company's distribution of remunerations to employees and directors, 2021. 4. Approval of the Company's Declaration of Internal Control System 2021. 5. Approval of organization chart added with “ESG & Sustainability Committee”. 6. Review of shareholder proposal matters from 2022 shareholders’ general meeting. 7. Matters related to the Company’s Board of Directors’ resolution to modify calling the 2022 shareholders’ general meeting to order. 8. Approval of amendment for the Company’s “Articles of Incorporation”. 9. Approval of amendment for the Company’s “Corporate Governance Best Practice Principles”. 10. Approval of amendment for the Company’s “Sustainable Development Best Practice Principles”. 11. Approval of amendment for the Company’s “Procedures for Acquisition or Disposal of Assets”.
Date when Board meeting was convened	05/12/2022	1. The Company's financial statements of the First Quarter, 2022.
Date when Board meeting was convened	08/11/2022	1. The Company's financial statements of the Second Quarter, 2022. 2. The Company's distribution of remuneration to employees (including managers) and directors, 2021 3. Proposed additional indirect investment case in China from the Company’s reinvestment in Land & Sea Capital Corp. 4. Proposed extension of the investment period by one year for the private equity fund GLOBAL OPPORTUNITIES FUND subscribed by the Company’s 100% reinvested subsidiary Golden Pacific Equities Ltd.
Date when Board meeting was convened	10/31/2022	1. Approval of amendment for the Company’s “Rules and Procedures for Shareholders’ Meeting”. 2. Approval of amendment for the Company’s “Operational Procedures for Making Endorsements / Guarantees”. 3. Approval of amendment for the Company’s “Operational Procedures for Loaning Funds to Others”. 4. Approval of the Company’s proposed loaned fund of CNY140 million from subsidiary Land & Sea Capital Corp.
Date when Board meeting was convened	11/11/2022	1. The Company's financial statements of the Third Quarter, 2022. 2. The Company's internal audit and annual audit plan 2023. 3. Establishment of the Company’s “Sustainability Report Compilation and Evaluation Operation Procedure” regulations and amendment to the internal control system / internal audit implementation acts for management operations. 4. 2022 salary adjustments for managerial positions. 5. Amendment on partial articles for the Board of Directors’ performance evaluation regulations. 6. Establishment of the Company’s “Organization Regulations for Committee Nomination”. 7. The first supplementary agreement for appended ratification of the lease contract for the headquarters building of China Development Financial Holding Corporation signed between the Company and China Life Insurance Co., Ltd. on July 1, 2021. 8. Capital increase through cash injection for subsidiary GPPC Development Co., Ltd.
Date when Board meeting was convened	01/12/2023	1. Subsidiary GPPC Development Co., Ltd. hotel special project budget increase and 2023 operation budget. 2. Appointment of KPMG accountant Wu, Cheng-Yan to exclusively review the Company’s internal control system within specified period and range. 3. 2023 annual operation budget for the Company and its subsidiaries. 4. Drafting of the Company’s “Procedure Manual for Compliance of Operation”. 5. Amendment for the Company’s “Rules and Procedures for Shareholders’ Meeting”. 6. The first supplementary agreement for appended ratification of the lease contract for the headquarters building of China Development Financial Holding

		Corporation signed between the Company and China Life Insurance Co., Ltd. on July 1, 2021. 7. "Consultant Appointment Administration Regulations" and "Authorization Directions" established by the Company and its subsidiary Videoland Inc. 8. Proposed loaned fund of US$8 million of the Company's subsidiary Goldenpacific Equities Ltd. from the subsidiary Land & Sea Capital Corp. of British Virgin Islands.
Date when Board meeting was convened	03/14/2023	1. Approval of the Company's Parent Company Only Financial Statement and Consolidated Financial Statement 2022. 2. Approval of the Company's Declaration of Internal Control System 2021. 3. Approval of the appointment of JIA DING Engineering Management Consultants Co., Ltd. by the Company's subsidiary GPPC Development Co., Ltd. as the renovation management consultant. 4. Approval of amendment for the Company's "Procedures for Acquisition or Disposal of Assets". 5. Approval of the Company's application for bank line of credit.
Date when Board meeting was convened	04/11/2023	1. Decision resolved by the Company's Board of Directors on the date to convene 2023 annual meeting of shareholders. 2. The Company's accepted the case to handle the shareholders' proposals and Directors (including Independent Directors) candidates nomination related matters for the 2023 shareholders' general meeting. 3. Election for the 14th Directors (including Independent Directors).

2. Contents of major decisions resolved in the 2022 annual meeting of shareholders and the execution thereof:

Item #	Decisions resolved in the annual meeting of shareholders
1	Report on business performance 2021. Implementation in 2021, the Company's net operating revenues amounted to NT$18,163,272 thousand and net profit after tax NT$5,881,161 thousand.
2	Report by the Audit Committee on audit of final account settlement books of 2021.
3	Report on distribution of remunerations to employees and directors, 2021.
4	Report on distribution of cash dividends from earnings in 2021.
5	Acknowledgement of final account settlement books 2021
6	Acknowledgement of distribution of earnings 2021. Implementation: 1. For common shares, the cash dividend NT$1,853,240,656 and cash dividend per share NT$2. For preferred shares, the cash dividend NT$1,865,240,656 and dividend per share NT$2.6. 2. The target (base) date for ex-dividend was July 22, 2022 and the dividend was to be paid on August 15, 2022.
7	Approval of amendment to the Company's "Articles of Incorporation" case. Execution Status: The case has completed its changes at Ministry of Economic Affairs, R.O.C. on June 8, 2022.
8	Approval of amendment to the Company's "Procedures for Acquisition or Disposal of Assets" Execution Status: The case has been passed at the shareholders' meeting on May 20, 2022.

(XII) In the most recent year and as of the publication date of the Annual Report, The main content of different opinions posed by the directors to the Key Resolutions in the Board of Directors meeting, as backed with written records or declaration in writing: Nil

(XIII) In the most recent year and as of the publication date of the Annual Report, the summary on resignation and discharge of people linked up with the Financial Statements (including the Chairman, President, Accounting Head, Treasurer, Internal Audit Head, Corporate Governance Officer and Research and Development Head)

Summary on Resignation and Discharge of People Concerned

April 30, 2023

Position Title	Name	Date to the post	Date of resignation	Causes of severance
Nil	Nil	Nil	Nil	Nil

Note: The Company's relevant personnel refer to the Chairman, President, Accounting Head, Treasurer, Internal Audit Head, Corporate Governance Officer, and Research and Development Head.

V. Information on Certified Public Accountant fees

1. Where payment to certified public accountants, office of the certified public accountants and non-audit fees accounts for over one-fourth, the amounts of audit fees and non-audit fees and the contents of non-audit services shall be expressly disclosed:

Expressed in Thousands of New Taiwan Dollars

<table>
<tr><th>Name of CPA Firm</th><th colspan="2">Name of CPA</th><th>Duration covered in the audit</th><th>Audit fees</th><th>Non-audit fees</th><th>Total</th><th>Remarks</th></tr>
<tr><td rowspan="2">Crowe (TW) CPAs</td><td rowspan="2">Ying Chia Hsiao</td><td rowspan="2">Chih Lung Lin</td><td>Jan. 1, 2022 ~ Dec. 31, 2022</td><td rowspan="2">4,320</td><td rowspan="2">20</td><td rowspan="2">4,340</td><td rowspan="2">Salary information check sheet for full-time employees in non-managerial positions</td></tr>
<tr><td>Jan. 1, 2022 ~ Dec. 31, 2022</td></tr>
</table>

Note : In the event that the Company changed the certified public accountant or CPA firm during the current year, please enumerate the audit period separately, explain the reason for the replacement in the remarks box, and disclose the audit and non-audit fees paid in sequence. Non-audit fees should be noted and the services should be detailed.

Expressed in Thousands of New Taiwan Dollars

Amount Bracket	Fee Item	Audit fees	Non-audit fees	Total
1	Below $2,000 thousand			
2	$2,000 thousand (inclusive) ~ $4,000 thousand			
3	$4,000 thousand (inclusive) ~ $6,000 thousand	4,320	20	4,340
4	$6,000 thousand (inclusive) ~ $8,000 thousand			
5	$8,000 thousand (inclusive) ~ $10,000 thousand			
6	Above $10,000 thousand (inclusive)			

VI. Information of a change (replacement) in the Certified Public Accountants (CPAs): Nil

VII. The Company's Chairman, President, managers in charge of financial affairs and accounting who have served with the CPA firm or its affiliates over the past one year: Nil

VIII. The fact that in the most recent year and as of the publication date of the Annual Report, transfer of shares, pledge or change in equity held by the directors, managers and major shareholders holding over 10% of the aggregate total:

(I) Changes in common share equity

Status of change in equity held by the directors, managers and major shareholders (Common shares)

Title	Name	Year 2022		In the year as of April 30, 2023	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Chairman	Jing Kwan Investment Co., Ltd.	0	0	0	(2,000,000)
	Representative: Pin Cheng Yang	0	0	0	0
Vice Chairman	Chung Kwan Investment Co., Ltd.	0	0	0	(10,000,000)
	Representative: Teh Hsin Chiu	0	0	0	0
Director	Hung Wan Investment Co., Ltd.	0	0	0	0
	Representative: Chen Ching Ting	0	0	0	0
Director	Hung Wan Investment Co., Ltd.	0	0	0	0
	Representative: Chin Chu Lin	0	0	0	0
President	Chia Hsiung Tseng	0	0	0	0
Senior Vice President	Chen Ming Chou	0	0	0	0
Vice President	Wen Hui Lin	0	0	0	0
Vice President	Tsung Ming Chang	0	0	0	0
Vice President	Hung Min Hsueh	0	0	0	0
Independent Director	Wen Tzong Chen	0	0	0	0
Independent Director	Mu Hsien Chen	0	0	0	0
Independent Director	Chih Hung Hsieh	0	0	0	0
Treasurer	Ching Fu Chen	0	0	0	0
Accounting Head	Ling Chu Chen	0	0	0	0

(II) Changes in equity of preferred shares

Status of change in equity held by the directors, managers and major shareholders (Preferred shares)

Title	Name	Year 2022		In the year as of April 30, 2023	
		Increase (decrease) in shares held	Increase (decrease) in shares pledged	Increase (decrease) in shares held	Increase (decrease) in shares pledged
Chairman	Jing Kwan Investment Co., Ltd.	0	0	0	0
	Representative: Pin Cheng Yang	0	0	0	0
Vice Chairman	Chung Kwan Investment Co., Ltd.	0	0	0	0
	Representative: Teh Hsin Chiu	0	0	0	0
Director	Hung Wan Investment Co., Ltd.	0	0	0	0
	Representative: Chen Ching Ting	0	0	0	0
Director	Hung Wan Investment Co., Ltd.	0	0	0	0
	Representative: Chin Chu Lin	0	0	0	0
President	Chia Hsiung Tseng	0	0	0	0
Senior Vice President	Chen Ming Chou	0	0	0	0
Vice President	Wen Hui Lin	0	0	0	0
Vice President	Tsung Ming Chang	0	0	0	0
Vice President	Hung Min Hsueh	0	0	0	0
Independent Director	Wen Tzong Chen	0	0	0	0
Independent Director	Mu Hsien Chen	0	0	0	0
Independent Director	Chih Hung Hsieh	0	0	0	0
Treasurer	Ching Fu Chen	0	0	0	0
Accounting Head	Ling Chu Chen	0	0	0	0

(III) The information which should be disclosed where the counterparts of share transfer or pledge in equity: Nil

IX. Top ten shareholders in terms of shareholdings and the relation among these shareholders:

Name (Note 1)	Shares held by principal		Shares held by Spouse & Minor		Total shares held by Nominee Arrangement		Names and Relations of Top 10 Major Shareholders who are Related Party or Spousal Relationship or are within the Second Degree of Kinship (Note 3)		Remarks
	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Number of Shares	Shareholding ratio	Title (or Name)	Relation	
KGI Securities Co., Ltd. Representative: Tao Yi Hsu	85,288,000 0	9.20% 0	0	0	0	0	0	0	
Chung Kwan Investment Co., Ltd. Representative: Che Cheng Yeh	28,262,722 0	3.05% 0	0	0	0	0	0	0	
Chen Lin Chang	22,303,000	2.41%	0	0	0	0	0	0	
Jing Kwan Investment Co., Ltd. Representative: Ching Lung Tseng	20,280,000 0	2.19% 0	0	0	0	0	0	0	
Tien Neng Huang	13,096,000	1.41%	0	0	0	0	0	0	
JPMorgan Chase JPMorgan Chase Bank N.A. in custody for Vanguard Emerging Markets Stock Index Fund	12,253,304	1.32%	0	0	0	0	0	0	
JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index, a series of Vanguard Star Funds	11,818,283	1.28%	0	0	0	0	0	0	
Hsing Wen Investment Co., Ltd. Representative: Ching Lung Tseng	9,961,000 0	1.07% 0	0	0	0	0	0	0	
Chao Feng Investment Co., Ltd. Representative: Chen Lin Chang	9,819,000 0	1.06% 0	0	0	0	0	0	0	
Citibank Taiwan in custody of Norges Bank	7,659,000	0.83%	0	0	0	0	0	0	

Note 1: The top ten shareholders shall be enumerated in full. In case of a juristic person shareholder, the name of the juristic person shareholder and the name of its representative should be respectively enumerated.

Note 2: Calculation of the shareholding ratio refers to the shareholding ratio counted for the own name, spouse, minor children and name(s) of others.

Note 3: The shareholders to be enumerated above include juristic person (s), natural persons (individuals) and should be disclosed of the relationship among them based on the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

X. The number of shares held by the Company, the Company's directors, managers and the businesses under control by the Company either directly or indirectly to the same re-investment business and consolidated shareholding ratio are combined and calculated:

April 30, 2023/expressed in Thousand Shares; %

Reinvested companies (Note)	Investment by this Company		Investment by directors, supervisor, manager and directly or indirectly controlled company		Syndicated investment	
	Number of Shares	Shareholding ratio(%)	Number of Shares	Shareholding ratio(%)	Number of Shares	Shareholding ratio(%)
GPPC Chemical Corporation	34,200	100.00	0	0.00	34,200	100.00
GPPC Investment Corp.	22,032	81.60	4,968	18.40	27,000	100.00
GPPC Hospitality And Leisure Inc.	4,000	100.00	0	0.00	4,000	100.00
GPPC Development Co., Ltd.	7,000	30.43	11,000	47.83	18,000	78.26
Videoland Inc.	71,093	62.29	0	0.00	71,093	62.29
KK Enterprise Co., Ltd.	9,918	15.73	17,046	33.79	26,964	49.52
Goldenpacific Equities Ltd.	75	100.00	0	0.00	75	100.00
Land & Sea Capital Corp.	26,319	100.00	0	0.00	26,319	100.00
QuanZhou Grand Pacific Chemical Co., Ltd.	-	100.00	0	0.00	-	100.00

Note: The Company's long-term investment accounted for using equity method.

Four. Facts of Capital Raising

I. Capital and Shares

(I) Source of Share Capital

Expressed in number of shares, New Taiwan Dollars

Month/Year	Issue price (Dollar)	Authorized capital		Paid-in capital		Remarks		
		Number of shares (Share)	Amount (Dollar)	Number of shares (Share)	Amount (Dollar)	Source of Capital	Paid by property other than cash	Other
Sept. 1973 ∫ Aug. 1996	10 10	18,000,000 ∫ 603,840,309	180,000,000 ∫ 6,038,403,090	4,500,000 ∫ 603,840,309	45,000,000 ∫ 6,038,403,090	Initial founding capital NT$180,000,000 Capital increase through cash injection NT$940,000,000 Capital decrease 1,007,771,220 shares Capital increase converted with earnings 5,926,174,310 shares	Nil	–
Sept. 1997	10	621,955,519	6,219,555,190	621,955,519	6,219,555,190	Capital increase converted with earnings 181,152,100 shares	Nil	No. (1997)-tai-tsai-cheng (I) 52377
Aug. 1998	10	634,394,629	6,343,946,290	634,394,629	6,343,946,290	Capital increase converted with earnings 124,391,100 shares	Nil	July 8, 1998 No. (1998)-tai-tsai-cheng (I) 59018
Aug. 2000	10	647,082,522	6,470,825,220	647,082,522	6,470,825,220	Capital increase converted with earnings 126,878,930 shares	Nil	July 7, 2000 No. (2000)-tai-tsai-cheng (I) 58945
Aug. 2001	10	659,824,173	6,598,241,730	659,824,173	6,598,241,730	Capital increase converted with earnings 127,416,510 shares	Nil	July 10, 2001 No. (2001)-tai-tsai-cheng (I) 144527
Aug. 2002	10	1,000,000,000	10,000,000,000	659,824,173	6,598,241,730	–	Nil	Aug. 6, 2002 No. Jing-Shou-Shang-Zi 09101319150
Oct. 2007	10	1,000,000,000	10,000,000,000	660,974,964	6,609.749,640	Corporate bond conversion 1,150,791 shares	Nil	Oct. 29, 2007 No. Jing-Shou-Shang-Zi 09601265240
May 2008	10	1,000,000,000	10,000,000,000	732,689,057	7,326,890,570	Corporate bond conversion 71,714,093 shares	Nil	May 7, 2008 No. Jing-Shou-Shang-Zi 09701106620
Sept. 2008	10	1,000,000,000	10,000,000,000	733,482,707	7,334,827,070	Corporate bond conversion 793,650 shares	Nil	Sept. 17, 2008 No. Jing-Shou-Shang-Zi 09701238390
Sept. 2009	10	1,000,000,000	10,000,000,000	813,828,844	8,138,288,440	Corporate bond conversion 80,346,137 shares	Nil	Sept. 28, 2009 No. Jing-Shou-Shang-Zi 09801223320
Dec. 2009	10	1,000,000,000	10,000,000,000	880,670,078	8,806,700,780	Corporate bond conversion 66,841,234 shares	Nil	Dec. 17, 2009 No. Jing-Shou-Shang-Zi 09801287180
Jan. 2010	10	1,000,000,000	10,000,000,000	926,620,328	9,266,203,280	Corporate bond conversion 45,950,250 shares	Nil	Jan. 28, 2010 No. Jing-Shou-Shang-Zi 09901020660

Expressed in Shares

Kind of Share	Authorized capital					Remarks
	Outstanding shares			Unissued shares	Total	
	Listed	Not listed	Total			
Common shares	906,620,328		906,620,328		906,620,328	-
Preferred shares	20,000,000	–	20,000,000	–	20,000,000	-

In case of offering of negotiable securities through summarized declaration system as approved, the Company should disclose information of the approved amount, negotiable securities anticipated to be issued and actually issued: Nil.

(II) Structure of shareholders

1. Common shares

April 30, 2023

Structure of Shareholder	Government agencies	Financial institutions	Other juristic persons	Foreign institutions and foreigners	Individuals	Treasury stock	Total
Number of shareholders	1	3	283	210	103,338	0	103,835
Shares held	1,000	3,393,000	215,803,393	122,415,783	565,007,152	0	906,620,328
Shareholding ratio	0.00%	0.37%	23.81%	13.50%	62.32%	0.00%	100.00%

2. Preferred shares

April 30, 2023

Structure of Shareholder	Government agencies	Financial institutions	Other juristic persons	Individuals	Foreign institutions and foreigners	Treasury stock	Total
Number of shareholders	0	1	11	3	1,417	0	1,432
Shares held	0	552,000	6,093,000	376,334	12,978,666	0	20,000,000
Shareholding ratio	0.00%	2.76%	30.47%	1.88%	64.89%	0.00%	100.00%

(III) Facts of disperse of shareholding

Facts of dispersion of shareholding

1. Common shares

NT$10 par value, April 30, 2023

Shareholding bracket	Number of shareholders	Number of shares held	Shareholding ratio %
1-999	48,017	5,162,174	0.57%
1,000-5,000	40,190	89,679,420	9.89%
5,001-10,000	7,799	63,786,128	7.04%
10,001-15,000	2,125	27,501,794	3.03%
15,001-20,000	1,694	32,090,270	3.54%
20,001-30,000	1,345	35,333,501	3.90%
30,001-40,000	653	23,938,800	2.64%
40,001-50,000	467	22,204,344	2.45%
50,001-100,000	825	61,654,393	6.80%
100,001-200,000	382	55,231,251	6.09%
200,001-400,000	150	42,251,194	4.66%
400,001-600,000	46	23,335,362	2.57%
600,001-800,000	42	30,298,311	3.34%
800,001-1,000,000	31	27,859,627	3.07%
Above 1,000,001	69	366,293,759	40.41%
Total	103,835	906,620,328	100.00%

2. Preferred shares

NT$10 par value, April 30, 2023

Shareholding bracket	Number of shareholders	Number of shares held	Shareholding ratio %
1-999	24	3,719	0.02%
1,000-5,000	1,109	2,105,461	10.53%
5,001-10,000	122	953,566	4.77%
10,001-15,000	60	786,743	3.93%
15,001-20,000	27	495,000	2.48%
20,001-30,000	26	667,000	3.34%
30,001-40,000	9	308,000	1.54%
40,001-50,000	10	468,000	2.34%
50,001-100,000	24	1,745,000	8.73%
100,001-200,000	7	832,000	4.16%
200,001-400,000	5	1,369,000	6.85%
400,001-600,000	5	2,493,511	12.47%
600,001-800,000	0	0	0.00%
800,001-1,000,000	1	959,000	4.80%
Above 1,000,001	3	6,814,000	34.04%
Total	1,432	20,000,000	100.00%

(IV) Names of major shareholders: The shareholders holding over 5% in shareholding ratio and ranking among the top ten should be enumerated here.

(Common shares) April 30, 2023

No.	Account No.	Name	Number of shares held	Shareholding ratio %
1	11704	KGI Securities Co., Ltd.	85,288,000	9.41%
2	134279	Chung Kwan Investment Co., Ltd.	28,262,722	3.12%
3	226090	Chen Lin Chang	22,303,000	2.46%
4	395712	Jing Kwan Investment Co., Ltd.	20,280,000	2.24%
5	499281	Tien-Neng Huang	13,096,000	1.44%
6	438646	JPMorgan Chase Bank N.A. in custody for Vanguard Emerging Markets Stock Index Fund	12,253,304	1.35%
7	395745	JPMorgan Chase Bank N.A., Taipei Branch in custody for Vanguard Total International Stock Index Fund, a series of Vanguard Star Funds	11,818,283	1.30%
8	432615	Hsing Wen Investment Co., Ltd.	9,961,000	1.10%
9	480107	Chao Feng Investment Co., Ltd.	9,819,000	1.08%
10	340162	Citibank Taiwan in custody of Norges Bank	7,659,000	0.84%

(Preferred shares) April 30, 2023

No.	Account No.	Name	Number of shares held	Shareholding ratio %
1	519510	Chi Yu Investment Co., Ltd.	2,533,000	12.67%
2	279358	Jui Hui Lin	2,505,000	12.53%
3	208911	GPPC Chemical Corporation	1,776,000	8.88%
4	461567	Hungkuang University of Science and Technology	959,000	4.80%
5	208901	The Shanghai Commercial & Savings Bank, Ltd.	552,000	2.76%
6	330325	Shan Ming Lin	543,511	2.72%
7	263596	Shan Lung Lin	505,000	2.53%
8	416386	Chaoyang University of Technology	466,000	2.33%
9	519676	Chun Ta Huan	427,000	2.14%
10	386100	Hung Yi Lin	344,000	1.72%

(V) Information of market price per share, net value, earnings, and dividends

Expressed in New Taiwan Dollars/Shares

Items \ Year			2021	2022	In the year as of March 31, 2023 (Note 8)
Market price per share ($) (Note 1)	Highest		36.15	29.20	20.40
	Lowest		20.40	16.55	18.85
	Average		27.76	22.25	19.67
Net Value per share ($) (Note 2)	Before distribution		38.35	35.41	-
	After distribution		36.33	*	-
Earnings per share	Weighted average shares (thousand shares)		906,507 thousand shares	906,620 thousand shares	
	Earnings per share (Note 3)		6.47	(0.56)	-
Dividends per share	Cash dividends		2	-(Note 9)	0
	Issuance of bonus shares	Earnings	0	0	0
		Capital surplus	0	0	0
	Retained Dividends (Note 4)		0	0	0
Analysis of Return on Investment	PE ratio (Note 5)		4.29	(39.73)	0
	Dividend-Price ratio (Note 6)		13.88	-	0
	Cash dividends yield (Note 7)		0.072	-	0

* In case of share distribution with earnings or capital reserve, the Company should disclose information of the market prices adjusted retrospectively at the time of distribution and the cash dividend.

Note 1: Should enumerate the highest and lowest market prices of common shares in respective years and should count the average market prices based on the value and volume of successful transactions of the respective years.

Note 2: Please provide details based on the number of shares outstanding at the year end and the distribution as resolved by the Board of Directors or in the shareholders' meeting in the ensuing year.

Note 3: In case of issuance of bonus shares that calls for retrospective adjustment, the Company should enumerate both pre-adjustment and post-adjustment earnings per share (EPS).

Note 4: Where the equity securities issued in the current year are accrued in the conditions that the outstanding dividend may be accumulated till the year in which the Company makes a profit, the outstanding dividend accumulated till the current year should be respectively disclosed.

Note 5: P/E ratio = Average closing price per share in the current year ／ earnings per share (EPS) before retrospective adjustment

Note 6: Dividend-Price (P/D) ratio = Average closing price per share in the current year ／ Cash dividend per share.

Note 7: Cash dividend yield = Cash dividend per share ／ Average closing price per share in the current year.

Note 8: Net value per share and earnings per share shall be filled in with the information audited (reviewed) by a CPA in the most recent year and as of the publication date of the Annual Report; the remaining columns shall be filled with the data of the current year as of the publication date of the Annual Report.

Note 9: As of the publication date of this annual report, the Company has not resolved on the cash dividends for 2022. Please refer to Market Observation Post System for the Company's announcement.

(VI) The Company's share dividend policy and fact of implementation of such policy

1. Share dividend policy defined in the Company's Articles of Incorporation:

Article 29: The Company shall set aside 1% of the profit earned by the Company in a year as remuneration to employees and a sum within 2% maximum of the profit earned by the Company in a year as remuneration to directors based on the profit status of the year. Where the Company remains in accumulated loss, nevertheless, such loss shall be made up beforehand.

The term "the profit status of the year" as set forth herein denotes the profit before tax in that year after deduction the sum for distribution of remuneration to employees and remuneration to directors.

From the earnings of the Company in a year as shown through the annual account settlement, after the sum to pay tax and make up previous loss, if any, is set aside, a sum 10% out of the balance shall be set aside as legal reserve. The balance of the Company's earnings after annual final account settlement, after payment of tax, making up loss, setting aside 10% legal reserve, setting aside or reversal of special reserve shall be distributable earnings which, along with the undistributed retained earnings of the preceding year, shall be the accumulated undistributed retained earnings wherewith, dividend for Year 1984 Grand Pacific Preferred Shares at 6% per annum shall be set aside. In the event that the annual dividend is not distributed in full, the shortage shall be made with the distributable earnings of the ensuing year preferentially. With the balance of the undistributed retained earnings, the Board of Directors shall propose the percentages of distribution based on laws and ordinances concerned, dividend policies and status of working capital. Where the dividend is distributed by means of issuance of new shares, it shall call for consent from the shareholders' meeting beforehand. When the dividend is distributed in cash, it calls for approval under a decision to be resolved in the Board of Directors.

In accordance with Paragraph 5, Article 240 of the Company Act, the Board of Directors is authorized with plenipotentiary power to resolve a decision through one half majority vote cast by participating directors who constitute two-thirds or more of the total directorship seat to distribute the dividend, bonus or part of legal reserve and capital reserve either in whole or in part under Paragraph 1, Article 241 of the Company Act in cash and to report to the shareholders' meeting.

The Company currently lies amidst the highly changeable industrial environment is changeable. The life cycle of the Company is amidst stable growth. The Company shall firmly dominate the economic environment to assure sustainable operation. Given the Company's long-term financial planning, future capital needs with efforts to protect the interests of shareholders. In regard to the distribution of the Company's dividends, in addition to improving the financial structure, paying for reinvestment, production capacity expansion, or other significant capital expenditure and other funding demands, they shall not be lower than 10% of the balance of the reporting year's net income reduced by loss offset amount, legal reserve, special reserve, and 6% of dividends of Year 1984 Grand Pacific Preferred Shares. The Company shall distribute annual cash dividends are not less than 10% of the total cash and stock dividends of the current year (excluding dividends of Year 1984 Grand Pacific Preferred Shares at 6% per annum).

2. Performance in execution:

The Company's distribution of earnings 2022 as duly resolved in the Board of Directors on May 11, 2023 is as below:

(1) The Company's after-tax net loss for 2022 was NT$493,811,935, plus NT$73,854,239

recognized in retained earnings for the remeasurement of defined benefit plans, less NT$20,820,536 of retained earnings due to investment adjustments under the equity method, resulting in an after-tax net loss of NT$440,778,232 included in unappropriated earnings for the current period after taking into account items other than net loss for the current period. The Company's accumulated earnings available for distribution totaled NT$19,163,472,455, after deducting NT$0 from the legal reserve and NT$440,778,232 from the current year's loss to be covered, plus NT$19,605,978,894 from the beginning balance of the undistributed earnings, and deducting NT$1,728,207 from the special reserve for the difference between the market value and the book value of the parent company's shares held by the subsidiary - the current period’s loss to be charged to prior period's earnings.

(2) Pursuant to Article 29 of the Articles of Incorporation, after preferred dividends for the year of 2022 amounted to $12,000,000 were distributed first, the distributable earnings are $19,151,472,455; The cash dividends shall be distributed at $0.5 per share, amounting to $463,310,164. The balance of the retained earnings after the distribution will be $18,688,162,291.

3. Anticipated significant changes in the dividend policy: Nil.

(VII) The impact of the issuance of bonus shares proposed in the current shareholders’ meeting upon the Company’s business performance and earnings per share (EPS): N/A

(VIII) Compensations to employees, remuneration to directors:

1. The percentage and scope of remunerations payable to employees and directors as set forth under the Articles of Incorporation: Please refer to Page 81 (VI)-1, the dividend policy set forth under the Articles of Incorporation.
2. In terms of the grounds to estimate the remunerations payable to employees and directors in the current term, the accounting handling manner for the discrepancy between number of shares counted for remuneration to employees through distribution of stocks and the amount of substantial distribution:

   (1) The grounds to estimate the remunerations payable to employees and directors**:** To be estimated based on the business performance of every quarter.

   (2) The grounds to estimate the remunerations payable to employees with stocks: Not applicable, as no stocks are to be distributed.

   (3) The accounting handling manner for the discrepancy between number of shares counted for remuneration to employees through distribution of stocks and the amount of substantial distribution: In case of any discrepancy between the amount actually distributed as resolved in the shareholders’ meeting and the estimation, the discrepancy is deemed as a change in the accounting estimate to be recognized as profit/loss in the year when it is resolved by the shareholders’ meeting.
3. Information of bonus to employees as resolved in the board of directors:

   As resolved by the Company's board of directors on May 11, 2023,

   - Remuneration to employees – Distribution in cash in an amount of NT$0.
   - Remuneration to directors – Distribution in cash in an amount of NT$0.

     In case of any discrepancy from the amount estimated in the year of recognition, the difference, cause and countermeasures should be expressly enumerated: Not applicable, as no discrepancy existent.

(2) The percentage of the stock bonus proposed to be distributed to employees to the aggregate total of the net income after tax this term and bonus to employees: Not applicable.

(3) Earnings per share (EPS) after consideration of remuneration to employees and directors: After such consideration, the basic earnings per share (EPS) would be NT$(0.56).

4. The discrepancy between the actual distribution of bonus to employees and remuneration to directors and supervisors in the preceding year (including number, amount of distribution, stock price) and the recognized bonus to employees and remuneration to directors and supervisors, the causes and countermeasures:

The Company's distribution of earnings 2021 was duly resolved in the annual meeting of shareholders convened on May 20, 2022. The facts of distribution as resolved in the Board of Directors are as below:

(1) Distribution of remuneration to employees: NT$67,180,149.

(2) Distribution of remuneration to directors NT$134,360,298.

No discrepancy between the aforementioned proposed distribution above and the original estimate.

(IX) Facts of the Company’s stocks repurchased by the Company: Nil

II. Issuance of corporate bonds: The Company does not issue corporate bonds at the moment.

III. Issuance of preferred shares:

Expressed in New Taiwan Dollars

Items \ Date of issuance(handling)(Note 2)			August 1984 (Note 3)
Denomination			10
Price of issue			10
Number of shares			20,000,000 shares
Total amount			$200,000,000
About rights & obligations	Distribution of dividend and bonus		With earnings shown through annual final account settlement, the sum for preferred shares dividend of 6% shall be first withheld. All other terms are same as common shares.
	Distribution of residual properties		Preferential distribution of the Company's residual properties
	Exercise of voting powers		Same as common shares
	Others		—
Outstanding issued preferred shares	Number retrieved or converted		—
	Balance not retrieved or converted		—
	Clauses for retrieval or conversion		—
Market price per share	2020	Highest	34.45
		Lowest	28.00
		Average	31.07
	2021	Highest	38.80
		Lowest	30.65
		Average	34.70
	2022	Highest	38.00
		Lowest	26.40
		Average	31.64
	In the year as of March 31, 2023	Highest	28.85
		Lowest	27.20
		Average	27.88
Other rights affiliated	Amount converted or subscribed as of the publication date of the Annual Report		0
	Regulations Governing Issuance, Conversion or Subscription		—
Impact of issuance conditions upon shareholders of preferred shares, potential dilution of equity and impact upon shareholders' equity			Nil

IV. Issuance of overseas deposit receipt certificates (DRC): Nil

V. Issuance of employee stock option certificates: Nil

VI. New shares to employees with restricted rights: Nil

VII. Merger/acquisition (M&A) or inward transfer of other firms' new shares: Nil

VIII. Implementation of capital utilization plans: Nil

Five. Business Performance in Brief

I. Contents of business operation

(I) Business Scope

1. Primary Business Content:
   (1) C801020 Petrochemical Manufacturing
   (2) C801100 Synthetic Resin & Plastic Manufacturing
   (3) C802990 Other Chemical Products Manufacturing
   (4) F401010 International Trade
   (5) D101050 Cogeneration
   (6) D401010 Heat Energy Supplying
   (7) G801010 Warehousing and Storage
   (8) H701020 Industrial Factory Buildings Lease Construction and Development
   (9) F501060 Restaurants
   (10) ZZ99999 All business items that are not prohibited or restricted by law, except those that are subject to special approval.
   (11) J506031 Other Type Channel and Program Supply Business
   (12) J503020 Television Program Production
   (13) J503030 Broadcasting and Television Program Distribution
   (14) J401010 Motion Picture Production
   (15) J402010 Motion Picture Distribution
   (16) J503010 Broadcasting Program Production
   (17) J503040 Broadcasting and Television Commercial
   (18) J503050 Video Tape Program
   (19) F401021 Restrained Telecom Radio Frequency Equipment and Materials Import
   (20) E701020 Satellite Television KU Channels and Channel C Equipment Installation
   (21) E701030 Controlled Telecommunications Radio-Frequency Devices Installation Engineering
   (22) F401010 International Trade
   (23) I103060 Management Consulting
   (24) I401010 General Advertisement Service
   (25) JB01010 Conference and Exhibition Services
   (26) J602010 Performing Arts Activities
   (27) J803020 Sports Tournaments
   (28) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Operating proportion of each product:

(1) GPPC Group

Expressed in Thousands of New Taiwan Dollars; %

Major Product	2022 Operating Revenues	Operating Proportion
Petrochemical operating revenues (SM)	7,500,496	41.26%
Plastic operating revenues (ABS, HIPS)	5,891,425	32.41%
Advertising, video and channel operating revenue	1,707,000	9.39%
Package materials operating revenues	1,150,822	6.33%
Nylon operating revenues	1,341,194	7.38%
Others (Note)	585,689	3.23%
Total	18,176,626	100.00%

Note: Others include operating revenues from steam, electricity, copyrights and broadcast; as they account for less than 5% of the business, they are presented in an aggregated number.

(2) The Company (parent company only financial statements)

Expressed in Thousands of New Taiwan Dollars; %

Major Product	2022 Operating Revenues	Operating Proportion
SM	8,744,587	59.39%
ABS	4,253,490	28.89%
H2	173,453	1.18%
Steam and electricity	210,493	1.43%
Nylon	1,341,362	9.11%
Total	14,723,385	100%

3. GPPC Group's current products (services):

(1) Production and sales of styrene monomer (SM), its related derivatives and by-products (toluene, hydrogen, etc.).

(2) Production and sales of acrylonitrile-butadiene-styrene copolymer resin (abbreviated as ABS).

(3) Production and sales of hydrogen (H2).

(4) Steam and Electricity

(5) Nylon (PA).

(6)

Business Item	Business Content	Primary Sales Target	Progress
Advertising Business	Sell satellite channel advertising time operated by Videoland to advertisers or advertising agencies.	Advertising agency→ advertisers or advertising agents	The current revenue is among the best of all cable TV channel operators.
Copyright licensing or sublicensing	Use the film and television resources of Videoland to produce various types of programs, such as: sports, drama and entertainment, and act as an agent or purchase copyright of other company's programs to license, or sublicense to others for broadcasting or distribution.	Domestic and foreign TV stations Platform channel dealer Copyright agency Agency Home audio and video product distributor	Ongoing licensing

4. New products (services) in plans for development

(1) Expand market of 60P basic powder and SAN commercial-grade products. In response to the development of smart-car level battery slot, the Company is optimizing products used in current uninterruptible power systems and battery slot.

(2) Develop large particle latex and small particle latex using PBL rubber agglomeration process; optimize ABS quality; develop electroplating, tube and flame resistant grade ABS; and sell these products to domestic and foreign customers.

(3) Expand the nylon industrial yarn market and optimize the quality, develop high-temperature nylon and composite engineering plastic products: such as heat-resistant super-tough, medium-tough, high temperature, soft, biomass, and fiberglass blended composite plastic.

(4) Aggressively integrate resources and establish a platform. Repackage each channel and open new opportunities through the concept of brand marketing.

(5) Study the social and ecological changes associated with the development of new digital technology, so as to deepen brand characteristics and increase interaction opportunities to build audience trust.

(6) Strengthen parallel and vertical strategic alliances and reinvestment businesses.

(7) Proactive source overseas programs and continue to enrich the contents of own channel programs.

(8) Aggressively expand alliances and cooperate with digital IoT (Internet-of-Things) or digital media platforms to develop markets with cross-industry alliances.

(9) Develop entertainment resources, and engage high-value audiences.

(10) Accumulate digital platform experience and prepare to seize opportunities for future

markets.

(II) Industry Overview:

1. Industry Status and Development

The upstream of the petrochemical industry is crude oil, followed by natural gas and coal. Because crude oil has the attributes of energy, finance and geopolitics, its price volatility is affected by multiple factors. When the price was high in 2008, it rose to more than US$140 per barrel. Since then there were several fluctuations, and in the beginning of 2016, it fell to US$30. The oil price gradually recovered in 2021 with a more stable progression as the pandemic eased off and COVID-19 was under control around the world, but it once again skyrocketed exceeding US$100 due to the outbreak of the Russia-Ukraine war. In 2022, as the world was impacted by the Russia-Ukraine war, U.S. Fed raising the interest rates, and weakening demands in the global market, crude oil price was oscillating up and down as a result. Future development of the overall petrochemical industry will be a major concern.

Coal-derived petrochemical raw materials were vigorously promoted in mainland China during the period of high oil prices, but their development was constrained by factors such as oil price reversion and water resources. Going forward, the net carbon emission issue will put the overreliance on coal back to the top of the agenda. Natural gas is another upstream source of raw materials for petrochemical. With the rise and maturity of shale oil and gas resources in the United States, it has become one of the centers, other than China, where petrochemical production capacity is capable to grow in the recent years.

The company's main products are styrene, ABS and Nylon 66 (PA66) plastics. The range of their downstream applications covers major petrochemical industries, such as plastics, rubber and fibers. Their further downstream range covers an even broader scope, including electronic appliances, home appliances, automobiles, building materials, textiles and packaging and various other important industries. These all play an important role in supporting economic development.

Styrene is a bulk petrochemical raw material that is widely used. It is in liquid form at ambient temperatures and is convenient to transport. Therefore, the price difference of styrene around the world, except for the short-term factors in various regions, is mainly affected by transportation conditions and tariffs. The major raw materials of styrene are ethylene and benzene, with the proportion of benzene at about 80%. Ethylene is a gas at ambient temperatures and pressure, and the transportation cost is relatively high. Therefore, the site of styrene plant is usually very close to the supply of ethylene materials. Benzene is liquid at ambient temperatures, and its sources are more diverse. In addition to light oil cracking plants and refineries, there are products of other chemical manufacturing methods, or by-products of the steel industry, which are easier to obtain and transport.

In terms of use, the three major uses of styrene are in polystyrene (PS), expanded polystyrene (EPS), and ABS resin. In addition, there are secondary uses, such as: thermoplastic elastomer (TPE), styrene-butadiene rubber (SBR), styrene butadiene latex (SB Latex), unsaturated polyester (UPS), and others. Styrene derivatives are widely used in industries such as home appliances, electronics, construction, toys, automobiles, and such. Therefore, the rise and fall of the styrene industry is extremely sensitive to the economic cycles.

After years of development, there are currently three domestic styrene manufacturers. In the past three years, the annual production and sales volume has remained at about 2 million tons. In 2022, Taiwan’s total import amount was drastically reduced to approximately 250,000 tons due to poor downstream demands.

ABS is a downstream product of styrene. In addition to styrene, two raw materials, acrylonitrile and butadiene, are required. The ABS industry differs from styrene in its diversified product specifications, and that its production must be adjusted according to customer needs. Generally, ABS in Asia is mainly used for home appliances and electronic products. As digital information products continue to evolve, the demand for fire resistance, heat resistance and special flow characteristics has also increased. As the economies of emerging countries grow, the national and individual income levels increase, and the promotion of new energy related industries, the development of home appliances, electronics, automobiles, motorcycles, and energy storage industries will continue to amplify demands for ABS.

There are currently four manufacturers of ABS plastics in Taiwan. In the past three years, the annual production and sales volume has remained at about 1.3 million tons. Unlike styrene, over 80% of ABS is exported. Exporting and competing with markets in various countries around Asia has become the norm for the domestic ABS industry. Since the Mainland China's demand for ABS accounts for more than half of the global total demand, the mainland market has become a must-have for players in the Red Ocean market, which is also a major target area for domestic ABS export. However, due to the US-China trade war, the sales market is accelerating in its migration to other regions, such as Southeast Asia.

In response to government's high-value development policy, the Company pragmatically invested in the construction of a Nylon 66 (PA66) plant, which is the first and the only manufacturing plant of such products in Taiwan, and it partially eases the import pressure on domestic demands. Nylon 66 (PA66) is a heat-resistant engineering plastic. In addition to the traditional textile applications, such as clothing and carpets, the demand for its application in high-end products, such as automotive components and electronic appliances, has developed rapidly in recent years, which has also become one of the largest applications of Nylon 66 (PA66). With the increase in per capita income, the demand for high-end products is increasing day by day. After the Company put the plant into production, Nylon 66 (PA66) still maintains an annual import volume of about 60,000 tons, which just shows its growth potential.

Due to China’s rapid economic development in recent years, it has not only become a major market for petrochemical products, it has also been the main production base. Its domestic production capacity of SM has exceeded 10 million tons and is forecasted for continual growth in the horizon. Import demand will also be revised downward year after year due to its own production capacity increasing every year; it is even gradually moving towards raising its export amounts. Its ABS production capacity, on the other hand, is over 6 million tons, and its import amounts have been declining over the years. In order to protect its own production market, Mainland China imposes high anti-dumping duties on Nylon 66 (PA66) on major producing countries, but regardless, it still requires 260,000-ton imports every year.

According to the analysis by IHS, in 2023, the demand for SM in China is 13.1 million tonnes, and the nameplate production capacity will reach 20 million tonnes, leaving only small amounts demanded from import. The same analysis estimates that the ABS demand for styrene in China was about 2.70 million tons last year. A 6% increase is forecasted and onward. The demand for styrene-based ABS in Taiwan last year was 650,000 tons and is expected to be 700,000 tons. It is expected that the gradual easing of the pandemic around the world this year will benefit the recovery of economic activities and hence, the demand for styrene and ABS is likely to increase.

Recently, the market for Nylon is gradually expanding. In addition to the mainland market, the economic performance of emerging markets, such as Southeast Asia, India and the Middle East, are gradually receiving more attention. Although the total volume is small, the growth rate is considerable. The company's plastic (ABS and Nylon 66 (PA66)) products are also steadily expanding in these emerging regions to mitigate the risks of excessive market concentration.

In February 1962, the education television experimental station began broadcasting, which started Taiwan's television industry. Previously, there were only four wireless TV stations in Taiwan for commercial television: Taiwan Television, China Television, Chinese Television System and Formosa Television (and a non-commercial television station--Public Television, a total of five TV stations in Taiwan). Subsequently, community attentats and broadcasting systems (cable TV) emerged. All the cable TV stations were then competing to gain the audience's attention with demassified audience content.

Videoland Inc. is a member of the channel industry, and the rise of the channel (program distribution) industry is closely related to the announcement of the Cable TV Act (August 11, 1993). In the early days, the program providers delivered copied videos to transmission systems for broadcast. Thus, apart from copyright fees, there was no revenue from advertising. Later, with the sharp drop in the lease cost of satellite channels, and they utilized the gap between programs to broadcast advertisements; hence, the program providers became channel providers and commercial time slot providers. Advertising became one of the main sources of revenue for channel operators, and some channel operators only used advertising revenue to sustain their programs.

The Satellite Broadcasting Act was promulgated and implemented in February 1999, which opened up the international space for Taiwan's communication industry, and promoted the sound development of satellite broadcasting.

In addition to selling the mainstream advertising, Videoland seeks to develop other sales projects by leveraging the advantages of the TV channel family.

Given the development of the telecommunications and broadcast technology in the global village, media and telecommunication companies are seeking diversified operation and development in digital technology and integrated marketing.

In July 2012, the digitalization of wireless TV was fully implemented, and the analog signal of wireless TV officially became part of history. Cable TV, in turn, was also digitalized, and now produces and broadcasts high-definition digital program contents.

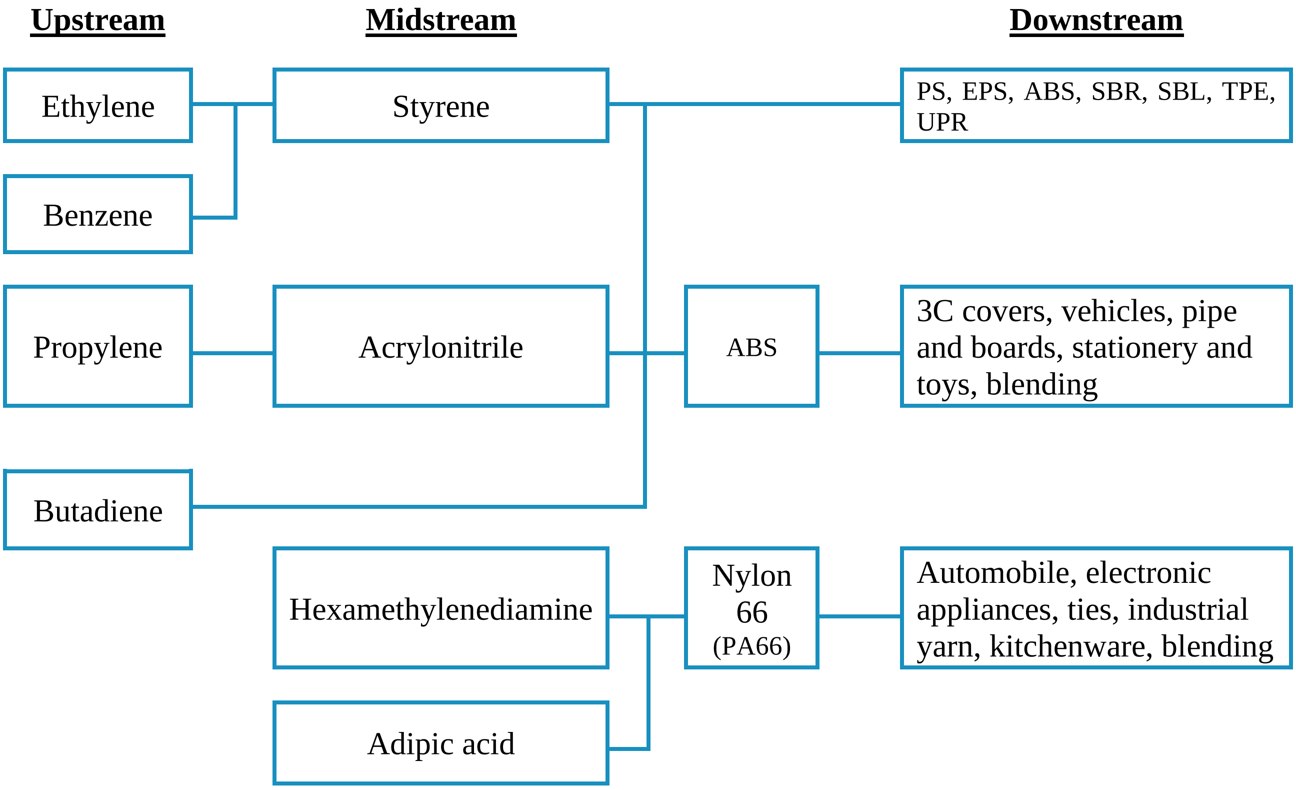
To cope with the trend of digitalization and internet new media, Videoland Fine channel was launched on Chunghwa Telecom's MOD platform on February 20, 2015.

Over-the-top (OTT) media services have gradually become the mainstream of online audio/video platforms. The competition with traditional media is fierce.

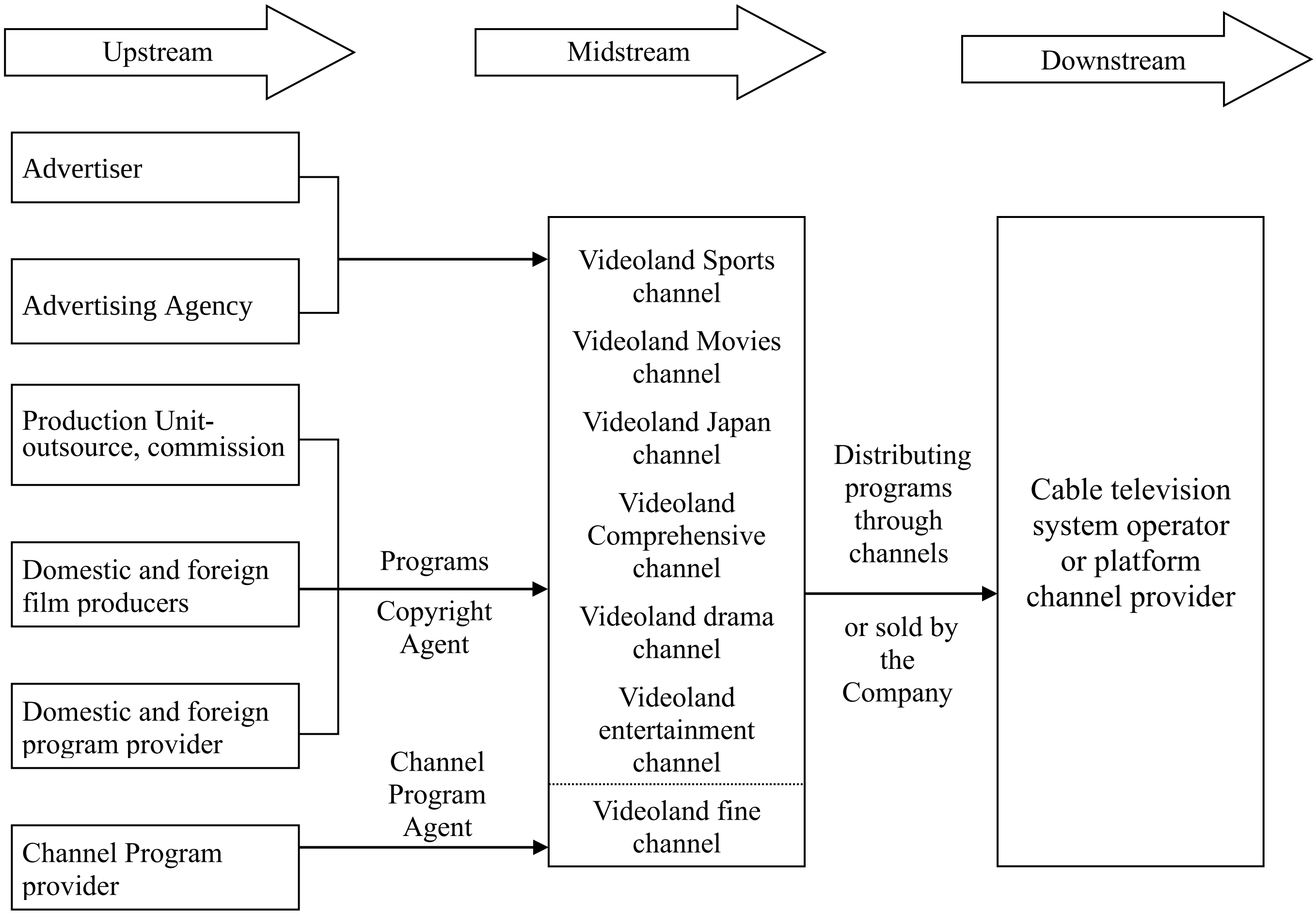
2. The correlation between the upstream, midstream and downstream within the industry

The raw materials for styrene are benzene and ethylene. The source of ethylene is primarily supplied by the CPC Corporation. In recent years, as the production of benzene by the CPC Corporation has decreased year by year, the proportion of benzene imported by the Company has gradually increased. The raw materials for producing ABS, apart from the self-produced styrene, such as butadiene, are also supplied by the CPC Corporation, and Acrylonitrile is supplied by China Petrochemical Development Corporation. The raw materials for Nylon 66 (PA66), hexamethylenediamine and adipic acid, are not domestically produced, and must be imported from abroad.

The downstream of styrene still requires one or more manufacturing processes to make plastic pellets or rubber, so customers are larger in scale. The downstream of ABS and Nylon 66 (PA66) is predominantly used in forming or blending business of the industries, hence the customer scale is more diversified.



Videoland Inc. is a cable TV channel operator, which also produces and distributes TV programs. Its industrial structure is as follows:



(III) Technology and R&D Overview:

1. R&D expenses invested in the most recent year, and as of the publication date of the Annual Report

Expressed in Thousands of New Taiwan Dollars; %

Year	R & D expenses	Proportion to revenue %
2022	25,097	0.17%

2. Technologies or products successfully developed in the most recent year, and as of the publication date of the Annual Report.

Year	R&D performance
2022	1. Trial production of Nylon 66 (PA66) industrial yarn composite and heat-resistant super-tough Nylon 66 (PA66). 2. Technological development of agglomerated PBL large particle latex, completion of trial production and sampling. 3. 0710PBL small particle size latex under development. 4. Development of battery cell for uninterruptible power system, completion of trial production and mass production. 5. Optimization of customer samples of tube and electroplating grade ABS. 6. Development of Nylon 66 (PA66) plus glass fiber composite, completion of customer trial and certification. 7. Development of, and trial production of, heat-resistant super-tough Nylon 66 (PA66) composite. 8. Completion of 85% PCR ABS development and TUV certification.

(IV) Long-term and short-term business development plans:

1. Short-term Plan

(1) High-temperature nylon and nylon industrial yarn, nylon 66 (PA66) composite and heat-resistant super-tough nylon 66 (PA66) for trial sale, and subsequent equal emphasis on mass production and quality.

(2) Develop large particle latex and small particle latex using PBL rubber agglomeration process; improve and adjust ABS product mix and formula; develop PBL small particle size latex technology; reduce production cost.

(3) Focus on industrial safety and environmental protection, and participate in social welfare activities.

(4) Coordinate with the market positioning of each channel, expand advertising business revenue, and stabilize revenue growth.

(5) Strengthen the symbiotic relationship of system channels to ensure stable income from channel licensing.

(6) Involve in the digital industry to generate new revenue streams via investment and cooperation .

(7) Use existing resources to promote projects, integrate marketing, and significantly increase project revenue.

2. Long-term Plan

(1) Demonstrate the true function and value of an R&D Center by achieving the establishment of high-value independent technology.

(2) Accumulate research and development energy, and vigorously participate in cooperation with government, industry and academia on science and technology projects.

(3) Develop a nylon engineering plastic blending plant to enhance market competitive

advantage.

(4) Draw on international strategic alliances, expand overseas channels and then create cooperation opportunities for program business.

(5) Increase Asian contents by sourcing more quality programs overseas so as to develop new markets.

(6) Extend footprint to ecommerce for digital transformation and higher sales and profits, given the arrival of the digital age.

(7) Expand the revenue streams of new media on the web, broadcast our own programs on the web platform, and increase advertising revenue.

II. Market and production and sales overview:

(I) Market analysis:

1. Sales (provided) regions of major products (services)

Major Product	Major Market	Distribution Method
Styrene Monomer (SM)	Domestic	Direct sale
Acrylonitrile - Butadiene-Styrene copolymer resin(ABS)	Domestic, Mainland China, Hong Kong, the United States, South Africa, and Southeast Asia.	Direct sale and distribution
Hydrogen (H_2)	Domestic	Direct sale and distribution
Steam and Electricity	Domestic	Direct sale
Nylon 66 (PA66)	Domestic, Mainland China, Hong Kong, the United States, South Africa, Southeast Asia, and India.	Direct sale

The Company is a satellite TV business program supplier approved by the competent authority, and its primary commodity revenues are satellite program video and advertising.

The sales targets of the video business are cable TV operators in Taiwan, Penghu, Kinmen and Matsu areas, and other public broadcasters.

Advertising is sold to individuals and legal persons of all levels.

2. Market share, supply and demand status, and growth of future markets:

The company's production capacity of SM and ABS in FY 2022 is 279,000 tons and 120,000 tons, respectively, accounting for 15% and 6.06% of the total production capacity of Taiwanese producers. Since the upstream expansion of the domestic petrochemical industry has reached saturation under the constraints of existing industrial development policies, and expansion in the midstream and downstream is restricted, in the absence of new production capacity, this market share will only fluctuate slightly.

After decades of development in mainland China, it has become the world’s factory, with its huge workforce, and now is gradually entering the world market. Both its production capacity and market appetite have become its main driving sources. Apart from the expansion of production capacity, driven by the rise of shale gas in the United States, due to the low price of raw materials and market competitiveness, the expansion of the general petrochemical industry and market growth, since the beginning of this century, come mainly from Mainland China. Its infrastructure construction, the rapid growth of the real estate and automotive industries, and the previous policy of selling home appliances to the countryside, all triggered a wave of expansion of styrene products. Because of the significant profitability improvements of the styrene industry in recent years, a new round of production capacity increase plans have been sequentially put into production. In the next two to three years, the self-sufficiency rate of SM in China will gradually increase, and the import volume will shrink year after year within a certain time frame. Unlike previous plans, many of the new rounds of investment plans incorporate upstream materials, which is helpful in increasing the average operating rate of their styrene industry.

As the global economy grows year over year, the rising income per capita will drive the demand shift from basic plastics such PE and PVC to the styrene series, such as PS, ABS and EPS. The economic development in different countries will also stimulate the demand for home appliances, electronics, automobile, communication, ecommerce packaging materials and thermal insulation. Hence, the demand is expected to increase for high-end engineering plastics, such as nylon 66 (PA66).

Certainly, with the increase of per capita income in various markets, the requirements for increased product quality have gradually grown out of the initial stages of long-lasting and easy-to-use. Health and environmental protection have become universal requirements. In summary, high strength, low-volatility and low-residual monomer, bright coloration, fast and excellent processability are some, if not all, of the development trends of styrene and nylon 66 (PA66) series products. The company's historical research and development has focused on these trends with constant upgrades and improvements.

2022 was impacted by the Russia-Ukraine war, the reduced production of OPEC, global carbon reduction issues, and U.S. Fed raising the interest rates. Energy prices have remained at a high level for a long time. Many plants in Europe were even forced to halt their operations as they were not able to bear the high energy prices. Benzene and ethylene prices have therefore long stayed at a high level; even though SM prices have thus stayed at a high point, the high raw material costs have caused profit margin of SM to be not as expected and even led to deficits. With respect to SM demands, beginning at the end of the second quarter, main downstream ABS / PS demands greatly declined, causing no signs of improvement of the overall SM profits all the way until the second quarter, which further extended till yearend. Beginning in the third quarter, as the main downstream transferred to the strategy of reducing inventory, benzene and ethylene prices began to drop rapidly as a result. However, the SM prices also slid steeply accordingly, leading to the SM market to experience the state of reasonable pricing and low sales. Beginning in the fourth quarter, energy prices dropped, and U.S. Fed interest rate rises began to slow down. Even though the demand showed a short period of rebound before China’s National Day holidays, the overall demands were still not improved. SM prices were impacted by the high energy prices as a combining effect of the aforementioned factors; even though the prices remained high in the first two quarters, the raw materials benzene and ethylene also stayed at a high level. Starting in the third quarter, even though the raw material prices began to fall, the overall market demands swiftly declined and showed no signs of improvement into the fourth quarter. Consequently, SM profits were severely eroded and suppressed, and they slowly transitioned to a low point with deficits.

The World Bank stated in its January 2023 report “Global Economic Prospects” that the global economic growth is expected to decline to 2.9% in 2022, and it is expected to further slow down to a 1.7% in 2023, which will be a 30-year new low. And one of the reasons for the extended deceleration is sourced from many countries' implementation of tightening policies as an effort to control high inflation. Rising inflation, tightening policies, financial stress, and other negative impacts will possibly gear the global economy towards recession. The eruption of the Russian-Ukraine war in February escalated the geopolitical tension. The sanctions from different countries are influencing, to different degrees, the supply chain of energy, basic metals, chemical fertilizers and foods.

To date, the total number of satellite channels actually in service on the cable TV market is about 100. The Company has a total of 7 self-produced channels, accounting for a market share of 7%.

Currently, the total number of fee-based satellite channels on the cable TV market is about 65. The Company has a total of 7 self-produced channels, accounting for a market share of 10.7%.

In terms of video revenue, system operators (cable TV companies) charge video fees every month, and this income is about NT$500 to 600 per household. Providing program purchases accounts for about 40% (about NT$240) of the cost. The number of households that can sign a contract nationwide is about 2.9 million for 2022.

Channel operators' potential total video revenue is about NT$240 × 12 months × 2.9 million households = NT$8.35 billion.

The Company's video revenue in 2022 is approximately NT$678.4 million, accounting for approximately 8.12% of the channel operator's total video revenue.

As for the advertising business, based on Nielsen Media Research and MAA's reference on media owners 'opinions about the current state of the advertising industry, actual advertising pricing changes, and Gross Rating Point's (GRP) media purchase references, etc., the advertising volume statistics of the five major media and outdoor media in 2022 are as follows:

Ranking	Media	Effective Ad Volume (Million NT$)	Market Share
1	Cable TV	15,056	57.96%
2	Newspaper	874	3.36%
3	Magazine	1,084	4.17%
4	Broadcast TV	2,685	10.34%
5	Radio	1,376	5.30%
6	Outdoor	4,901	18.87%
Grand Total		25,976	100.00%

The Company's total annual advertising revenue in 2022 reached NT$1.029 billion, accounting for approximately 6.83% of cable TV advertising.

3. Competitive niche, and advantages, disadvantages of development prospects and countermeasures

(1) Competitive Niche

A. Continuous improvement of various environmental protection schemes and energy saving is conducive to a sustainable business and the operation of the Company and its factories.

B. Continue to pursue the improvement of production efficiency of each production plant and maintain its competitive advantage.

C. Increase factory production of crystal plastics, and increase the proportion of the Company's high quality products.

(2) Advantages and disadvantages of development prospects and countermeasures

1. Styrene Monomer(SM)

A. Advantages

① Global styrene demand grows steadily.

② Taiwan still has import demand.

③ Despite anti-dumping duties imposed on SM by China and continued capacity expansion in China, China remains the biggest market in the world and needs to import SM to meet its own demand over the next few years.

④ There are vertical integration benefits for the downstream ABS/HIPS capacity.

⑤ Supply to domestic SM customers is timely given geographic proximity.

B. Disadvantages

① The absence from free trade agreements such as RCEP makes exporting difficult for downstream players.

② Domestic upstream petrochemical raw materials supply is insufficient and still needs import.

③ The transportation capacity of petrochemical pipelines in the Kaohsiung area is obviously restricted after the recent gas explosion, which increases the scheduling difficulties for imported petrochemical raw materials.

④ China’s new production capability successively delivered and has begun attempting to enter the export market.

⑤ Stability level of water and power supplies affect the effectiveness of continual production.

C. Countermeasures

① To work in concert with the government policy of "quantity overseas, quality domestic", the Company seeks expansion opportunities overseas for the increase in available quantity, while striving to develop value-based products.

② Continue to pursue the enhancement and improvement of industrial safety and environmental protection, and increase the production efficiency of each production plant to enhance the overall comprehensive effect of energy saving and waste reduction.

③ Expand foreign suppliers, and fill the gap with imported raw materials to maintain production capacity.

④ Enable flexible transportation scheduling to ensure smooth operation of styrene plants.

⑤ Identify and strive for various expansion opportunities, and expand production scales to reduce costs.

⑥ Increase the downstream styrene integration to slow down the impact from anti-dumping tariffs and new production capacity of Mainland China.

2. Acrylonitrile - Butadiene-Styrene copolymer resin (ABS)

Global demand for ABS in recent years has been growing steadily. In particular, the increase in the demand for household appliance and automobile manufacturing in China has led to the continuous increase in global ABS consumption and considerable profit margins. This has led to new production capacity and centralized manufacturers' production and increased supply. 2023 will also be a challenging year for ABS, which will be affected by many factors, such as the overall economy, output policy, supply, demand, and cost:

A. Advantages:

① China’s ABS demand amount in 2023 is expected to restore with growth.

② The supply of self-produced raw materials for styrene monomer (SM) is sufficient to reduce the risk of raw materials fluctuations.

③ The demand for ABS in the field of home appliances may still have some momentum. The Chinese home appliance market and the automotive industry will maintain a steady rhythm for development, and there is possibility of continued production growth.

④ Demand for new applications is expanding steadily.

B. Disadvantages:

① Operation is subject to the effects of wars, global inflations, and carbon reduction issues.

② Trade friction rises. After the signing of the Regional Comprehensive Economic Partnership (RCEP), trade protectionism batters many industries and tariff barriers hinder market promotion.

③ The excessive dependence of AN and BD on the supply of raw materials has increased the impact of raw materials fluctuations on profits.

④ China’s drastic expansion of production will likely to reduce import demands, allowing it to be self-supported and self-sufficient.

⑤ The competition from alternative products: Other materials are used for home appliances and toys with low quality requirements.

⑥ The restricting impacts brought by the global market’s trends in regard to reinforcement on plastics recycling and plastics reduction policies.

C. Countermeasures:

① Make efforts to reduce costs, and make full use of production capacity, in order to reduce the pressure caused by the diluted interest rate spread.

② Provide customized product design, and expand product planning in response to customers' demand for high-value products.

③ Seek to migrate and disperse markets in Southeast Asia, thus expanding market spread.

④ Active expansion development of non-China markets so to reduce the impact brought by Chinese market’s structural changes.

⑤ Pay constant attention to the domestic and international environmental situation and the price trends of main raw materials, while adjusting the sales strategy accordingly.

3. Nylon (PA)

A. Advantages:

① Stable product quality, positive R&D capabilities, and timely customer services are conducive to enhancing customer confidence in the products.

② The applications and demands in the field of engineering plastics are increasing.

③ After the expansion of the nylon 66 (PA66) factory, the production cost is reduced. With the continuous growth of the automotive electronics industry, the application of and demand for engineering plastics will continue to increase.

④ We are the only domestic manufacturer. Our delivery speed is fast, and we can promptly meet customer demands.

B. Disadvantages

① Prices of main raw materials fluctuate greatly, and are difficult to manage.

② There are many nylon 66 (PA66) producers overseas. The price competition is fierce.

C. Countermeasures:

① Make efforts to develop specifications for industrial yarn slices, textile grade products and special grade engineering plastics, to create market differentiation and to help move into the field of higher value products.

② Make regular customer visits, enable fast and timely customer service capabilities, and make use of enhanced after-sales service systems to improve product added value.

③ Expand market presence in India, Southeast Asia, and the Middle East to help avoid excessive market concentration.

(II) Important uses of major products and production process:

1. Important uses of major products

(1) Styrene Monomer (SM)

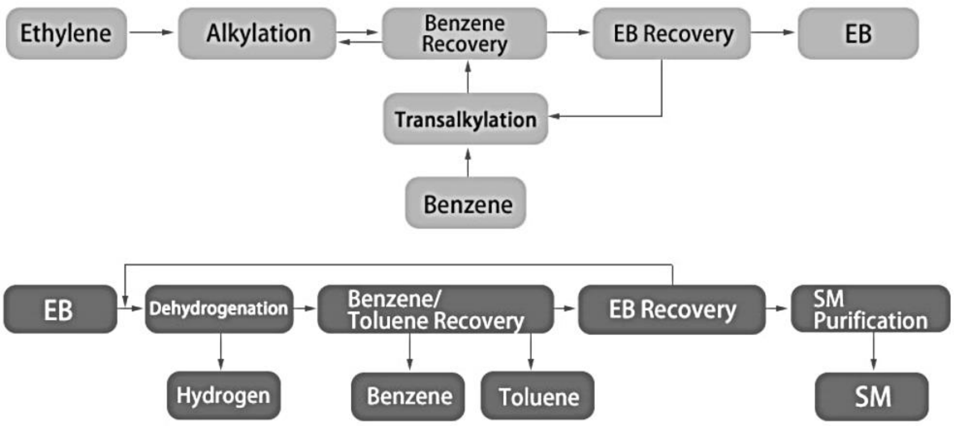
Styrene monomer is extremely versatile. It is frequently used to manufacture various polystyrene resins (PS), acrylonitrile-butadiene-styrene resins (ABS), styrene-butadiene synthetic rubber (SBR), unsaturated polyester resins (UP), and more.

(2) Acrylonitrile - Butadiene-Styrene copolymer resin (ABS)

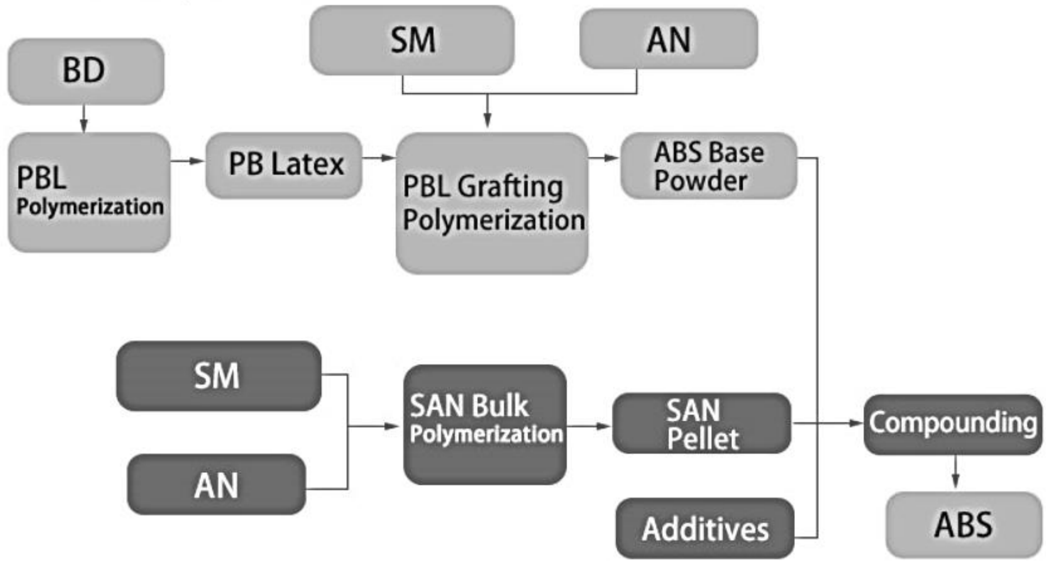
ABS resin is widely used and can be processed into housings for items as large as automobile and motorcycle components, refrigerator linings, TVs, cassette recorders and video recorders, computers, washing machines and others, and it can be for small items such as electric fans, toys, accessories, daily utensils and others as well.

2. Production process of major products

(1) Styrene manufacturing method



(2) ABS plastic manufacturing method



(III) Supply status of main raw materials:

Name of main raw materials	Supplier	Main Source	Supply Status
Benzene	CPC Corporation	Domestic / foreign import	The supply shortage of CPC Corporation is supplemented by imports.
Ethylene	CPC Corporation	Domestic	The shortage is supplemented by CPC Corporation
Acrylonitrile	China Petroleum & Chemical Corporation	Domestic	Stable
Butadiene	CPC Corporation/ Formosa Petrochemical Corporation	Domestic	The shortage is supplemented by CPC Corporation or foreign import.

The following five channels are the sources of the Company's programs:

1. Outside broadcast (OB): In conjunction with domestic or international sports competition, the Company obtains broadcasting rights from organizers, and broadcasts live programs or recorded video programs.
2. Self-made: the Company plans and produces its own programs.
3. Commission: Funded by the Company, the programs, or dramas, are commissioned to be planned and produced by other communication companies within the established unit cost.
4. Outsource: The Company purchases TV series and films produced by domestic and foreign film, television and other communication companies.
5. Agent: The Company searches for domestic and foreign production of fine channels, obtains channel distribution rights and the agent rights for advertising.

(IV) The names of the suppliers who have accounted for more than 10% of the total purchase (sale) in the previous year, and the amount and proportion of the purchase (sale), and explanation of the reasons in change of increase or decrease

Major suppliers over the past two years

①. GPPC Group:

Expressed in Thousands of New Taiwan Dollars

Items	2021				2022				2022 and up to previous quarter (Note 2)			
	Title	Amount	Ratio to the net annual purchase 〔%〕	Relationship with the issuer	Title	Amount	Ratio to the net annual purchase 〔%〕	Relationship with the issuer	Title	Amount	% of net purchase during the previous quarter〔%〕	Relationship with the issuer
1	P7901	7,434,493	44.96	Nil	P7901	6,393,173	42.82	Nil				
	Others	9,100,134	55.04	—	Others	8,538,703	57.18	—	Others			
	Net purchase	16,534,627	100		Net purchase	14,931,876	100		Net purchase			

②. Parent company only financial statement:

Expressed in Thousands of New Taiwan Dollars

Items	2021				2022				2022 and up to previous quarter (Note 2)			
	Title	Amount	Ratio to the net annual purchase 〔%〕	Relationship with the issuer	Title	Amount	Ratio to the net annual purchase 〔%〕	Relationship with the issuer	Title	Amount	% of net purchase during the previous quarter〔%〕	Relationship with the issuer
1	P7901	7,434,493	54.89	Nil	P7901	6,393,173	51.29	Nil				
	Others	6,111,067	45.11	—	Others	6,070,616	48.71	—	Others			
	Net purchase	13,545,560	100		Net purchase	12,463,789	100		Net purchase			

Major customers for sales over the past two years

①. GPPC Group:

Expressed in Thousands of New Taiwan Dollars

Items	2021				2022				2022 and up to previous quarter (Note 2)			
	Title	Amount	Ratio to the net annual purchase 〔%〕	Relationship with the issuer	Title	Amount	Ratio to the net annual purchase 〔%〕	Relationship with the issuer	Title	Amount	% of net purchase during the previous quarter〔%〕	Relationship with the issuer
1	#4001	3,920,651	17.39	Nil	#4001	3,332,952	18.34	Nil				
	Others	18,626,702	82.61	—	Others	14,843,674	81.66	—	Others			
	Net purchase	22,547,353	100		Net purchase	18,176,626	100		Net purchase			

②. Parent company only financial statement:

Expressed in Thousands of New Taiwan Dollars

	2021				2022				2022 and up to previous quarter (Note 2)			
Items	Title	Amount	Ratio to the net annual purchase 〔%〕	Relationship with the issuer	Title	Amount	Ratio to the net annual purchase 〔%〕	Relationship with the issuer	Title	Amount	% of net purchase during the previous quarter〔%〕	Relationship with the issuer
1	#4001	3,920,651	21.59	Nil	#4001	3,332,952	22.64	Nil				
	Others	14,242,621	78.41	—	Others	11,390,433	77.36	—	Others			
	Net purchase	18,163,272	100		Net purchase	14,723,385	100		Net purchase			

Note 1: Please list the names of the customers accounting for at least 10% of sales and specify the values and the percentages of sales during the most recent two years. If the names of customers cannot be disclosed due to contractual terms or the counterparty is a non-related individual, codes may be used as indication.

Note 2: As of the publication date of this annual report, a TWSW/TPEx listed company should disclose, if any, the most recent financial statements audited or reviewed by CPAs.

(V) The output volume and value in the past two years

①. GPPC Group:

Expressed in Thousands of NT Dollars, thousand MT／petrochemical products·plastic products
Expressed in Thousands of NT Dollars, thousand MT／SM·ABS, HIPS, steam
Thousands of NT Dollars, thousand M^3／H2
Thousands of NT Dollars, million M^2／Packaging materials
Thousand NT Dollars, million KW／Power

Year / Output volume, value / Major products	2022			2021		
	Productivity	Output volume	Output value	Productivity	Output volume	Output value
SM	370	277	10,576,248	370	342	10,470,277
ABS	120	72	3,947,726	120	102	4,812,748
H_2	16,800	10,713	75,741	16,800	11,850	73,850
Electricity power	257	106	298,003	257	262	364,866
Steam	1,242	814	698,267	1,242	1001	556,723
Nylon	30	13	1,278,723	30	12	898,333
HIPS	50	38	1,590,511	50	53	1,954,060
Film amortization & production costs			520,833			656,052
Commission and royalty			298,375			285,680
Satellite channel rent and others			116,774			120,208
Packaging materials		58	999,277		90	1,358,625
Total	-		20,400,478	-		21,551,422

②. Parent company only financial statement

Expressed in Thousands of NT Dollars, thousand MT／SM·ABS, steam
Thousands of NT Dollars, thousand M^3／H2
Thousands of NT Dollars, million KW／Power

Year / Output volume, value / Major products	2022			2021		
	Productivity	Output volume	Output value	Productivity	Output volume	Output value
SM	370	277	10,576,248	370	342	10,470,277
ABS	120	72	3,947,726	120	102	4,812,748
H_2	16,800	10,713	75,741	16,800	11,850	73,850
Electricity power	257	106	298,003	257	262	364,866
Steam	1,242	814	698,267	1,242	1001	556,723
Nylon	30	13	1,278,723	30	12	898,333
Total	-	-	16,874,708	-	-	17,176,797

(VI) The sales volume and value in the past two years

①. GPPC Group:

Expressed in Thousands of NT Dollars, thousand MT／petrochemical products·plastic products
Expressed in Thousands of NT Dollars、thousand MT／SM·ABS, HIPS, Nylon, Steam
Thousands of NT Dollars, thousand M^3／H2
Thousands of NT Dollars, million M^2／Packaging materials
Thousands of NT Dollars, million KW／Power

Year / Sales volume /value / Major products	2022				2021			
	Domestic sales		Export		Domestic sales		Export	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
petrochemical products(SM)	209	7,500,496	0	0	250	8,032,324	0	0
plastic products (ABS, HIPS)	19	1,002,651	94	4,888,774	25	1,525,477	126	7,587,789
Nylon	7	704,412	6	636,782	9	1,032,281	3	309,431
H_2	10,708	173,453	0	0	11,860	141,869	0	0
Electric power	41	86,477	0	0	119	235,545	0	0
Steam	92	124,016	0	0	153	131,014	0	0
Advertising video channel revenues		1,707,001		0		1,775,009		0
Revenues in Packaging materials	33	702,078	22	448,744	45	866,240	38	657,526
Others		182,493		19,249		239,318		13,530
Total		12,183,077		5,993,549		13,979,077		8,568,276

②.Parent company only financial statement

Expressed in Thousands of NT Dollars, thousand MT／SM·ABS, steam
Thousands of NT Dollars, thousand M^3／H2
Thousands of NT Dollars, million KW／Power

Year / Sales volume /value / Major products	2022				2021			
	Domestic sales		Export		Domestic sales		Export	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
SM	242	8,744,587	0	0	297	9,579,384	0	0
ABS	10	684,117	64	3,569,373	13	968,555	86	5,765,193
H_2	10,708	173,453	0	0	11,860	141,869	0	0
Electricity power	41	86,477	0	0	119	235,545	0	0
Steam	92	124,016	0	0	153	131,014	0	0
Nylon	7	704,580	6	636,782	9	1,032,281	2	309,431
Total	-	10,517,230	-	4,206,155	-	12,088,648	-	6,074,624

III. Number of employees, average number of years of service, average age and academic degree credential distribution ratio in the past two years and as of the publication date of the Annual Report:

April 30, 2023

Year		2021	2022	The year as of April 30, 2023
Number of employees	North Area	358	359	362
	Central Area	173	156	153
	South Area	376	338	371
	Overseas	221	318	271
	Total	1128	1171	1157
Average ages		43	42	42
Average service seniority		13	12	12
Academic degree levels	Ph. D.	0.18%	0.26%	0.26%
	Master	7.18%	6.75%	7.00%
	University/college	57.44%	61.74%	64.39%
	Senior high school	29.70%	26.05%	25.15%
	Below senior high school (inclusive)	5.50%	5.20%	3.20%

Note: Should fill up information of the reporting year as of the publishing date of the Annual Report.

IV. Information of expenditures for environmental protection

(I) In the most recent year and as of the publication date of the Annual Report, the Company's losses (including compensation) resulting from pollution to the environment, the total amount of punishment, the Company should reveal its future response measures (including improvement measures) and possible expenditures (including the estimated amount of losses, punishment and compensation that may occur if the response measures are not taken. A reasonable estimate should explain the fact if it cannot be reasonably estimated).

Contents	2022	2023 up to present
Conditions of pollution (categories, extent)	1. The odor from discharge pipes violated the standard. 2. Fines for facility components' air pollution violation. 3. Groundwater control plan was not changed within deadline. 4. Change made by proxy for air pollution special personnel failed to report within deadline. 5. On-site maneuvering status does not coincide with allowed content. 6. Maintenance plan does not coincide with actual circumstance.	Nil
Compensation target or penalty imposer	Kaohsiung City Environmental Protection Bureau	Nil
Amount of compensation or fact of penalty	1. NT$390,000 2. NT$675,000 3. NT$200,000 4. NT$200,000 5. NT$100,000 6. NT$100,000	Nil
Other losses	Nil	Nil

1. Countermeasures

(1) Corrective plans

In terms of the corporate responsibility to the society, other than investment in hardware, the Company spares no effort to improve the discharge of various pollutants and improve safety management facilities (Cf. Industrial safety environmental capital expenditures below for more details) in order to directly minimize environmental pollution and improve production safety. Besides, where a large number of equipment components in our plants are prone to leakage and emission, for our factories, we continually commission qualified inspection companies to conduct factory-wide scanning with FLIR and flame-type ion detector devices to inspect each and every equipment component one by one. Meanwhile, we commissioned SGS to scan and re-test with infrared devices. Where the management of equipment components, we cannot rely solely on outsources for inspection, our on-site personnel also continually carry out follow-up testing based on the assigned responsibility from the jurisdiction with the detector devices purchased by the factories. The environmental engineering department conducts random testing to ensure the integrity in the inspection. In terms of pollution reduction of combustion facilities, in our factories we have converted the entire plant steam boilers, heat medium boilers and steam heating furnaces with natural gas as the fuel, and with steams and electric boilers used for the best feasible control technology (BACT) to prevent pollution and to effectively reduce pollutant emissions. In terms of industrial safety environmental management system, in our plants we have introduced the OHSAS18000 occupational safety and health management system. In 2019, we further introduced the ISO-45001 system and the process safety management (PSM) system within a three-year period along with efforts in planning, implementation, audit, improvement and other action cycles to make the management system in full and effective play. At the same time, we promote the evaluation of industrial safety environmental protection performance indicators of various departments to improve execution efficiency. In terms of employee safety protection, in addition to efforts to provide personal protective equipment such as goggles, earplugs and ear muffs as well as vertical fall arresters for employees, we further continuously promote safety observation and encourage the reporting of a false alarm event and continuously provide employees and contractors with safety related educational & training programs. We earnestly expect that the factory process equipment will operate safely and smoothly and successfully achieve production goals.

(2) Major environmental protection capital expenditure expected in the coming years:

Expressed in Thousands of New Taiwan Dollars

2023	
Proposed purchase of pollution prevention equipment or expenditure content	Amount (in Thousand)
Hydrogen plant sprinkler system remote control installation construction	1,000
RTO-2 applied with 12 layers of porcelain including purchase and installment of steel frame	5,800
Installation of R-301 exhaust gas TIE IN RTO air suction pipelines	360
Compressed air energy consumption management system	1,000
Spiral air compressors and vertical air receiver tank	550
Total	8,718

Expressed in Thousands of New Taiwan Dollars

2022	
Proposed purchase of pollution prevention equipment or expenditure content	Amount (in Thousand)
Retrofitting of SM filling table controllers for explosion prevention; addition of level switches	2,000
Renewal of SM2 energy-efficient flare pilot lights	3,600
Replacement of old SA-001B auto filters	5,000
Improvement of RTO inlet concentration detectors	2,430
Replacement of high-performance ceramics for RTO-1 regenerative thermal oxidizers	4,365
Total	17,395

(3) Impact post improvements

Expressed in Thousands of New Taiwan Dollars

Item	Year 2021	Year 2022
Impact on net income: Approximate increase of depreciation each year	--	--

2. The part without countermeasures taken: Nil

V. Labor relations

(1) Enumerate the Company's employee welfare measures, continuing education, training, retirement system and its implementation status, as well as the agreements between the labor and the management and the efforts to safeguard employees' interests:

1. Fringe benefits for employees

(1) Aiming to be externally competitive, internally fair and legitimate, the Company provides a varied and competitive remuneration system to share profits with employees, in order to attract, retain, development and incentify talents. Employees’ remuneration consists of monthly salaries and performance bonuses based on the Company’s core business profits.

(2) The Company adjusts salaries annually and according to profits. The employee salary increases in 2022 was adjusted using the method of A grade 2.1% + fixed amount $200~$1,400. The remuneration to employees is no lower than 1% of the distributable earnings for the year. On March 25, 2022, the Board of Directors resolved to distribute a total of NT$67,180 thousand as 2021 remuneration to employees.

(3) The Company’s remuneration to employees is to return to employees by rewarding contributions. The purpose is to incentify employees to continue with the good work so that the interest of employees is aligned with the interest of shareholders. This creates win-win-win for the Company, shareholders and employees. The Company determines the methods of employee bonus distributions according to operating results and industry standards. The amount received by an employee depends on contributions and performances.

(4) In addition to labor insurance and national health insurance, we provide group insurance to employees. We arrange health inspections for employees each year. There are qualified factory nurses to provide employees and their famify members assistance in health and medicare. Menstrual leaves and private lactation spaces are available to female employees.

(5) Employees can apply for unpaid parental leaves up to two years before children reach three years old.

(6) The Employee Welfare Committee was established in accordance with Employees' Welfare Funds Act. The Company has also put in place operational procedures for employee benefits and insurance. Contributions to the welfare fund are made as required by law. The utilization of the employee welfare funds is centrally managed to sponsor meals, annual travels, education subsidies, presents for weddings and celebrations, bereavement support payments, emergency aids, social group activities, etc. The purpose is to enhance the physical and mental health of employees. All of the Company’s employees are entitled to all benefits offered by the Employee Welfare Committee. The safekeeping and utilization of the welfare funds are handled by the Employee Welfare Committee.

2. Continued training and education programs for employees

The company has enacted operating procedures, regulating internal training, external training, English proficiency/computer testing, industrial environment license and such relevant educational & training programs. In an attempt to pass on hands-on experiences, improve management and professional knowledge, the Company also encourages colleagues to study for degrees or send them abroad for special training and education programs. At present, the titles of the operation procedures related to employee training and training are as enumerated below:

(1) Regulations governing educational & training programs

(2) Educational & training program procedures for Kaohsiung Plant.

Fees and expenditures spent by the Company for educational & training programs in 2022:

(1) Educational training fee expenditure is NT$1,634,393; 183 educational training sessions held, with a total of 2,679 participants and total educational training hours of 7,431 hours reached.

(2) Contents covered within the training programs: Professional on-the-job training programs sponsored by the respective departments, statutory license(s)/certificate(s) related training programs and professional programs, internal training programs with outsourced instructors, environmental safety & health training programs rendered by outsourced instructors, ISO training programs, technical training programs under foreign technical consultants…etc..

Representative training activities	Personnel	Representative training activities	Personnel
How to adjust internal system in response to new regulations of ESG	Internal Audit	Centrifugal pump operation in practice and explanation	Monomer Plant
Disputes and case analyses for commonly seen work rules	Human Resources Section	2022 educational training on overhaul	Monomer Plant
Commercial Case Adjudication Act	Taipei office colleagues	RTO and THC educational training	Polymer Plant
Cross-sectional analysis on commonly seen electrocardiography in health examination	Kaohsiung Plant employees	Rotating machinery in practice	Maintenance Plant
Cross-sectional analysis on plastic and rubber products	Research and Development Department	ISO environmental consideration and risk identification	Environment & Safety Dept.
Construction procurement in practice – relation management and material procurement	Procurement Department	Training/continuing training for Type 1 pressure vessel operators	Kaohsiung Plant employees
Educational training on boiler handling	Monomer Plant	Introduction to occupational safety and sanitation related laws and regulations	Maintenance Plant
Educational training on computer room establishment construction	Information Department	Manufacturing safety management	Hydrogen Plant
Enjoy healthy lifestyle	Kaohsiung Plant employees	Introduction to welding materials	Maintenance Plant
Assessment of newly published tax laws regarding corporate ESG sustainability performance	Accounting Department	Oxygen deficiency operation and emergency response	Polymer Plant
Export bills negotiation / collection intelligent AI operation	Finance / sales administrative staff	Tripped circuit breaker emergency handling steps	Polymer Plant
Heating furnace operation	Monomer Plant	Educational training on boiler inspection and repairing (internal training)	Maintenance Plant
Application and countermeasures for malfunctioning issues for twin axle extruder mixing technique	Research and Development Department	Radiation safety seminar	Nylon Plant

Representative training activities	Personnel	Representative training activities	Personnel
Professional training on instrument meters	Monomer Plant	Educational training on thermal boiler	Maintenance Plant
Task guidance and leadership enhancement for management officers	Management level personnel	Environmental, Health and Safety exam	Environment & Safety Dept.
Thorough Corporate Governance for Prudent Prevention of Insider Trading	Non-shift personnel	Training for professional response personnel for toxic chemical substance (operational level) – external training	Environment & Safety Dept.
Propane and propene accidental incidents and safety management	Kaohsiung Plant engineers	Nondestructive testing technique training	Maintenance Plant
Hazard communication	Kaohsiung Plant employees	Reasons for mechanical seal malfunctions	Maintenance Plant
Organic solvent operation environment	Kaohsiung Plant employees	Brief introduction of bearing	Maintenance Plant
Automatic lubricant operational mode	Monomer Plant	Kaohsiung City pipeline excavation management (external training)	Maintenance Plant

(3) Encouragement upon employees into on-the-job continued training and education programs for better performance evaluation and promotion

License(s)/certificate(s) acquired by financial information transparency in the Company:

Financial, accounting personnel: Two financial, accounting heads

Ching Fu Chen	Ling Chu Chen
(Year 2010)-Zhuan-Gao-Kuai-Zi 000542	Year 2009-Kuai-Jiao-(Accounting Head) Chu-Zi 3003007

Auditors: Two internal auditors

Hui Fen Chiang	Lan Hou
Year 1995-(Zheng)-Zi 0133	(Zheng)-Zi 9310124

3. Labor pension system

Item	Labor pensions	
	Old system	New system
Legal basis	Labor Standards Act	Labor Pension Act (effective on July 1, 2005)
Contribution as % of salary	The Supervisory Committee for Labor Pension Reserves established. Contribution equivalent to 3% of monthly salary to the labor pension reserves.	Employer: 6% of an employee's monthly salary Employee: 0%-6% of the monthly salary (fully deductible from the personal income for the year)
Custodian organization	Bank of Taiwan	Bureau of Labor Insurance
Eligibility and ways to claim	The employer hands out the pension when an employee retires and claims the pension according to the Labor Standards Act.	Those aged 60 years old may claim from the Bureau of Labor Insurance the accumulated amount in the personal account.
Employees' participation	100%	100%
Contributions	Reserves at NT$577,989 thousand as of December 31, 2022	2022 contribution for NT$10,028 thousand in total

Remarks:

1. Any insufficiency of the contribution to the pension reserve under the old system is made up in one go at the end of March of the following year after the annual actuarial computation. This is submitted for review by the Supervisory Committee for Labor Pension Reserves.
2. The new labor system came into force on July 1, 2005. The Company's employees then could opt for the new system, staying with the old system or not making a selection for the time being, before July 15, 2008. Those who did not make a selection stayed with the old system. Those who opted for the new system began to contribute to the new pension plan starting on July 1, 2005. Those who continued with the old system (including those not making a decision yet) may opt for the new system within five years (before June 30, 2010). From July 1, 2005 onward, any employee newly recruited or re-hired after departure is under the new system.
3. Once an employee has opted for the new pension system, it is not allowed to revert back to the old system under the Labor Standards Act.
4. The applicable regulations from the Labor Standards Act to the Company are as follows:
   Voluntary retirement: A worker may retire voluntarily in any of the following circumstances: (The same rules apply to those who opt for the system under the Labor Pension Act.)
   (1) Where the worker attains the age of 55 and has worked for 15 years; (2) Where the worker has worked for more than 25 years; (3) Where the worker attains the age of 60 and has worked for 10 year.
   Mandatory retirement:
   The Company may not enforce mandatory retirement unless the employee falls into one of the

following categories: (1) aged 65 years old; (2) loss of capacity or unable to work due to physical disabilities.
The age specified in Subparagraph 1 of the preceding paragraph for dangerous jobs or requirements for substantial physical strengths may be adjusted by the Company with approval from the central competent authority but may not fall below 55 years old.
Pension criteria: (1) The pension handouts are based on Article 84-2 and Article 55 of the Labor Standards Act for the service years before and after the applicability of the Labor Standards Act, and the service years after opting to stay with the Labor Standards Act in accordance with the Labor Pension Act or the service years reserved before the applicability of the Labor Pension Act. (2) The handout is marked up by 20% according to Subparagraph 2, Paragraph 1, Article 55 of the Labor Standards Act to the employees with the aforesaid service years and retiring mandatory according to Subparagraph 2,Paragraph 1, Article 35 due to loss of capacity or physical disabilities caused by the performance of jobs. (3) The Company makes monthly contributions equivalent to 6% of the salary the personal pension account of an employee under the Labor Pension Act.
Pension handouts: The Company should pay the pension within 30 days after the employee retires.

4. Employee behavior or ethical principles

Aiming at the employee behavior and ethics codes, the Company has formulated many relevant methods and regulations to allow employees of all ranks to follow the ethical concepts, rights, obligations and behaviors. The relevant methods are briefly described below:

(1) Organizational rules: The efforts to enhance work efficiency, strengthen hierarchical responsibility rule oriented management and effectively regulate the rights privileged to employees of all ranks at work.

(2) Department Handbook and Internal Customer Grievance Measures: The efforts to expressly regulate all departments concerned in their responsibilities and powers along with organizational functions to inter-supervision to assure sound functions of all departments.

(3) Regulations Governing Educational & Training Programs and Hiring of Employees: The contents and standards of the training programs should be clearly regulated according to the rank, and related to the promotion of performance appraisal. In addition, the Company assists newly hired employees to adapt themselves to the new environment and colleagues and exert their productivity as soon as possible to minimize the turnover rate of new recruits.

(4) Regulations Governing Staff Attendance: As the grounds to regulate employees in taking vacations and leave with faithful compliance with the rules to set up a complete attendance system and establish good discipline for entire staff.

(5) Regulations Governing Performance Evaluation and Promotion for Employees: As the grounds to regulate a raise, promotion and incentive awards.

(6) Employee Working Regulations and Procedures for Proposal into Advancement: As the guiding grounds to regulate employee behaviors or actions, for sound rewarding and punishment amidst the benefits or impairment toward the Company with their behaviors.

(7) Regulations governing the assignment to serve with affiliates, reimbursement and relocation of employees and relocation expenses and measures for business trips: As the grounds to regulate assignment amidst affiliated enterprises, rotation associations within the Company and trips on business needs.

(8) Regulations governing transfer or resignation personnel, issuance of

employment (separation) certificates: The grounds to regulate the transfer or resignation of employees and the issuance of various certifications to be complied with.

(9) Grievance and punishment measures for prevention and control over potential sexual harassment: The very grounds to prevent sexual harassment in the workplace, maintain equality in gender at work and human dignity, and regulate employees' speech and behavior in the workplace.

(10) Business Secrets/Personal Information Protection Act: The very grounds to protect the Company's business secrets, business interests and competitiveness, safeguard employees' personal information and avoid disclosure and the impairment incurred thereby.

5. Retirement system and implementation thereof:

(1) Toward employees who choose pension system under the Labor Standards Act (Old System): The Company has set up the Operating Procedures of the "Organizational Regulations of the Labor Retirement Reserve Supervision Committee" to establish the Labor Retirement Reserve Supervision Committee accordingly to take charge of the relevant issues in accordance with or superior to the Labor Standards Act. The Committee holds coordinative meetings about the retirement supervisory issues for sound communications with employees, directors and supervisors of the industrial trade unions on a regular basis. On a monthly basis, the Company appropriates the pension funds according to the specified provisions into the Account Earmarked for Labor Pension Fund in the Bank of Taiwan. The Labor Retirement Reserve Supervision Committee would appropriate funds out of the account to meet the retirement needs.

(2) Toward employees who choose pension system under the Labor Pension Act (New System): The Company appropriates 6% of the wage rate into the Account Earmarked for Labor Pension Fund on a monthly basis.

6. Key accords reached by and between employees and the management:

The Company has set up Industrial Labor Union and Labor-Management Coordination Meetings. The labor-management meetings are convened on a regular basis for sound communications and coordination with employees and directors and supervisors of the Unions. Upon receipt of the labor union's request to negotiate a collective bargaining agreement on November 18, 2022, the Company immediately appointed a dedicated executive as the representative to negotiate the draft collective bargaining agreement prepared by the labor union. We have already exchanged views on a number of issues such as working hours, wages and employee benefits, and shall enter into a collective bargaining agreement when specific agreements are reached.

7. Protective measures to safeguard working environments and safety & security for employees:

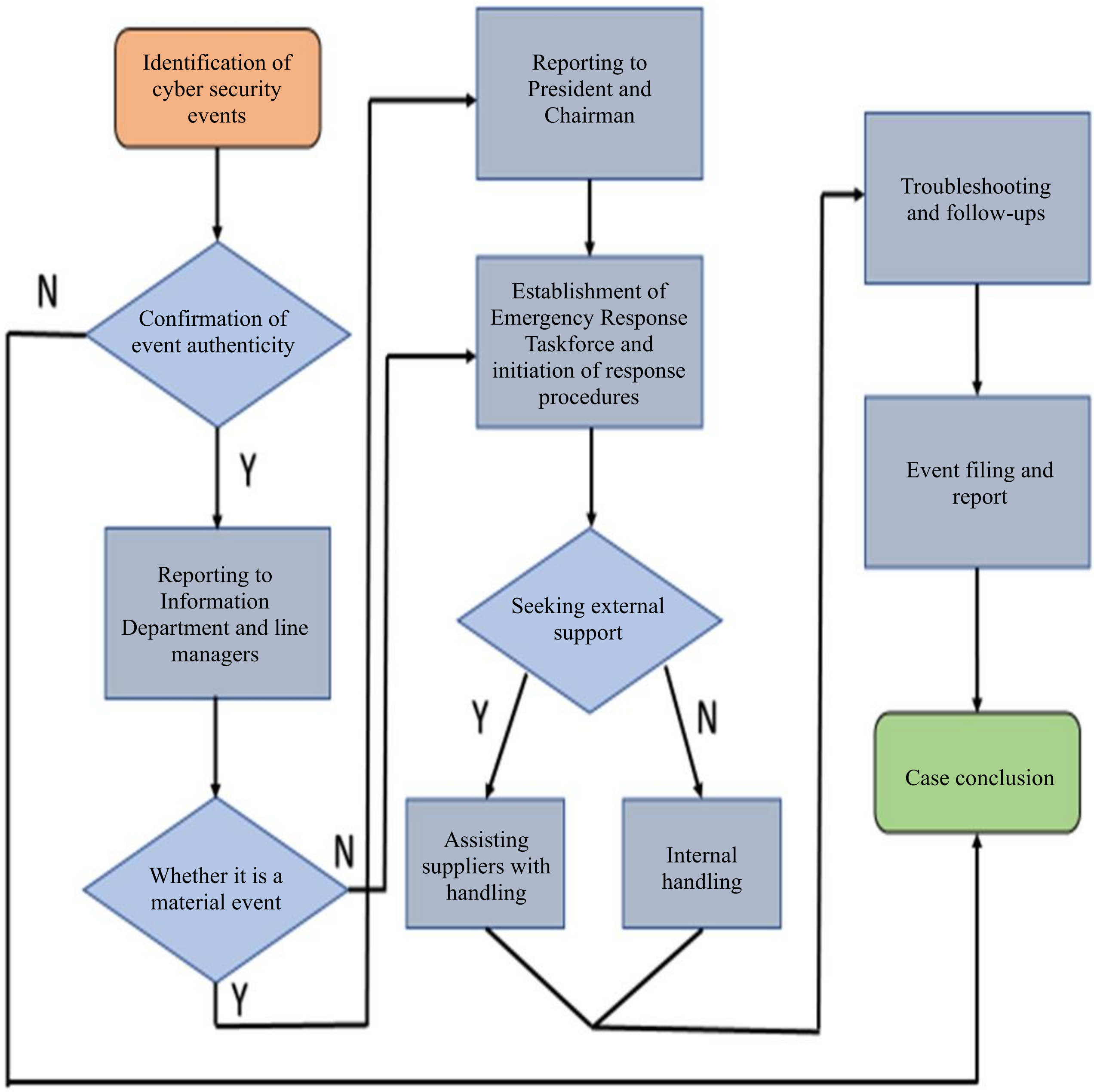
The Company faithfully adheres to the spirit of uninterrupted improvement with proactive pursuit of perfection. In addition to continuous investment in hardware to enhance various pollution prevention and fire safety equipment, the Company directly minimizes pollutant emissions and improves production safety & security. In terms of industrial safety and environmental protection management system, here at the Company, OHSAS18000 occupational safety and health management system has been successfully introduced to establish a very sound management system through planning, execution, auditing, improvement and other efforts. In terms of personal protection to entire staff, goggles, earplugs and earmuffs and vertical fall arresters have been provided to entire staff who, besides, have been provided with sound educational & training programs into sophisticated uses of such safety & security devices. It is expected that in the entire Company, all factory process equipment will be operated safe and sound to successfully accompany the target in production.

(II) In the most recent year and as of the publication date of the Annual Report, the impairment having been undergone by the Company as a result of labor disputes with disclosure of the amount of impairment so far and anticipated in the future as well as the countermeasures. If such amounts could not be reasonably estimated, the fact that it cannot be reasonably estimated should be explained in full: Where the Company has constantly adhered to sound communications and harmony with employees, all potential problems, minor ones in all cases, have been successfully solved in a harmonious manner. No labor dispute has occurred in recent years. Under harmonious ambiance with sound mutual trust, no labor disputes are expected to happen in the in the days and years ahead.

VI. Cyber Security Management

(I) Please describe the structure of cyber security risk management, cyber security policies, management measures and resources invested in cyber security management.

Structure of cyber security risk management



Cyber security policy

1. Objectives of the cyber security policy
   (1) The regulations governing the management of information and communication security are put in place to ensure the security of the Company's servers, networking equipment and network communications by effectively reducing the risks of information asset theft, misuse, leakage, tampering or damages due to human errors, malice and natural disasters, etc.
   (2) To ensure the confidentiality, integrity and availability of the Company's information
      A. Confidentiality: to ensure that only the authorized personnel can use the information
      B. Integrity: to ensure the accuracy and no tampering of the information used
      C. Availability: to ensure that the authorized personnel can access the required information
2. Contents of the cyber security policy

(1) The Company's information security management rules must comply with relevant government regulations (e.g., Cyber Security Management Act, Criminal Code, Classified National Security Information Protection Act, Patent Act, Trademark Act, Copyright Act, and Personal Data Protection Act).
(2) Regular training and education on cyber security and advocacy of the information security policy and relevant rules.
(3) Establishment of the management mechanism for servers and networks in order to organize resource allocations and utilization.
(4) It is necessary to consider risks and security factors before deployment of new equipment, in order to prevent circumstances that may jeopardize system security.
(5) Establishment of physical server rooms and environmental security protection measures, accompanied with regular maintenance.
(6) Specific regulations governing the authorization for network systems, to prevent unauthorized access.
(7) Formulation of the internal audit plan for the information security management system. Regular inspection of all personnel and equipment use throughout the Company within the scope of the information security management system. Planning and implementation of preventive and corrective measures according to audit reports.
(8) Formulation of the business continuity management regulations and organization of drills, to ensure the Company's continued operation.
(9) All of the Company's personnel is tasked with the responsibility in maintenance of cyber security and should adhere to the relevant cyber security management regulations.
(10) There should be specific regulations governing documentation of the information security management system.
(11) If reconsignment services are to be outsourced to vendors for processing, it is necessary to evaluate relevant information security risks associated with reconsignment services. Outsourced vendors should be required to abide by relevant rules of the information security management system (ISMS). This is to ensure appropriate supervision and management of the vendors for reconsignment services.
(12) In the process of internal and external project management, it is necessary to specify and describe all the project-related information security requirements. The result of risk assessments serves as the basis for determining and implementing the information security control measures, to ensure the confidentiality, integrity and availability of internal and external project information and to reduce the risks of leakage of confidential and sensitive information (including personal data) and breaches of laws.
(13) It is necessary to formulate the management procedures governing portable information devices (including mobile devices) and portable storage media and require colleagues to adhere to these procedures. Periodical risk assessments should be conducted on portable information devices (including mobile devices) and portable storage media. The result of risk assessments serves as the basis for the selection of appropriate control measures. Regular inspections should be carried out regarding the implementation by colleagues, to ensure the monitoring of risks associated with the use of portable information devices and storage media and to reduce the risks of leakage of confidential and sensitive information.

Resources invested in cyber security management

1. External and internal firewalls
2. Antivirus software installed on each computer
3. Security Operation Center (SOC) for cyber security surveillance
4. Annual drills on social engineering

(II) Please describe any loss incurred due to material cyber security events, possible impacts and countermeasures during the most recent year and as of the publication date of this annual report. If a reasonable estimate cannot be provided, please explain the facts concerning the impossibility of reasonable estimates: Nil.

VII. Key agreements

	Parties concerned	Duration of the agreements	Key contents	Restrictive terms
EB-3 Lease agreement for alkylation and transalkylation catalyst	USA, ExxonMobil	01/28/2010 ~	Ethylbenzene manufacturing process lease agreement	—
Benzene	CPC Corporation, Taiwan	01/2023 ~ 12/2023	Agreement	Not for resale
Ethylene	CPC Corporation, Taiwan	01/2023 ~ 12/2023	Agreement	Not for resale
Butadiene	CPC Corporation, Taiwan	01/2023 ~ 12/2023	Agreement	Not for resale

Six. Financial Highlights

I. Condensed balance sheets and statements of comprehensive income for the last five years, with statements of the names of CPAs and audit opinions

(I) Condensed Balance Sheet (Consolidated) - International Financial Reporting Standards (IFRS)

Expressed in Thousands of New Taiwan Dollars

Item \ Year		Financial information for the past five years (Note 1)					Financial Information of the Reporting Year as of March 31, 2022 (Note 3)
		2018	2019	2020	2021	2022	
Current Assets		10,852,015	11,627,999	13,038,671	16,548,501	17,409,343	
Property, plant and equipment (Note 2)		7,427,473	7,240,590	7,762,363	10,537,098	23,141,037	
Intangible assets		674,070	674,070	881,600	1,056,747	1,062,228	
Other assets (Note 2)		10,906,343	11,943,748	14,639,734	20,767,374	18,758,937	
Total assets		29,859,901	31,486,407	36,322,368	48,909,720	60,371,545	
Current liabilities	Before distribution	2,877,053	2,519,453	2,909,607	4,831,291	4,735,298	
	After distribution	2,889,053	2,507,453	3,014,269	6,696,532	*	
Non-current liabilities		1,361,874	1,734,877	2,292,424	4,847,889	19,528,406	
Total liabilities	Before distribution	4,238,927	4,254,330	5,202,031	9,679,180	24,263,704	
	After distribution	4,250,927	4,242,330	5,306,693	11,544,421	*	
The Equity contributed to the owners of Parent Company		22,738,990	24,368,668	28,184,357	35,466,255	32,752,230	
Capital stock		9,266,203	9,266,203	9,266,203	9,266,203	9,266,203	
Capital surplus		180,533	181,698	182,764	186,459	201,866	
Retained earnings	Before distribution	12,608,192	14,695,878	18,797,890	26,282,842	23,976,823	
	After distribution	12,596,192	14,683,878	18,693,228	24,417,601	*	
Other equity		739,639	280,466	(6,923)	(219,391)	(642,804)	
Treasury stock		(55,577)	(55,577)	(55,577)	(49,858)	(49,858)	
Non-controlled Equity		2,881,984	2,863,409	2,935,980	3,764,285	3,355,611	
Total equity	Before distribution	25,620,974	27,232,077	31,120,337	39,230,540	36,107,841	
	After distribution	25,608,974	27,232,077	31,015,675	37,365,299	*	

* For companies who have compiled parent company only financial statements, separate condensed balance sheets and statement of comprehensive income for the most recent five reporting years shall be compiled.

* For those who have adopted the financial information per International Financial Reporting Standards for less than 5 reporting years, they shall compile the table below (II) adopting financial information per Taiwan's Enterprise Accounting Standard.

Note 1: Reporting years that were not audited and certified by accountants shall be noted.

Note 2: For those who have conducted asset revaluation during the reporting year, they shall list and note the conducting date and revalued added value dollar amount.

Note 3: As of before the report print date, if listed companies or companies whose stocks are traded on the TPEx possess financial information recently audited and certified or reviewed by accountants, they shall disclose the information.

Note 4: Please fill the abovementioned numbers after distribution in accordance with the resolutions made by the Board of Directors or the shareholders' meeting in the next reporting year.

Note 5: Financial information that has to make corrections or restatements themselves as notified by regulator shall be listed and compiled with the numbers after the corrections or restatements; their respective circumstances and reasons for corrections or restatements shall also be noted.

* To be finalized after being resolved in the shareholders' meeting

(II) Condensed Statements of Comprehensive Income (Consolidated) - International Financial Reporting Standards (IFRS)

Expressed in Thousands of New Taiwan Dollars

Item \ Year	Financial information for the past five years (Note 1)					Financial Information of the Reporting Year as of March 31, 2022 (Note 2)
	2018	2019	2020	2021	2022	
Operating revenues	24,741,138	20,468,229	16,575,784	22,547,353	18,176,626	
Gross operating profit	4,055,348	2,639,089	3,106,996	4,642,676	871,267	
Operating gain/loss	2,738,838	1,370,211	1,756,878	2,912,804	(787,086)	
Non-Operating revenues and expenditures	1,318,110	1,370,666	3,352,473	4,444,495	771,476	
Net profit before tax	4,056,948	2,740,877	5,109,351	7,357,299	(15,610)	
Net profit for the year of continuing operations	3,150,741	2,176,211	4,320,555	6,076,588	(454,388)	
Loss from discontinued operations	0	0	0	0	0	
Net profit (Loss) for the year	3,150,741	2,176,211	4,320,555	6,076,588	(454,388)	
Other comprehensive income for the year (net after tax)	(367,437)	(486,467)	(392,873)	2,179,533	(678,117)	
Total amount of comprehensive incomes for the year	2,783,304	1,689,744	3,927,682	8,256,121	(1,132,505)	
Net profit contributed to the owners of Parent Company	2,960,106	2,070,125	4,108,803	5,881,161	(493,812)	
Net profit contributed to the non-controlled equity	190,635	106,086	211,752	195,427	39,424	
Total amount of comprehensive income contributed to the owners of Parent Company	2,633,570	1,640,513	3,826,623	7,377,146	(843,371)	
Total amount of comprehensive income contributed to the non-controlled equity	149,734	49,231	101,059	878,975	(289,134)	
Earnings per share	$3.26	$2.27	$4.52	$6.47	($0.56)	

* For companies who have compiled parent company only financial statements, separate condensed balance sheets and statement of comprehensive income for the most recent five reporting years shall be compiled.

* For those who have adopted the financial information per International Financial Reporting Standards for less than 5 reporting years, they shall compile the table below (II) adopting financial information per Taiwan's Enterprise Accounting Standard.

Note 1: Reporting years that were not audited and certified by accountants shall be noted.

Note 2: As of before the report print date, if listed companies or companies whose stocks are traded on the TPEx possess financial information recently audited and certified or reviewed by accountants, they shall disclose the information.

Note 3: Loss of suspended department would be listed as net amount deducted by income tax.

Note 4: Financial information that has to make corrections or restatements themselves as notified by regulator shall be listed and compiled with the numbers after the corrections or restatements; their respective circumstances and reasons for corrections or restatements shall also be noted.

Note: The earnings per share (EPS) is counted based on the weighted average number of shares outstanding

(III) Condensed Balance Sheet - Parent Company Only Financial Statement (International Financial Reporting Standards (IFRS))

Expressed in Thousands of New Taiwan Dollars

Item \ Year		Financial information for the past five years (Note 1) 2018	2019	2020	2021	2022	Financial Information of the Reporting Year as of March 31, 2022 (Note 3)
Current Assets		5,227,246	6,151,330	6,018,262	6,897,635	2,830,990	
Property, plant and equipment (Note 2)		6,600,827	6,089,278	5,678,705	5,690,688	5,499,172	
Intangible assets		0	0	0	0	0	
Other assets (Note 2)		14,070,429	14,925,722	20,057,148	28,097,542	31,033,506	
Total assets		25,898,502	27,166,330	31,754,115	40,685,865	39,363,668	
Current liabilities	Before distribution	2,115,208	1,705,453	2,092,263	3,850,060	3,375,182	
	After distribution	2,127,208	1,705,453	2,196,925	5,715,301	*	
Non-current liabilities		1,044,304	1,092,209	1,477,495	1,370,301	3,236,256	
Total liabilities	Before distribution	3,159,512	2,797,662	3,569,758	5,220,361	6,611,438	
	After distribution	3,171,512	2,785,662	3,674,420	7,084,851	*	
Capital stock		9,266,203	9,266,203	9,266,203	9,266,203	9,266,203	
Capital surplus		180,533	181,698	182,764	186,459	201,866	
Retained earnings	Before distribution	12,608,192	14,695,878	18,797,890	26,282,842	23,976,823	
	After distribution	12,596,192	14,683,878	18,693,228	24,417,601	*	
Other equity		739,639	280,466	(6,923)	(219,391)	(642,804)	
Treasury stock		(55,577)	(55,577)	(55,577)	(49,858)	(49,858)	
Total equity	Before distribution	22,738,990	24,368,668	28,184,357	35,466,255	32,752,230	
	After distribution	22,726,990	24,368,668	28,079,695	33,601,014	*	

* For companies who have compiled parent company only financial statements, separate condensed balance sheets and statement of comprehensive income for the most recent five reporting years shall be compiled.

* For those who have adopted the financial information per International Financial Reporting Standards for less than 5 reporting years, they shall compile the table below (II) adopting financial information per Taiwan's Enterprise Accounting Standard.

Note 1: Reporting years that were not audited and certified by accountants shall be noted.

Note 2: For those who have conducted asset revaluation during the reporting year, they shall list and note the conducting date and revalued added value dollar amount.

Note 3: As of before the report print date, if listed companies or companies whose stocks are traded on the TPEx possess financial information recently audited and certified or reviewed by accountants, they shall disclose the information.

Note 4: Please fill the abovementioned numbers after distribution in accordance with the resolutions made by the Board of Directors or the shareholders' meeting in the next reporting year.

Note 5: Financial information that has to make corrections or restatements themselves as notified by regulator shall be listed and compiled with the numbers after the corrections or restatements; their respective circumstances and reasons for corrections or restatements shall also be noted.

* To be finalized after being resolved in the shareholders' meeting

(IV) Condensed Statements of Comprehensive Income - Parent Company Only Financial Statement (International Financial Reporting Standards (IFRS))

Expressed in Thousands of New Taiwan Dollars

Item \ Year	Financial information for the past five years (Note 1)					Financial Information of the Reporting Year as of March 31, 2022 (Note 2)
	2018	2019	2020	2021	2022	
Operating revenues	20,305,094	16,229,085	12,524,992	18,163,272	14,723,385	
Gross operating profit	2,788,644	1,454,285	1,564,113	2,947,147	(295,386)	
Operating gain (loss)	2,299,040	1,040,045	1,065,895	2,212,016	(704,944)	
Non-Operating revenues and expenditures	1,336,317	1,371,575	3,351,881	4,304,458	409,179	
Net profit before tax	3,635,357	2,411,620	4,417,776	6,516,474	(295,765)	
Net profit for the year of continuing operations	2,960,106	2,070,125	4,108,803	5,881,161	(493,812)	
Loss from discontinued operations	0	0	0	0	0	
Net profit (Loss) for the year	2,960,106	2,070,125	4,108,803	5,881,161	(493,812)	
Other comprehensive income for the year (net after tax)	(326,536)	(429,612)	(282,180)	1,495,985	(349,559)	
Total amount of comprehensive incomes for the year	2,633,570	1,640,513	3,826,623	7,377,146	(843,371)	
Earnings per share	$3.26	$2.27	$4.52	$6.47	($0.56)	

* For companies who have compiled parent company only financial statements, separate condensed balance sheets and statement of comprehensive income for the most recent five reporting years shall be compiled.

* For those who have adopted the financial information per International Financial Reporting Standards for less than 5 reporting years, they shall compile the table below (II) adopting financial information per Taiwan's Enterprise Accounting Standard.

Note 1: Reporting years that were not audited and certified by accountants shall be noted.

Note 2: As of before the report print date, if listed companies or companies whose stocks are traded on the TPEx possess financial information recently audited and certified or reviewed by accountants, they shall disclose the information.

Note 3: Loss of suspended department would be listed as net amount deducted by income tax.

Note 4: Financial information that has to make corrections or restatements themselves as notified by regulator shall be listed and compiled with the numbers after the corrections or restatements; their respective circumstances and reasons for corrections or restatements shall also be noted.

Note: The earnings per share (EPS) is counted based on the weighted average number of shares outstanding

(V) Names of CPAs and their audit opinions for the last five years

Year	Name of CPA Firm	CPA	Audit Opinions
2018	Crowe (TW) CPAs	Ying Chia Hsiao, Wu Chang Wang	Unqualified opinion
2019	Crowe (TW) CPAs	Ying Chia Hsiao, Wu Chang Wang	Unqualified opinion
2020	Crowe (TW) CPAs	Ying Chia Hsiao, Wu Chang Wang	Unqualified opinion
2021	Crowe (TW) CPAs	Ying Chia Hsiao, Chih Lung Lin	Unqualified opinion
2022	Crowe (TW) CPAs	Ying Chia Hsiao, Chih Lung Lin	Unqualified opinion

II. Financial Analyses for the last five years

(I) Financial Analyses for the last five years - Consolidated financial statement (International Financial Reporting Standards (IFRS))

Analyzed Item (Note 3)	Year (Note 1)	Financial Information for the past five years					As of March 31, 2022 of the reporting year (Note 2)
		2018	2019	2020	2021	2022	
Capital Structure (%)	Liabilities to assets ratio (%)	14.20	13.51	14.32	19.79	40.19	
	Long-term funds to property, plant and equipment ratio	363.28	400.06	467.93	418.32	240.42	
Liquidity (%)	Current ratio	377.19	461.53	448.12	342.53	367.65	
	Quick Ratio	306.21	393.58	405.22	283.31	289.17	
	Interest coverage ratio	2,211.87	458.58	663.61	791.08	0.79	
Operating ability	Accounts receivable turnover (times)	7.87	7.52	6.63	8.98	8.39	
	Average days of accounts receivable	46	48	55	40	43	
	Inventory turnover (times)	10.33	9.76	9.36	10.22	8.84	
	Accounts payable turnover (times)	11.84	11.15	9.23	11.78	11.94	
	Average days of sales	35	37	38	35	41	
	Property, plant and equipment turnover (times)	3.25	2.79	2.21	2.46	1.08	
	Total assets turnover (times)	0.86	0.67	0.49	0.53	0.33	
Profitability	Return on assets (%)	10.90	7.11	12.76	14.28	-0.72	
	Return on equity (%)	12.83	8.23	14.81	17.28	-1.21	
	Net income before tax to paid-in capital ratio (%) (Note 7)	43.78	29.58	55.14	79.40	-0.17	
	Net margin (%)	12.73	10.63	26.07	26.95	-2.5	
	Earnings per share ($)	3.26	2.27	4.52	6.47	-0.56	
Cash flow	Cash flow ratio(%)	159.06	121.33	97.42	92.03	45.49	
	Cash flow adequacy ratio (%)	250.25	307.98	309.84	225.09	89.07	
	Cash reinvestment ratio (%)	9.27	7.28	6.14	7.97	0.24	
Leverage	Operating leverage	2.20	2.93	2.63	1.64	-	
	Financial leverage	1.00	1.00	1.00	1.00	-	

State the changes in financial ratios over the past two years (2022 & 2021) up to over 20% and the reasons why:

1. Liability to asset ratio increased by 103.09% as compared with the previous period; it was mainly due to that the total liabilities had increased by 150.59% as compared with the prior period, and that the total assets had increased by 23.43% as compared with the prior period.
2. Long-term capital as a percentage of "property, plant, and equipment" reduced by 42.53% as compared with the prior period, which was mainly due to non-current liabilities had increased by 302.82%, and net property, plant, and equipment had increased by 119.61%.
3. Times interest earned reduced by 99.9% as compared with the prior period, which was mainly due to that income before tax and interest expenses had reduced by 99.18% and interest expense of the reporting period had increased by 716.20%.
4. Property, plant and equipment turnover rate reduced by 56.2% as compared with the prior period, which was mainly due to that net sales had reduced by 19.38% and the average net property, plant, and equipment had increased by 84.04%.

5. Total asset turnover rate reduced by 37.13% as compared with the prior period, which was mainly due to that net sales had reduced by 19.38% and that average total asset had increased by 28.22%.
6. Return on assets reduced by 105.05% as compared with the prior period, which was mainly due to that net loss had increased by 107.48%, interest expense had increased by 716.2%, and average total assets had increased by 28.22%.
7. Return on equity reduced by 106.98% as compared with the prior period, which was mainly due to an increase of 107.48% in net loss and an increase of 7.09% in average total equities.
8. Ratio of net loss over paid-in capital reduced by 100.21% as compared with the prior period, which was mainly due to an increase of 100.21% of net loss.
9. Net profit margin reduced by 109.28% as compared with the prior period, which was mainly due to an increase of 107.48% in net loss and a decrease of 19.38% in net sales.
10. Earnings per share reduced by 108.62% as compared with the prior period, which was mainly due to the equity belonging to the parent company reducing by 108.4%.
11. Cash flow ratio reduced by 50.57% as compared with the prior period, which was mainly due to a decrease of 51.58% in net cash flow from operating activities.
12. Cash flow adequacy ratio reduced by 60.43% as compared with the prior period, which was mainly due to that the net cash flow from operating activities in the most recent five years had reduced by 9.81% and that (capital expenditure + inventory added + cash dividend) in the most recent five years had increased by 127.91% as compared with the prior period.
13. Cash reinvestment ratio reduced by 96.97% as compared with the prior period, which was mainly due to that (net cash flow from operating activities – cash dividend) had reduced by 96.29% as compared with the prior period and (property, plant, and equipment gross amount + long-term investment + other non-current assets + working capital) had increased by 22.54% as compared with the prior period.

Note 1: All Consolidated Financial Statements of all fiscal years have been audited and certified by certified public accountants.

Note 2: As of the publication date of this annual report, a TWSW/TPEx listed company should analyze, if any, the most recent financial statements audited or reviewed by CPAs.

Note 3: The calculation formulas as enumerated below should be shown at the end of this Table

1. Capital Structure
   (1) Liabilities to assets ratio = total liabilities / total assets
   (2) Long-term funds to property, plant and equipment ratio = (total equity + non-current liabilities) / net property, plant and equipment
2. Liquidity
   (1) Current ratio = current assets / current liabilities
   (2) Quick ratio = (current assets – inventory- prepaid expenses) / current liabilities
   (3) Interest coverage ratio (times) = net income before income tax and interest / interest expenses of the current term
3. Operating ability
   (1) Account receivables (including Notes receivables from operating activities and accounts receivable) turnover = net sales/average receivables of each term (including notes receivables from operating activities and accounts receivable) balance
   (2) Average days of accounts receivable = 365 / receivables turnover rate
   (3) Inventory turnover rate = COGS (cost of goods sold)/average inventory amount
   (4) Account payables (including Notes payable from operating activities and accounts payable) turnover= COGS (cost of goods sold)/average payables of each term (including Notes payable from operating activities and accounts payable) balance
   (5) Average days of sales = 365 / inventory turnover rate
   (6) Property, plant and equipment turnover rate = net sales / average net property, plant and equipment
   (7) Total assets turnover rate = net sales / average total assets
4. Profitability
   (1) Return on assets = [gain/loss after tax + interest expense x (1-tax rate)] / average total asset
   (2) Return on equity = gain/loss after tax / average total equity
   (3) Net margin = gain/loss after tax / net sales
   (4) Earnings per share = (the gain/loss contributed to the parent company – preferred stock dividend) / weighted average shares outstanding (Note 4)
5. Cash flow
   (1) Operating cash flow ratio = net cash flow of operating activities/current liabilities

(2) Cash flow adequacy ratio= net cash flow of operating activities in the past five years / the past five years sum of (capital expenditures + inventory addition +cash dividends)
(3) Cash reinvestment ratio= (net cash flow of operating activities- cash dividends) / (Gross property, plant and equipment + long term investment + other non-current assets + working capital) (Note 5)

6. Leverage
(1) Operating leverage = (operating revenues - variable operating cost and expenses)/operating income (Note 6)
(2) Financial leverage = operating profit / (operating profit - interest expense)

Note 4: In terms of the aforementioned formulas to count earnings per share (EPS), the key points for attention should be noted as below upon measurement:

1. To be counted at the number of common shares in weighted average instead of outstanding issued shares as of end of the year.
2. In case of capital increase through cash injection or transaction with treasury shares, the period of transaction should be taken into account to calculate the number of shares in weighted average.
3. In case of the earnings to be converted into capital increase, upon calculation of earnings per share (EPS) on an annual basis or on a semiannual basis in the past, it calls for retrospective adjustment pro rata to the ratio of capital increase without a need to take into account the period of issuance.
4. Where the preferred shares are non-convertible accumulated preferred shares, the dividend of that year (disregarding whether it was distributed) should be deducted from the net profit to should increase the net loss after tax. Where the preferred shares are attributed as not accumulated and where there is net profit after tax, the preferred share dividend should be deducted from the net profit after tax. It calls for no adjustment in case of a loss.

Note 5: Key points for attention upon analysis of the cash flow:

1. Net cash flow in operating activities refers to the net cash inflow in the operating activities in the Table of Cash Flow.
2. Capital expenditure refers to cash outflow in the investment with investment every year.
3. Increase in inventory would be counted only when the ending balance exceeds the beginning balance and would be entered at zero in case of decrease in inventory at end of the year.
4. The cash dividend includes cash dividend of both common shares and preferred shares.
5. Gross property, plant and equipment refer to the aggregate total of property, plant and equipment before deducting accumulated depreciation.

Note 6: An issuer shall duly distinguish into fixed and variable ones based on attributes of the operating costs and operating expenses. In case of an involvement in estimation or subjective judgment, the issuer shall watch the rationality and assure consistency.

Note 7: If there is no face value on a company’s share or the face value is not NT$10 per share, the rules concerning the calculation of paid-in capital ratios shall be based on the equity ratio attributable to the owners of the parent company in the Balance Sheets.

(II) Financial Analyses for the last five years - Parent company only financial statement (International Financial Reporting Standards (IFRS))

Analyzed Item (Note 3) \ Year (Note 1)		Financial Information for the past five years					As of March 31, 2022 of the reporting year (Note 2)
		2018	2019	2020	2021	2022	
Capital Structure (%)	Liabilities to assets ratio	12.20	10.30	11.24	12.83	16.80	
	Long-term funds to property, plant and equipment ratio	360.31	418.13	522.33	647.30	654.43	
Liquidity (%)	Current ratio	247.13	360.69	287.64	179.16	83.88	
	Quick Ratio	168.99	280.42	245.66	130.12	44.43	
	Interest coverage ratio	8,677.27	3,015.53	1,571.49	1,499.38	-7.85	
Operating ability	Accounts receivable turnover rate (times)	9.74	9.80	8.55	12.10	11.69	
	Average days of accounts receivable	37	37	42	30	31	
	Inventory turnover rate (times)	10.83	10.03	10.02	11.43	9.76	
	Accounts payable turnover rate (times)	13.44	13.02	10.33	13.14	13.40	
	Average days of sales	33	36	36	31	37	
	Property, plant and equipment turnover rate (times)	3.01	2.56	2.13	3.20	2.63	
	Total assets turnover rate (times)	0.81	0.61	0.43	0.50	0.37	
Profitability	Return on assets (%)	11.83	7.80	13.95	16.25	-1.17	
	Return on equity (%)	13.62	8.79	15.64	18.48	-1.45	
	Ratio of income before tax over paid-in capital (%) (Note 7)	39.23	26.03	47.68	70.33	-3.19	
	Net margin (%)	14.58	12.76	32.8	32.38	-3.35	
	Earnings per share ($)	3.26	2.27	4.52	6.47	-0.56	
Cash flow	Cash flow ratio(%)	122.56	117.60	90.68	63.55	-6.38	
	Cash flow adequacy ratio (%)	158.54	210.19	209.88	235.93	168.78	
	Cash reinvestment ratio (%)	4.87	5.48	4.60	4.82	-3.83	
Leverage	Operating leverage	1.91	2.68	2.90	1.65	-	
	Financial leverage	1.00	1.00	1.00	1.00	-	

State the changes in financial ratios over the past two years (2022 & 2021) up to over 20% and the reasons why:

1. Liability to asset ratio increased by 30.92% as compared with the prior period, which was mainly due to an increase of 26.65% in total liabilities as compared with the prior period.
2. Current ratio reduced by 53.18% as compared with the prior period, which was mainly due to a decrease of 58.96% in current assets and a decrease of 12.33% in current liabilities.
3. Quick ratio reduced by 65.85% as compared with the prior period, which was mainly due to a decrease of 70.06% in (current assets – inventory – prepayments) and a decrease of 12.33% in current liabilities.
4. Times interest earned reduced by 100.52% as compared with the prior period, which was mainly due to that income before tax and interest expenses had reduced by 104.02%.
5. Total asset turnover ratio reduced by 26.65% as compared with the prior period, which was mainly due to a decrease of 18.94% in net sales and an increase of 10.50% in average total assets.
6. Return on assets reduced by 107.18% as compared with the prior period, which was mainly due to that net loss had increased by 108.40%, interest expense had increased by 668.5%, and average total assets had increased by 10.50%.
7. Return on equity reduced by 107.83% as compared with the prior period, which was mainly due to an increase of 108.40% in net loss and an increase of 7.18% in average total equities.
8. Ratio of pre-tax loss over paid-in capital reduced by 104.54% as compared with the prior period, which was mainly due to an increase of 104.54% in pre-tax loss.
9. Net profit margin reduced by 110.36% as compared with the prior period, which was mainly due to that net loss had increased by 108.40% and net sales had reduced by 18.94%.

10. Earnings per share reduced by 108.62% as compared with the prior period, which was mainly due to an increase of 108.4% in net loss.
11. Cash flow ratio reduced by 110.04% as compared with the prior period, which was mainly due to a decrease of 108.8% in net cash flow from operating activities.
12. Cash flow adequacy ratio reduced by 28.46% as compared with the prior period, which was mainly due to that the net cash flow from operating activities in the most recent five years had reduced by 20.19% and that (capital expenditure + inventory added + cash dividend) from the most recent five years had increased by 11.56% as compared with the prior period.
13. Cash reinvestment ratio reduced by 179.6% as compared with the prior period, which was mainly due to a decrease of 178.72% in (net cash flow from operating activities – cash dividend) as compared with the prior period.

III. Audit Report of the Audit Committee for the Financial Statements in the most recent year

Grand Pacific Petrochemical Corporation
Audit Committee's Audit Report

The 2022 parent company only financial statement and consolidated financial statements prepared by the Board of Directors of the Company have been audited by CPAs Ying Chia Hsiao and Chih Lung Lin of Crowe (TW) CPAs. The financial statements, business report and earnings distribution proposal have been audited by us as the audit committee of the Company. We deem these documents in comply with such relevant regulatory requirements as those of the Company Act etc. Therefore, this review report is presented in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review.

To:

The 2023 Annual Meeting of Shareholders of Grand Pacific Petrochemical Corporation

Convener of Audit Committee of Grand Pacific Petrochemical Corporation

Mu Hsien Chen

May 11, 2023

IV. The Financial Statements in the most recent year

Declaration on the Consolidated Financial Statement of Associates

The entities that should be included in the compiled Consolidated Financial Statements of the Associates of Grand Pacific Petrochemical Corporation as of and for the year ended December 31, 2022 under the “Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of the Associates” are identical to those that should be compiled in the Consolidated Financial Statements of Parent Company and Subsidiaries in accordance with International Financial Reporting Standard (IFRS) 10 endorsed and issued to take effect by Financial Supervisory Commission (FSC) and all the information that should be disclosed in the Consolidated Financial Statements of the Associates has been disclosed in the Consolidated Financial Statement of Parent Company and Subsidiaries. Therefore, the Consolidated Financial Statement of Associates is not prepared separately.

Please take note of the above declaration

Name of Company:
Grand Pacific Petrochemical Corporation

Responsible person: Pin Cheng Yang

March 14, 2023

Grand Pacific Petrochemical Corporation and Subsidiaries

Independent Auditors' Report

To: The Board of Directors and Shareholders of Grand Pacific Petrochemical Corporation

Audit Opinions

We, as the CPAs, have completed the audit of the consolidated balance sheets dated December 31 of 2022 and 2021 and the consolidated comprehensive income statement, consolidated statement of changes in equity, consolidated statement of cash flows, and notes of consolidated financial statement from January 1 to December 31 of 2022 and 2021, including summaries of major accounting policies of Grand Pacific Petrochemical Corporation and its subsidiaries.

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 consolidated financial statement, in all major respects, was prepared in compliance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and international financial reporting standards, international accounting standards, interpretations, and interpretation announcements approved and released to take effect by the Financial Supervisory Commission and hence are sufficient to show the consolidated financial standing of Grand Pacific Petrochemical Corporation and its subsidiaries as of December 31, 2022 and 2021 and the consolidated financial performance and consolidated cash flows for the years ended December 31, 2022 and 2021.

Bases for the Audit Opinions

We followed the Rules Governing the Audit of Financial Statements by Certified Public Accountants and 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 consolidated 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 the Grand Pacific Petrochemical Corporation and its subsidiaries 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 2022 consolidated financial statement of Grand Pacific Petrochemical Corporation and its subsidiaries. Such matters were addressed throughout the audit of the consolidated 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 2022 consolidated financial statement of Grand Pacific Petrochemical Corporation and its subsidiaries 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 income from various types of transactions as one of the key matters being audited.

For the accounting policy on the recognition of income, please refer to Note 4 (32) of the consolidated financial statement. For information on accounting items for income, please refer to the disclosure in Note 6 (39) of the consolidated 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 income from various types of transactions 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 sale and items involved in the sale with Top 10 customers in respective transaction patterns and evaluate the legitimacy of the 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 transactions in the respective patterns that take place before and after the balance sheet date and verify them against related certificates in order to evaluate the accuracy of the timing when income is recognized.

Cash and cash equivalents

As of December 31, 2022, the book value of cash and cash equivalents and time deposits with the original expiration date more than three months away (under other financial assets - current in the statement) held by Grand Pacific Petrochemical Corporation and its subsidiaries totaled $11,519,649 thousand, accounting for around 19% of the consolidated total asset value. The value is significant for the overall consolidated financial statement. Due to the fact that congenital risk exists for cash and cash equivalents and time deposits and callable bonds with the original expiration date more than three months away, we list them as part of the key matters being audited.

For the accounting policy on cash and cash equivalents, please refer to Note 4 (6) of the consolidated financial statement. For information on the accounting items for cash and cash equivalents and time deposits with the original expiration date more than three months away, please refer to the disclosure in Note 6 (1) and (8) of the consolidated financial statement. Major audit procedures that are already carried out by the CPAs for the above-mentioned matters are as follows:

1. Evaluate and test the validity of the internal control system for cash and cash equivalents and time deposits with the original expiration date more than three months away in terms of its design and implementation.
2. Randomly inspect and verify related transaction certificates for major income and payments in cash and review the adequacy of the approval power.
3. Obtain the statement of the balance of cash and cash equivalents and time deposits with the original expiration date more than three months away and verify against the bank reconciliation statement and related transaction certificates in order to confirm the presence. In addition, for external confirmations from current financial institutions, verify the value included in the confirmations and check if there are restrictions and they are adequately disclosed.

Impairment evaluation of property, plant, and equipment, right-of-use asset, investment-oriented property and intangible assets (including good will)

As of December 31, 2022, the book value of property, plant, and equipment, right-of-use asset, investment-oriented property and intangible assets owned by Grand Pacific Petrochemical Corporation and Its subsidiaries totaled $24,203,265 thousand, accounting for around 40% of the total consolidated asset value and the value is significant for the overall consolidated 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, right-of-use asset, investment-oriented property and intangible assets (including goodwill) is listed by the CPAs as part of the key matters being audited.

For the accounting policy of property, plant, and equipment, right-of-use asset, investment-oriented property and intangible assets (including goodwill) and impairment loss on non-financial assets, refer to Note 4 (17), (18), (19), (20) and (22) of the consolidated financial statement. For information on accounting items for property, plant, and equipment, right-of-use asset, investment-oriented property and intangible assets (including goodwill), please refer to the disclosure in Note 6 (13), (14), (15) and (16) of the consolidated 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 and its subsidiaries as of December 31, 2022 totaled $9,772,430 thousand, accounted for around 16% of the total consolidated asset value. The net comprehensive income recognized with the equity method came to $(1,035,136) thousand, accounting for around 91% of the total consolidated income. The impacted value is significant to the overall consolidated 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 (16) of the consolidated financial statement. For information on accounting items for investments accounted for using equity method, please refer to the disclosure in Note 6 (12) of the consolidated 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. Read the financial statements of underlying entities and audit reports from other CPAs and review important findings and issues identified during audit to facilitate communication and understanding and accordingly evaluate the audit task performed by and audit results from other CPAs of underlying entities.
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 is stated in Note 4 (3)-2 and Note 6 (12) of the consolidated financial statement, those subsidiaries covered into the consolidated financial statements of Year 2022 and 2021 of Grand Pacific Petrochemical Corporation and its subsidiaries—the financial statements of Videoland International Limited, KK Enterprise (Malaysia) Sdn. Bhd. and Zhenjiang Chimei Chemical Co., Ltd. and Zhangzhou Chimei Chemical Co., Ltd. as investees in equity methods, have not been audited by the Undersigned certified public accountants but have been audited by other certified public accountant(s) instead. Among the opinions we expressed on the above-mentioned consolidated 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 consolidated financial statement are completed based on audit reports from other CPAs. The total asset values of the said subsidiaries mentioned above as of December 31, 2022 and 2021, were $210,521 thousand and $202,868 thousand, accounting for 0.34% and 0.41% of the total consolidated asset value, respectively. The net worth of operating income for the years ended December 31, 2022 and 2021, was $93,476 thousand and $100,788 thousand, accounting for 0.51% and 0.45% of the net worth of consolidated operating income, respectively. In addition, the related investment balance of invested companies adopting the equity method as mentioned above as of December 31, 2022 and 2021, was $9,772,430 thousand and $11,544,152 thousand, accounting for 15.92% and 23.60% of the total consolidated asset value, respectively. The net worth of comprehensive income for the years ended December 31, 2022 and 2021, was $(1,035,136) thousand and $4,401,008 thousand, accounting for 91.40% and 53.31% of the total consolidated comprehensive income, respectively.

Other Matters - Parent company only financial statement

Parent company only financial statements of 2022 and 2021 have been prepared by Grand Pacific Petrochemical Corporation and have been documented in the Audit Report without reservation in the opinions expressed issued by the CPAs; they are submitted for your reference.

Responsibilities of Management and Governance Unit for Consolidated Financial Statement

The management is responsible for preparing an adequately expressed consolidated financial statement in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and international financial reporting standards, international accounting standards, interpretations, and interpretation announcements approved and released to take effect by the Financial Supervisory Commission and maintaining necessary internal control relevant to the compilation of the consolidated financial statement in order to ensure that no significant untruthful expressions caused by frauds or errors exist in the consolidated financial statement.

While preparing the consolidated financial statement, the management is responsible for also evaluating the ability of Grand Pacific Petrochemical Corporation and its subsidiaries 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 and its subsidiaries 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 and its subsidiaries is responsible for supervising the financial reporting process.

Responsibilities of CPAs in Inspecting Consolidated Financial Statement

We audit the consolidated financial statement in order to be reasonably convinced as to whether the consolidated 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 the existence of significant untruthful expressions in the consolidated financial statement will be detected according to 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 consolidated financial statement, they are considered significant.

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

1. Identify and evaluate the risk of significant untruthful expressions in the consolidated 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, forgery, 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 and its subsidiaries 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 consolidated 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 and its subsidiaries no longer capable of continuing with operation.
5. Evaluate the overall expression, structure, and contents of the consolidated financial statement (including related notes) and whether or not the consolidated 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 its subsidiaries and express opinions about the consolidated financial statement. The CPAs are responsible for providing guidance on, supervising and implementing audits and for coming up with audit opinions for the Group.

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 2022 consolidated financial statement audit of Grand Pacific Petrochemical Corporation and its subsidiaries. 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 14, 2023

<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 and Subsidiaries

CONSOLIDATED BALANCE SHEETS

For the years ended December 31, 2022 and 2021

Expressed in Thousands of New Taiwan Dollars

		December 31, 2022		December 31, 2021	
Codes	Assets	Amount	%	Amount	%
11xx	Current assets	$ 17,409,343	29	$ 16,548,501	34
1100	Cash & cash equivalents	6,279,477	10	7,038,195	15
1110	Financial assets at fair value through profit or loss - current	196,611	-	180,527	-
1140	Contract assets - current	8,126	-	64,101	-
1150	Net notes receivable	309,704	1	340,024	1
1170	Net accounts receivable	1,570,910	3	2,112,249	4
1180	Accounts receivable - related parties	-	-	69	-
1200	Other receivables	88,157	-	76,734	-
1210	Other receivables - related parties	-	-	939,259	2
1220	Current income tax assets	-	-	290	-
1310	Net inventories	1,614,917	3	2,301,478	5
1410	Prepayments	2,048,212	3	523,245	1
1476	Other financial assets - current	5,240,172	9	2,936,539	6
1479	Other current assets - other	53,057	-	35,791	-
15xx	Noncurrent assets	42,962,202	71	32,364,478	66
1510	Financial assets at fair value through profit or loss - noncurrent	7,200	-	-	-
1517	Financial assets at fair value through other comprehensive income - noncurrent	4,141,941	7	5,209,735	11
1550	Investments accounted for using equity method	9,772,430	16	11,544,152	24
1600	Property, plant and equipment	18,822,036	31	8,669,893	18
1755	Right-of-use assets	3,597,868	6	1,632,647	3
1760	Investment property, net	721,133	1	234,558	-
1780	Intangible assets	1,062,228	2	1,056,747	2
1840	Deferred income tax assets	88,369	-	59,806	-
1915	Prepayments for business facilities	4,526,844	8	3,012,071	6
1920	Refundable deposits	25,867	-	26,102	-
1960	Advance payment for investment	-	-	720,099	2
1975	Net defined benefit assets - noncurrent	69,111	-	-	-
1990	Other noncurrent assets - other	127,175	-	198,668	-
1xxx	Total assets	$ 60,371,545	100	$ 48,912,979	100

(Continued on the next page)

Grand Pacific Petrochemical Corporation and Subsidiaries
CONSOLIDATED BALANCE SHEETS
For the years ended December 31, 2022 and 2021

Expressed in Thousands of New Taiwan Dollars

Codes	Liabilities and Equity	December 31, 2022 Amount	%	December 31, 2021 Amount	%
21xx	Current liabilities	$ 4,735,298	8	$ 4,831,291	10
2100	Short-term loans	1,931,000	3	1,125,875	2
2110	Short-term notes payable	299,312	1	-	-
2130	Contract liabilities- current	42,263	-	60,530	-
2150	Notes payable	79,803	-	60,028	-
2170	Accounts payable	1,048,655	2	1,709,905	4
2200	Other payable	660,896	1	866,394	2
2220	Other payable - related parties	4,724	-	8,550	-
2230	Current income tax liabilities	450,576	1	874,597	2
2250	Provisions - current	32,063	-	18,957	-
2280	Lease liabilities - current	178,240	-	100,146	-
2310	Advances receipts	972	-	84	-
2399	Other current liabilities - other	6,794	-	6,225	-
25xx	Noncurrent liabilities	19,528,406	32	4,851,148	10
2540	Long-term loans	15,733,290	26	2,530,168	6
2550	Provisions - noncurrent	80,475	-	33,393	-
2570	Deferred income tax liabilities	1,149,584	2	1,623,282	3
2580	Lease liabilities - noncurrent	2,527,252	4	583,004	1
2640	Net defined benefit liabilities - noncurrent	9,705	-	52,428	-
2645	Guarantee deposits received	5,783	-	6,191	-
2670	Other noncurrent liabilities - other	22,317	-	22,682	-
2xxx	Total liabilities	24,263,704	40	9,682,439	20
31xx	Equity attributable to owners of the parent company				
3100	Share capital	9,266,203	15	9,266,203	19
3110	Common shares capital	9,066,203	15	9,066,203	19
3120	Preferred shares capital	200,000	-	200,000	-
3200	Capital reserve	201,866	-	186,459	-
3300	Retained earnings	23,976,823	40	26,282,842	53
3310	Legal reserve	3,170,794	5	2,411,833	5
3320	Special reserve	1,640,828	3	1,640,828	3
3350	Undistributed earnings	19,165,201	32	22,230,181	45
3400	Other equity	(642,804)	(1)	(219,391)	-
3410	Exchange differences on translating financial statements of foreign operations	(213,390)	-	(672,627)	(1)
3420	Unrealized valuation gain/loss of financial assets at fair value through other comprehensive income	(429,414)	(1)	453,236	1
3500	Treasury stocks	(49,858)	-	(49,858)	-
31xx	Total equity attributable to owners of the parent company	32,752,230	54	35,466,255	72
36xx	Non-controlling interests	3,355,611	6	3,764,285	8
3xxx	Total equity	36,107,841	60	39,230,540	80
3x2x	Total liabilities and equity	$ 60,371,545	100	$ 48,912,979	100

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

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

Grand Pacific Petrochemical Corporation and Subsidiaries
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2022 and 2021

Expressed in Thousands of New Taiwan Dollars

Codes	Items	Year Ended December 31, 2022 Amount	%	Year Ended December 31, 2021 Amount	%
4000	Operating revenues	$ 18,176,626	100	$ 22,547,353	100
5000	Operating costs	(17,305,359)	(95)	(17,904,677)	(79)
5900	Gross operating profit	871,267	5	4,642,676	21
6000	Operating expenses	(1,658,353)	(9)	(1,729,872)	(8)
6100	Selling expenses	(365,829)	(2)	(425,493)	(2)
6200	Administrative expenses	(1,229,326)	(7)	(1,267,584)	(6)
6300	Research and development expenses	(34,136)	-	(38,702)	-
6450	Reversal gain of expected impairment in credit (loss)	(29,062)	-	1,907	-
6900	Net operating income (loss)	(787,086)	(4)	2,912,804	13
	Non-operating revenues and expenses				
7100	Interest revenue	161,715	1	103,828	1
7010	Other revenues	368,657	2	253,958	1
7020	Other gains and losses	116,821	1	5,445	-
7050	Finance costs	(76,005)	(1)	(9,312)	-
7060	Share of profit or loss of associates & joint ventures accounted for using equity method	200,288	1	4,090,576	18
7000	Total non-operating revenues and expenses	771,476	4	4,444,495	20
7900	Net profit (loss) before tax from continuing operations unit	(15,610)	-	7,357,299	33
7950	Income tax expenses	(438,778)	(2)	(1,280,711)	(6)
8200	Net profit (loss) for the year	(454,388)	(2)	6,076,588	27
	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	(1,230,456)	(7)	2,341,443	11
8311	Remeasurements of the defined benefit plan	102,167	1	(197)	-
8349	Income tax related to items that will not be reclassified subsequently	(19,971)	-	257	-
8310	Total Items that will not be reclassified subsequently to profit or loss	(1,148,260)	(6)	2,341,503	11
	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translating financial statements of foreign operations	1,582,024	8	(441,359)	(2)
8370	Share of other comprehensive income of associates & joint ventures accounted for using equity method - Items that may be reclassified to profit or loss	(1,235,424)	(7)	310,432	1
8399	Income tax related to items that may be reclassified subsequently	123,543	1	(31,043)	-
8360	Items that may be reclassified subsequently to profit or loss	470,143	2	(161,970)	(1)
8300	Current other comprehensive income (net after tax)	(678,117)	(4)	2,179,533	10
8500	Total amount of comprehensive income for the year	($ 1,132,505)	(6)	$ 8,256,121	37
8600	Net profit (loss) attributable to:				
8610	Owners of the parent company	($ 493,812)	(2)	$ 5,881,161	26
8620	Non-controlling interests	39,424	-	195,427	1
		($ 454,388)	(2)	$ 6,076,588	27
8700	Total amount of comprehensive income attributable to:				
8710	Owners of the parent company	($ 843,371)	(5)	$ 7,377,146	33
8720	Non-controlling interests	(289,134)	(1)	878,975	4
		($ 1,132,505)	(6)	$ 8,256,121	37
	Earnings (Losses) per share in common shares: (NT$)				
9750	Basic earnings (losses) per share	($ 0.56)		$ 6.47	
9850	Diluted earnings per share			$ 6.45	

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

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

Grand Pacific Petrochemical Corporation and Subsidiaries
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the years ended December 31, 2022 and 2021

Expressed in Thousands of New Taiwan Dollars

Codes	Items	Share capital			Retained earnings			Other equity					
		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	Equity attributable to owners of the parent	Non-controlling interests	Total equity
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	$2,935,980	$31,120,337
	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)	(50,670)	(141,332)
B7	Cash dividends and stock dividends to preferred shares	-	-	-	-	-	(14,000)	-	-	-	(14,000)	-	(14,000)
C17	Dividends not collected by shareholders post deadline	-	-	14	-	-	-	-	-	-	14	-	14
D1	Net profit for the year ended December 31, 2021	-	-	-	-	-	5,881,161	-	-	-	5,881,161	195,427	6,076,588
D3	Other comprehensive income after tax for the year ended December 31, 2021	-	-	-	-	-	(1,060)	(154,933)	1,651,978	-	1,495,985	683,548	2,179,533
L7	Disposal of the parent company shares by subsidiaries treated as transaction of treasury stocks	-	-	2,438	-	-	-	-	-	5,719	8,157	-	8,157
M1	Adjustment to capital surplus for distribution of dividends to subsidiary	-	-	1,243	-	-	-	-	-	-	1,243	-	1,243
Q1	Disposal of subsidiaries under equity instrument at fair value through other comprehensive income	-	-	-	-	-	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	$3,764,285	$39,230,540
A1	Balance at January 1, 2022	$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	$3,764,285	$39,230,540
	Appropriation & distribution of earnings for fiscal year 2021:												
B1	Provision of legal reserve	-	-	-	758,961	-	(758,961)	-	-	-	-	-	-
B5	Cash dividends to common shares	-	-	-	-	-	(1,813,241)	-	-	-	(1,813,241)	(129,570)	(1,942,811)
B7	Cash dividends and stock dividends to preferred shares	-	-	-	-	-	(52,000)	-	-	-	(52,000)	-	(52,000)

D1	Net loss for the year ended December 31, 2022	-	-	-	-	-	(493,812)	-	-	-	(493,812)	39,424	(454,388)
D3	Other comprehensive income after tax for the year ended December 31, 2022	-	-	-	-	-	73,854	459,237	(882,650)	-	(349,559)	(328,558)	(678,117)
M1	Adjustment to capital surplus for distribution of dividends to subsidiary	-	-	4,617	-	-	-	-	-	-	4,617	-	4,617
M7	Change in equity to subsidiaries	-	-	10,790	-	-	(20,820)	-	-	-	(10,030)	10,030	-
Z1	Balance at December 31, 2021	$9,066,203	$200,000	$201,866	$3,170,794	$1,640,828	$19,165,201	($213,390)	($429,414)	($49,858)	$32,752,230	$3,355,611	$36,107,841

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

Chairman of Board: Pin Cheng Yang

Manager: Chia Hsiung Tseng

Chief Accountant: Ling Chu Chen

Grand Pacific Petrochemical Corporation and Subsidiaries
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the years ended December 31, 2022 and 2021

Expressed in Thousands of New Taiwan Dollars

Codes	Items	Year ended December 31, 2022	Year ended December 31, 2021
AAAA	CASH FLOWS FROM OPERATING ACTIVITIES:		
A00010	Net profit (loss) before tax from continuing operations unit	($ 15,610)	$ 7,357,299
A20000	Adjustments:		
A20010	Gain and expense not resulting influence on cash flows:		
A20100	Depreciation expenses (including depreciations in provision of right-of-use assets and investment property)	800,040	751,922
A20200	Amortization expenses	451,133	596,640
A20400	Net gain on financial assets at fair value through profit or loss	(90)	(38)
A20900	Interest expenses	75,829	9,312
A21200	Interest income	(161,715)	(103,828)
A21300	Dividend revenue	(194,872)	(115,513)
A22300	Share of gains of associates & joint ventures accounted for using equity method	(200,288)	(4,090,576)
A22500	Net loss (profit) on disposal of property, plant and equipment	(1,218)	198
A22600	Property, plant and equipment transferred to expenses	21,134	25,270
A23100	Gain on disposal of investment	(638)	(589)
A23700	Impairment loss on non-financial assets	-	2,693
A29900	Gains on lease modification	(1,383)	(280)
A20010	Total gain and expense loss not result influence on cash flows	787,932	(2,924,789)
A30000	Changes in assets/liabilities relating to operation activities		
A31115	(Increase) decrease of financial assets mandatorily measured at fair value through profit or loss	(15,356)	328,491
A31125	(Increase) decrease in contract assets	55,975	(55,127)
A31130	Decrease in notes receivable	30,320	17,754
A31150	Decrease in accounts receivable	541,339	93,010
A31160	Decrease in accounts receivable - related parties	69	6,927
A31180	(Increase) decrease in other receivables	24,806	(45,596)
A31200	(Increase) decrease in inventories	686,561	(1,098,194)
A31230	Increase in prepayments	(1,524,967)	(435,109)
A31240	(Increase) decrease in other current assets - other	(55)	688
A31990	Increase in other operating assets	(11,345)	-
A32125	Increase (decrease) in contract liabilities	(18,267)	8,641
A32130	Increase in notes payable	19,775	3,971
A32150	Increase (decrease) in accounts payable	(661,250)	495,758
A32180	Increase (decrease) in other payables	(366,031)	260,410
A32190	Increase (decrease) in other payables - related parties	(3,826)	195
A32200	Increase in provisions	14,799	965
A32210	Increase (decrease) in advance receipts	888	(78)
A32230	Increase in other current liabilities - other	569	375
A32240	Increase (decrease) in net defined benefit liabilities	1,678	(13,903)
A30000	Total net changes in assets/liabilities relating to operating activities	(1,224,318)	(430,822)
A33000	Cash provided (used) generated from operations	(451,996)	4,001,688
A33100	Interest received	125,486	104,781
A33200	Dividend received	3,419,618	824,074
A33300	Interest paid	(63,335)	(8,572)
A33500	Income tax paid	(875,701)	(472,829)
AAAA	Net cash provided in operating activities	2,154,072	4,449,142

(Continued on the next page)

(Brought Forward)

Codes	Items	Year ended December 31, 2022	Year ended December 31, 2021
BBBB	CASH FLOWS FROM INVESTING ACTIVITIES:		
B00010	Acquisition of financial assets at fair value through other comprehensive income	(209,750)	(183,256)
B00020	Disposal of financial assets at fair value through other comprehensive income	-	1,363,582
B00030	Capital distribution of financial assets at fair value through other comprehensive income	88,060	128,858
B00100	Acquisition of financial assets designated as measured at fair value through profit or loss	(7,200)	-
B02700	Acquisition of property, plant and equipment	(10,560,521)	(3,065,349)
B02800	Disposal of property, plant and equipment	3,603	747
B03800	(Increase) decrease in refundable deposits	235	(3,887)
B04500	Acquisition of intangible assets	(326)	(176,826)
B05350	Acquisition of Right-of-use assets	(32,638)	-
B05400	Acquisition of investment property	(489,690)	-
B06500	Decrease in other financial assets-other	(2,303,633)	411,866
B06700	Increase in other noncurrent assets	(446,826)	(620,468)
B07100	Increase in prepayments for business facilities	(1,470,396)	(3,012,071)
BBBB	Net cash used in investing activities	(15,429,082)	(5,156,804)
CCCC	CASH FLOWS FROM FINANCING ACTIVITIES:		
C00100	Increase in short-term loans	805,125	684,898
C00500	Increase in short-term notes payable	300,000	-
C01600	Proceeds from long-term loans	13,206,520	2,541,240
C01700	Repayments of long-term loans	-	(400,000)
C03100	Increase (decrease) in guarantee deposits received	(408)	1,367
C04020	Repayment of lease principal	(60,810)	(83,049)
C04500	Payout of cash dividends	(1,865,241)	(104,662)
C05000	Disposal of treasury stocks	-	8,157
C09900	Transfer of dividends not collected after deadline to capital reserve	-	14
C09900	Cash dividends obtained by subsidiaries from the parent company	4,617	1,243
C09900	Cash dividend distributed by a subsidiary toward non-controlling interests	(129,570)	(50,670)
CCCC	Net cash provided in financing activities	12,260,233	2,598,538
DDDD	Effect of exchange rate changes on cash and cash equivalents	256,059	(88,342)
EEEE	Net increase (decrease) in cash and cash equivalents for the year	(758,718)	1,802,534
E00100	Cash and cash equivalents, beginning of year	7,038,195	5,235,661
E00200	Cash and cash equivalents, end of year	$ 6,279,477	$ 7,038,195
E00210	Cash & cash equivalents recorded in consolidated balance sheets	$ 6,279,477	$ 7,038,195

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

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

Grand Pacific Petrochemical Corporation and Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2022 and 2021
(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's head office registered address and factory are located in Dashe District, Kaohsiung City, and the Taipei office address is 8F, No. 135, Dunhua North Road, Songshan District, Taipei City. 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 stocks were officially listed on Taiwan Stock Exchange Corporation (TWSC) 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 consolidated financial statements are expressed in New Taiwan Dollars to bring added comparison and consistency.

Except for otherwise specified, the Company and all subsidiaries covered within these consolidated financial statements are collectively referred to as the Group hereinafter.

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

These consolidated financial statements were authorized for issuance by the Board of Directors on March 14, 2023.

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. 1100362952 of FSC as of July 26, 2021, the Group should adopt the International Financial Reporting Standards (IFRS), 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 in 2022, and the revised Regulations Governing the Preparation of Financial Reports by Securities Issuers to prepare financial statements starting from 2022.

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 New Conceptual Framework"	January 1, 2022
Annual Improvements to IFRS Standards 2018–2020 Cycle	January 1, 2022

As evaluation by the Group, the aforementioned standards and interpretations would not come into material impact upon the consolidated financial conditions and consolidated financial performance of the Group 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 2023:

New issuance, revised and amended standards and interpretations	Effective date issued by IASB
Amendments to IASB 1 “Disclosure of Accounting Policies”	January 1, 2023
Amendments to IASB 8 “Definition of Accounting Estimates”	January 1, 2023
Amendment to IFRS 12 “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction”	January 1, 2023

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

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

The Group 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
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 IASB 1 “Classification of Liabilities as Current or Noncurrent ”	January 1, 2024
Amendments to IASB 1 “Non-current Liabilities with Contractual Terms ”	January 1, 2024
Amendments to IFRS 16 "Lease liability in a sale and leaseback"	January 1, 2024
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 Group’s consolidated financial conditions and the consolidated financial performance. The Group 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 consolidated financial statements are explained below. Unless otherwise specified, these policies have been consistently applied to all the periods presented.

(1) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs endorsed, issued to take effect by FSC.

(2) Basis of preparation

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

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

   2) Financial assets at fair values through other comprehensive income.

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

   4) 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 Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, please refer to Note 5.

(3) Consolidated base

1) Basis for preparation of consolidated financial statements:

   A. All subsidiaries are included as the entities in the preparation of the consolidated financial statements by the Group. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries included in the consolidated financial statements begin from the date the Group obtains control of the subsidiaries and ceases consolidation starting from the date of forfeiture of control.

   B. Inter-company transactions, balances and unrealized gains or losses within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

   C. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

   D. 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.

E. When the Group 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 Group. That is, when the Group 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.

2) Subsidiaries included in the consolidated financial statements are as follows:

Name of investor	Name of subsidiary	Attributes of business lines	Shares held or capital attribution (%)	
			December 31, 2022	December 31, 2021
Grand Pacific Petrochemical Corporation	GPPC Chemical Corporation	Production and sale of impact-resistant and flame-resistant polystyrene	100.00%	100.00%
Grand Pacific Petrochemical Corporation	GPPC Investment Corp.	General investment business	81.60%	81.60%
Grand Pacific Petrochemical Corporation	GPPC Development Co., Ltd.	General hotel business	30.43%	38.46%
Grand Pacific Petrochemical Corporation	Land & Sea Capital Corp.	Investment business	100.00%	100.00%
Grand Pacific Petrochemical Corporation	Goldenpacific Equities Ltd.	Investment business	100.00%	100.00%
Grand Pacific Petrochemical Corporation	Videoland Inc.	General import and export trade, radio and television program production, domestic and foreign film copying, domestic film production, distribution, trading and other services	62.29%	62.29%
Grand Pacific Petrochemical Corporation	KK Enterprise Co., Ltd.	Engaging in manufacturing and sales, wholesale, packaging materials, various stationery and paper products	15.73%	15.73%
Grand Pacific Petrochemical Corporation	QuanZhou Grand Pacific Chemical Co., Ltd.	Propane dehydrogenation, propylene, polypropylene and hydrogen products	100.00%	100.00%
GPPC Investment Corp.	GPPC Hospitality And Leisure Inc.	Catering service business	100.00%	100.00%
GPPC Development Co., Ltd.	Perfect Meat Co., Ltd.	Meat import & sales	100.00%	100.00%
Videoland Inc.	Videoland International Limited	Engaged in the business of wine-based liquor trading	100.00%	100.00%
Videoland Inc.	ZW ENM Co., Ltd.	Film and program production and distribution	100.00%	-
Videoland Inc.	KK Enterprise Co., Ltd.	Engaging in manufacturing and sales, wholesale, packaging materials, various stationery and paper products	33.79%	33.79%

Name of investor	Name of subsidiary	Attributes of business lines	Shares held or capital attribution (%) December 31, 2022	Shares held or capital attribution (%) December 31, 2021
Videoland Inc.	GPPC Investment Corp.	General investment business	18.40%	18.40%
Videoland Inc.	GPPC Development Co., Ltd.	General hotel business	47.83%	23.08%
KK Enterprise Co., Ltd.	K.K. Chemical Company Limited	Trademark paper, glue paper and such business	49.90%	49.90%
KK Enterprise Co., Ltd.	KK Enterprise (Zhongshan) Co., Ltd.	Trademark paper, glue paper and such business	50.00%	50.00%
KK Enterprise Co., Ltd.	KK Enterprise (Kunshan) Co., Ltd.	Trademark paper, glue paper and such business	100.00%	100.00%
KK Enterprise Co., Ltd.	Dragon King Inc.	Outward Investment business	100.00%	100.00%
KK Enterprise Co., Ltd.	KK Enterprise (Malaysia) Sdn. Bhd.	Trademark paper, glue paper and such business	70.00%	70.00%

Note: (1) Where the Company's direct and indirect shareholdings in subsidiaries are more than 50% or have substantial control capabilities, these companies are included in the consolidated financial statements.

(2) Among the aforementioned consolidated entities, the financial statements of Videoland International Limited, and KK Enterprise (Malaysia) Sdn. Bhd. and of KK Enterprise (Malaysia) Sdn. Bhd. had been audited and endorsed by other certified public accountants.

3) Increase/decrease changes of the companies included in the entities within the consolidated financial statements for the current year:

Videoland Inc. invested in a subsidiary, ZW ENM Co., Ltd. in November 2022, over which the Group has control through direct and indirect shareholding. Therefore, from the date of obtaining control, the Group began to include the revenues and expenses of this company in the consolidated financial statements.

4) Subsidiaries not included in the consolidated financial statements: Nil

5) Adjustments and processing method for subsidiaries with different balance sheet date: Nil

6) Where the subsidiary's ability to transfer funds to its parent company is subject to significant restrictions, the nature and extent of the restriction:

The cash and bank deposits and other financial assets －current amounting to NT$3,330,931 thousand and NT$1,761,317 thousand for the years ended December 31, 2022 and 2021 were deposited in China and subject to local foreign exchange controls. Such foreign exchange controls restrict the remittance of funds out of China (Except normal dividends).

7) Subsidiaries with significant non-controlling interests over the Group:

A. December 31, 2022 and the year ended December 31, 2022:

Name of subsidiary	Non-controlling shareholding ratio	Non- controlling interests	Profit/loss distributed to non-controlling interests
Videoland Inc. and its subsidiaries	37.71%	$ 2,796,364	$ 95,957
KK Enterprise Co., Ltd. and its subsidiaries	50.48%	541,214	(5,377)
GPPC Development Co., Ltd. and its subsidiaries	21.74%	18,033	(51,156)
Total		$ 3,355,611	$ 39,424

B. December 31, 2021 and the year ended December 31, 2021:

Name of subsidiary	Non-controlling shareholding ratio	Non- controlling interest	Profit/loss distributed to non-controlling interest
Videoland Inc. and its subsidiaries	37.71%	$ 3,135,209	$ 143,613
KK Enterprise Co., Ltd. and its subsidiaries	50.48%	582,582	53,205
GPPC Development Co., Ltd. and its subsidiaries	38.46%	46,494	(1,391)
Total		$ 3,764,285	$ 195,427

C. For more details regarding the major business premises of the aforementioned subsidiaries and the countries where the subsidiaries had been registered, please refer to Note 13(1) (2)-10 and Note 13(3).

D. Summary financial information of subsidiaries:

① Balance sheets

	Videoland Inc. and its subsidiaries	
Items	December 31, 2022	December 31, 2021
Current assets	$ 3,893,765	$ 4,253,741
Noncurrent assets	4,302,572	4,833,719
Current liabilities	(596,586)	(526,657)
Noncurrent liabilities	(184,307)	(246,802)
Equity	$ 7,415,444	$ 8,314,001

	KK Enterprise Co., Ltd. and its Subsidiaries	
Items	December 31, 2022	December 31, 2021
Current assets	$ 934,705	$ 989,205
Noncurrent assets	482,731	515,002
Current liabilities	(292,119)	(299,783)
Noncurrent liabilities	(130,430)	(150,647)
Equity	$ 994,887	$ 1,053,777

	GPPC Development Co., Ltd. and its Subsidiaries	
Items	December 31, 2022	December 31, 2021
Current assets	$ 131,482	$ 98,510
Noncurrent assets	3,137,411	24,154
Current liabilities	(94,579)	(1,775)
Noncurrent liabilities	(3,091,364)	-
Equity	$ 82,950	$ 120,889

② Statements of comprehensive income

Items	Videoland Inc. and its subsidiaries	
	Year Ended December 31, 2022	Year Ended December 31, 2021
Operating revenues	$ 1,858,764	$ 2,012,381
Net profit for the year	254,459	380,836
Other comprehensive income	(891,167)	1,824,799
Total comprehensive income	($ 636,708)	$ 2,205,635
Total comprehensive income attributable to non-controlling interests	($ 240,103)	$ 831,745
Dividend paid to non-controlling interests	$ 86,078	$ 21,520

Items	KK Enterprise Co., Ltd. and its Subsidiaries	
	Year Ended December 31, 2022	Year Ended December 31, 2021
Operating revenues	$ 1,150,822	$ 1,523,766
Net profit for the year	7,202	97,698
Other comprehensive income	12,372	(6,927)
Total comprehensive income	$ 19,574	$ 90,771
Total comprehensive income attributable to non-controlling interests	$ 2,125	$ 48,621
Dividend paid to non-controlling interests	$ 43,492	$ 29,150

Items	GPPC Development Co., Ltd. and its Subsidiaries	
	Year Ended December 31, 2022	Year Ended December 31, 2021
Operating revenues	$ -	$ -
Net loss for the year	(137,939)	(3,616)
Other comprehensive income	-	-
Total comprehensive income	($ 137,939)	($ 3,616)
Total comprehensive income attributable to non-controlling interests	($ 51,156)	($ 1,391)
Dividend paid to non-controlling interests	$ -	$ -

③ Statements of Cash Flows

Items	Videoland Inc. and its subsidiaries	
	Year Ended December 31, 2022	Year Ended December 31, 2021
Net cash provided in operating activities	$ 955,329	$ 1,419,958
Net cash provided (used) in investing activities	(1,624,796)	381,008
Net cash used in financing activities	(278,945)	(106,316)
Effect of exchange rate changes	9,580	(3,083)
Increase (decrease) in cash & cash equivalents for the year	(938,832)	1,691,567
Cash & cash equivalents, beginning of year	1,816,044	124,477
Cash & cash equivalents, end of year	$ 877,212	$ 1,816,044

Items	KK Enterprise Co., Ltd. and its Subsidiaries	
	Year Ended December 31, 2022	Year Ended December 31, 2021
Net cash provided in operating activities	$ 226,856	$ 95,427
Net cash used in investing activities	(17,414)	(21,852)
Net cash used in financing activities	(30,063)	(112,319)
Effect of exchange rate changes	8,428	(6,283)
Increase (decrease) in cash & cash equivalents for the year	187,807	(45,027)
Cash & cash equivalents, beginning of year	255,862	300,889
Cash & cash equivalents, end of year	$ 443,669	$ 255,862

Items	GPPC Development Co., Ltd. and its Subsidiaries	
	Year Ended December 31, 2022	Year Ended December 31, 2021
Net cash provided (used) in operating activities	($ 44,832)	$ 19,854
Net cash used in investing activities	(54,698)	(20,266)
Net cash provided in financing activities	100,000	-
Effect of exchange rate changes	-	-
Increase (decrease) in cash & cash equivalents for the year	470	(412)
Cash & cash equivalents, beginning of year	2,421	2,833
Cash & cash equivalents, end of year	$ 2,891	$ 2,421

(4) Foreign currency translation

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

Group's presentation currency.

2) When preparing financial statements for each entity 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) When preparing the consolidated financial statements, assets and liabilities of the foreign operations of the Group in merger (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.

(5) 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 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 months after the balance sheet date.

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

(6) 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.

(7) Financial instruments

Financial assets and financial liabilities should be recognized when the Group 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.

(8) 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 Group 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 Group designated the case as financial assets at fair value through profit or loss at the time of initial recognition.

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

4) The Group 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 Group recognized the dividend income in profit or loss.

(9) 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 Group adopts transaction day accounting for financial assets at fair value through comprehensive income consistent with transaction customs.

3) The Group 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 Group 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.

(10) 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 Group adopts transaction day accounting for financial assets carried at amortized cost consistent with transaction customs.

3) The Group 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 Group 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.

(11) 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 Group measured at the initial amount.

(12) 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 Group, 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 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.

(13) Derecognition of financial assets

The Group 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.

(14) 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 distribute 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.

(15) 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 balance of the estimated selling price in the ordinary course of business less the estimated costs remaining to be invested to completion and the estimated costs necessary to complete the sale.

(16) Investments accounted for using the equity method/associates

1) Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognized at 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 Group after acquisition of an associate is recognized as current profit and loss and the share of other comprehensive income after acquisition is recognized as other comprehensive income. When the Group's share of loss in an associate is equal to or exceeds the equity in the associate, including any other unsecured receivables, the Group does not recognize further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

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

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

5) In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's investment percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for using the equity method' shall be adjusted for the increase or decrease of its changes in net equity. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the profit or loss previously recognized in other comprehensive income in relation to the ownership interest are reclassified to profit or loss proportionately on the same basis as would be

required if the relevant assets or liabilities were disposed of.

6) Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in current profit or loss.

7) When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss or transferred directly to retained earnings, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it still retains significant influence over this associate, then the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

8) When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss. If it still retains significant influence over this associate, then the amounts previously recognized as capital surplus in relation to the associate are transferred to profit or loss proportionately.

(17) Property, plant and equipment

1) Property, plant and equipment are initially recorded at cost. Loans costs incurred during the construction period are capitalized. For property, plant and equipment under construction, samples produced while testing the proper functioning of these assets before they reach their intended use are measured at the lower of cost or net realizable value, and the selling price and cost are recognized in profit or loss.

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 Group 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 Group 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	5 - 25 years
C.	Transportation facilities	2 - 7 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 Group's depreciable assets were originally used in the rate-decreasing method at the time of tax declaration; however, the Group 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.

(18) 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 Group. 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 Group recognized the unpaid lease payments at the lease starting date at the present value of the Group's incremental loan rate discounted. The lease payments include fixed payments, less any incentives that could be received for the lease. Subsequently the Group 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.

(19) 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 40 ~ 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 current profit or loss.

(20) Intangible assets

1) Obtained separately

The intangible assets acquired separately for a limited useful life were originally measured at cost and subsequently at the amount of the costs deducted with the accumulated amortization and accumulated impairment losses. Intangible assets were amortized on a straight-line basis over the useful life. All such facts of the estimated useful life, residual value and amortization method should be reassessed at end of every fiscal year as the minimum to postpone the impact of changes in applicable accounting estimates. When Intangible assets derecognized, the difference between the net disposal price and the carrying amount of the asset was recognized in the profit or loss of the current year.

2) Goodwill

The goodwill obtained from the business combination was based on the amount of goodwill recognized on the acquisition date as the cost, which was subsequently measured by the amount of the cost after subtracting the accumulated impairment losses. For the purpose of impairment testing, goodwill needs to be allocated to each cash-generating unit or cash-generating units that the Group expects to benefit from the merger concerted performance.

(21) Cost of program broadcasting

The cost of program broadcasting includes the proceeds acquired on outsourcing film broadcasting rights outsourced investment in filming or self-made programs, and the production costs with future economic benefits which were entered into accounts at the substantial costs. The outsourcing film broadcasting rights depends on individual programs and was transferred to the amortization of the film under the current operating cost during actual playback. The sub-authorized film broadcasting right was transferred into the film sub-authorization cost under the current operating cost when actually delivered. The outsourced investment in filming and the self-made ribbon-type program would be converted into the production cost and filming cost under the current operating cost during the actual broadcast. The cost of the broadcast program was recorded under other noncurrent assets, and was expected to be amortized within one year as other current assets. For other current assets, if the fair value at the end of the year was estimated to be lower than the accounted unamortized cost, the impairment loss would be recognized as the loss of the current year.

(22) Impairment loss on non-financial assets

The Group 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.

(23) 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.

(24) Notes and accounts payable

Notes and 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.

(25) 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 Group 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 Group 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 Group recognized the same in other comprehensive income.

(26) Provisions

The Group 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.

(27) 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 Group 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 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.

(28) Financial liabilities & equity instruments

1) Classification of financial liabilities or equity instruments

The liability and equity instruments issued by the Group 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 Group 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 Group 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.

(29) 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 Group 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 Group's stocks using the equity method to recognize the share of profit and loss and prepare financial statements, the subsidiary's stocks of the Group should be dealt with as treasury stocks.

(30) 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.

(31) 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 Group 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 Group 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 Group'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 Group and the adjustment difference approved by the tax collection authority was recognized as the adjustment items of the income tax of the current year.

(32) Recognition of revenues

After identifying the performance obligations under a customer contract, the Group allocated 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 Group 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 Group 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 Group 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 Group 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) Labor service revenues

A. Advertising revenues

The Group and the customers signed advertising broadcast contracts and recognized the revenues when the actual broadcast was completed based on the degree of fulfillment of the performance obligation. The degree of completion of the performance obligation was determined based on the percentage of the actual performance of the required services to the entire labor service under this Agreement.

B. Video revenues

The Group and the customers signed fundamental channel agency contracts to provide cable TV operators and other public broadcasters with self-made programs or transmission on behalf of channels through satellites for viewers through cable TV system or network platforms. Throughout the duration of the labor service contracts, the Group continually fulfilled the obligations to provide users with TV channel viewing rights and network bandwidth usage rights as well as other performance obligations. All revenues so received were recognized as income on a straight-line basis during the period of contract services.

C. Licensing revenues

The Group and the customers signed contracts to license the Group's film broadcasting rights and program copyrights to the customers. Where the licensing authorization was distinguishable, the licensing income was recognized during the licensing period according to the nature of the licensing authorization, or the timepoint of control of the right as transferred to the customers. When the Group intended to carry out events that would significantly affect the film broadcasting rights and program copyrights which would, in turn, directly affect the licensed customers and such events would not result in the transfer of labor services to customers, the nature of the licensing authorization was to provide access for the rights of intellectual property rights. The relevant royalties were recognized as income on a straight-line basis during the licensing period. In an event where the licensing did not meet the foregoing conditions and its nature was to provide customers with the right to use intellectual property rights, the income was recognized at the time of licensing transfer.

D. The customers fulfilled payment obligations in accordance with the payment schedule agreed in a contract. When the service provided by the Group exceeded the customers' payment value, the payment was recognized as a contract asset. If the customer payable exceeds the labor service provided by the Group, it was recognized as a contract liability.

3) 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.

4) Financing component

Under the contracts signed by and between the Group 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.

5) Costs to acquire contracts from customers

Although the incremental costs incurred by the Group 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.

(33) Government grants

Government grants are recognized at their fair value only when there is reasonable assurance that the Group 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 Group 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 Group 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 Group's consolidated financial statements would be affected by the adoption of accounting policies, accounting estimates and assumptions. Therefore, when the Group 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 consolidated financial statements that would require management to use appropriate professional judgment, estimates and assumption uncertainties. The Group'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 Group 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 Group 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 Group 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 Group would postpone the adjustment of the subsequent classification of financial assets.

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

The Group has signed commercial property agreements toward some property portfolios. Based on its evaluation of the agreed terms, the Group 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 Group 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 Group 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 Group when it occurred while the Group reassessed the lease term anew.

(2) Major accounting estimation & assumptions

The accounting estimates conducted by the Group 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 Group's assumptions about the default rate and the expected loss rate. The Group 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(4). In the event that the actual future cash flow is below expected, it might cause significant impairment losses. The carrying amount of the Group’s receivables and contract assets was NT$1,976,897 thousand and NT$3,532,436 thousand, respectively, as of December 31, 2022 and 2021 (After deducting allowance losses at NT$33,013 thousand and NT$3,558 thousand, respectively)

2) Evaluation of inventory

Since inventory should be measured at the lower of cost or net realizable value, the Group 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 Group 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, 2022 and 2021, the carrying amount of the Group's inventories was NT$1,614,917 thousand and NT$2,301,478 thousand, respectively. (After deducting loss on allowance for obsolescence and market price decline of inventories of NT$100,125 thousand and NT$92,250 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 Group 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, Level 1 input value could not be obtained for the value, the Group 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 Group 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, 2022 and 2021, the Group's holdings of unlisted company stocks and limited partnership investments showed the carrying amounts of NT$1,150,882 thousand and NT$1,156,198 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 Group immediately assessed the impairment of the investment. The Group 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. As of December 31, 2022 and 2021 after the Group’s prudent assessment of the results, there showed no significant impairment loss.

5) Assessment onto the impairment of tangible assets, intangible assets (except goodwill) and other noncurrent assets

In the process of asset impairment assessment, the Group was required to rely on subjective judgment and asset usage patterns and industry characteristics to determine the independent cash flow of a particular asset group, 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, 2022 and 2021, the accumulated impairment of tangible assets, intangible assets (except goodwill) and other noncurrent assets recognized by the Group was NT$43,310 thousand and NT$75,641 thousand, respectively.

6) Evaluation on impairment in goodwill

Upon determination whether goodwill has been impaired, the use value of the cash-generating unit allocated to goodwill needs to be estimated. To calculate the use value, the management should estimate the future cash flows expected to be generated from the cash-generating unit and decide on appropriate discount rate of the use of the present value. If the actual cash flow became less than expected, significant impairment losses might occur. As of December 31, 2022 and 2021, the amount of goodwill impairment recognized by the Group amounted to NT$15,155 thousand for both.

7) 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, 2022 and 2021, the deferred income tax assets recognized by the Group were NT$88,369 thousand and NT$59,806 thousand respectively. The deferred income tax assets not recognized by the Group due to non-probable taxable income were to NT$45,214 thousand and NT$18,205 thousand, respectively.

8) Calculation of long-term employee benefits liabilities

Upon calculation of the present value of the benefit obligations, the Group 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 Group's amount of defined benefit obligations. As of December 31, 2022 and 2021, the carrying amounts of the Group's long-term employee benefits liabilities (including net defined benefit liabilities and provisions - noncurrent) were NT$23,182 thousand and NT$64,212 thousand, respectively; the carrying amounts of the net defined benefit assets - noncurrent were NT$69,111 thousand and NT$0 thousand, respectively.

9) Lessee's incremental loan interest rate

When determining the interest rate of the lessees' incremental loan used for discounting lease payments, the Group 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, 2022	December 31, 2021
Cash and petty cash	$ 1,979	$ 1,415
Checking deposits	19,742	20,875
Demand deposits	3,978,700	5,111,478
Time deposits with original maturity within three months	2,147,559	1,146,195
Bills & bonds under Repurchase Agreements	131,497	758,232
Total	$ 6,279,477	$ 7,038,195

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

2) As of December 31, 2022 and 2021, the interest rate range in the market for the Group's time deposit with original maturity within three months was 0.90%～5.20% and 0.06% to 1.20% per annum, respectively.

3) As of December 31, 2022 and 2021, the interest rate range in the market for the bills & bonds under Repurchase Agreements within three months undertaken by the Group was 2.00%～4.75% and 0.22% to 0.33%, respectively.

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

Items	December 31, 2022	December 31, 2021
Beneficiary certificates for mutual funds designated at fair value through profit or loss	$ 195,751	$ 179,757
Plus: Evaluation adjustment	860	770
Total	$ 196,611	$ 180,527

1) For more details regarding financial assets at fair value through profit or loss - current, please see Notes 13(1) (2)-3.

2) For the years ended December 31, 2022 and 2021, the net gains recognized in the current profit or loss by the Group were NT$728 thousand and NT$627 thousand, respectively.

3) The financial assets at fair value through profit or loss - current held by the Group have not been used for collateral or pledge.

(3) Notes receivable

Items	December 31, 2022	December 31, 2021
Total notes receivable	$ 309,704	$ 340,024
Less: Allowance loss	-	-
Net	$ 309,704	$ 340,024

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

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

(4) Accounts receivable (including related parties)

Items	December 31, 2022	December 31, 2021
Total accounts of receivable	$ 1,603,923	$ 2,115,807
Less: Allowance loss	(33,013)	(3,558)
Subtotal	1,570,910	2,112,249
Total accounts receivable - related parties	-	69
Less: Allowance loss	-	-
Subtotal	-	69
Net	$ 1,570,910	$ 2,112,318

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, 2022			December 31, 2021		
	Total amount	Allowance loss	Net	Total amount	Allowance loss	Net
Not overdue	$ 1,487,299	$ -	$ 1,487,299	$ 2,005,696	$ -	$ 2,005,696
1 - 30 days overdue	54,842	2,065	52,777	108,953	2,331	106,622
31 - 90 days overdue	49	24	25	-	-	-
91 - 180 days overdue	26,836	13,423	13,413	-	-	-
181 - 365 days overdue	34,807	17,411	17,396	-	-	-
More than 365 days overdue	90	90	-	1,227	1,227	-
Total	$ 1,603,923	$ 33,013	$ 1,570,910	$ 2,115,876	$ 3,558	$ 2,112,318

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

The Group measures the expected credit losses separately based on the accounting estimate policies applicable to each component. The expected credit loss rate of the Group'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 90 days from 0% to 50%; 91 to 365 days overdue from 16.62% to 100%, more than 365 days overdue 100%.

The Group'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 Group 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 Group expects that no credit loss of accounts receivable will be caused by default of transaction counterparties.

2) The Group 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 Group'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 Group did not hold any collateral for these accounts receivable.

   If there was evidence indicating that the counterparty was facing serious financial difficulties and the Group could not reasonably anticipate the recoverable amount, the Group 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)

Items	Year Ended December 31, 2022	Year Ended December 31, 2021
Beginning balance	$ 3,558	$ 5,536
Plus: Provision of impairment loss	29,062	-
Less: Reversal of impairment loss	-	(1,907)
Less: Actual write-off not yet been collected	-	-
Plus: amount collected after write-offs	-	-
Effect of exchange rate changes	393	(71)
Ending balance	$ 33,013	$ 3,558

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

(5) Other receivables

Items	December 31, 2022	December 31, 2021
Interest receivable	$ 39,215	$ 2,986
Tax refund receivable	40,705	69,053
Allowance receivable	2,181	-
Others	6,056	4,695
Total	$ 88,157	$ 76,734

(6) Inventories

Items	December 31, 2022			December 31, 2021		
	Cost	Valuation allowance	Carrying amount	Cost	Valuation allowance	Carrying amount
Raw materials	$ 419,618	$ 29,630	$ 389,988	$ 490,325	$ 10,000	$ 480,325
Supplies	226,335	9,490	216,845	268,029	1,478	266,551
Work in process	150,079	18,423	131,656	195,785	18,921	176,864
Partly-finished goods	420,625	20,244	400,381	547,537	51,466	496,071
Finished goods	253,734	21,950	231,784	369,891	10,021	359,870
By-products	2,571	388	2,183	2,743	364	2,379
Commodities	96,077	-	96,077	86,587	-	86,587
Inventory in transit	146,003	-	146,003	432,831	-	432,831
Total	$ 1,715,042	$ 100,125	$ 1,614,917	$ 2,393,728	$ 92,250	$ 2,301,478

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

Items	Year Ended December 31, 2022	Year Ended December 31, 2021
Inventory sales transferred to cost of sales	$ 16,130,487	$ 16,722,541
Plus: Labor service costs	949,899	1,073,978
Plus: Unamortized labor and manufacturing overhead	250,017	56,899
Plus: Loss on Inventories(net)	-	131
Plus: Loss on net realizable value of inventory	7,875	58,273
Less: Profit on Inventories(net)	(26,179)	-
Less: income of off-grades & scrap material sold	(6,740)	(7,145)
Account recorded in operating costs	$ 17,305,359	$ 17,904,677

2) The Group's operating costs, including the loss in net realizable value of inventory for the years ended December 31, 2022 and 2021 were NT$7,875 thousand and NT$58,273 thousand, respectively. The loss in net realizable value of inventories is due to the decrease in selling prices of products in certain markets.

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

(7) Prepayments

Items	December 31, 2022		December 31, 2021	
Prepayment on sales	$	38,911	$	35,957
Prepayment of short-term lease agreement fees/ rent		115		547
Prepayment of insurance premium		16,442		15,843
Prepaid service fees		1,500		3,300
Prepayment of production fees		1,744		3,334
Supplies inventory		2,192		2,280
Advertising exchange commodities and giveaways		954		1,908
Input tax		19,055		29,950
Tax credit		1,962,177		420,832
Others		5,122		9,294
Total	$	2,048,212	$	523,245

(8) Other financial assets - current

Items	December 31, 2022		December 31, 2021	
Bank deposits with restricted use	$	1,437	$	6,422
Time deposits with original maturity more than three months		5,238,735		2,930,117
Total	$	5,240,172	$	2,936,539

1) The “bank deposits with restricted use” refers to fixed deposits for renovation construction guarantee and pledge and a reserve account and guarantee accounts for designated purposes. Please see Note 8 (3) for more details.

2) The time deposits with original maturity more than three months held by the Group 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. The interest rate range in the market for time deposits with original maturity more than three months as of December 31, 2022 and 2021 were 1.15%～4.00% and 0.33%~3.00%, respectively.

3) The Group 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.

4) None of the Group’s fixed-term deposits with an original maturity of over three months was collateralized or pledged.

(9) Other current assets - other

Items	December 31, 2022		December 31, 2021	
Cost of program broadcasting - current (Note)	$	53,002	$	35,791
Others		55		-
Total	$	53,057	$	35,791

Note: Cost of program broadcasting - current, please see Notes 6(20)-1 for more details.

(10) Financial assets measured at fair value through profit or loss - noncurrent

Items	December 31, 2022	December 31, 2021
Film investment agreement designated as measured at fair value through profit or loss	$ 7,200	$ -

1) In May 2022, the Group entered into a film investment agreement with a film production company with an estimated total investment amount of NT$9,000 thousand. In accordance with the investment agreement, if there is any surplus after the settlement, the Group is entitled to participate in the net income distribution of the film in proportion to the investment. The films invested as of December 31, 2022 are still in the stage of post-production.

2) The film investment agreement entered into by the Group does not provide any guarantee or pledge.

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

Items	December 31, 2022	December 31, 2021
Listed company stocks in Taiwan		
China Development Financial Holding Corporation		
－Common shares	$ 2,788,877	$ 2,788,877
－Preferred shares	832,587	832,587
Unlisted company stocks in Taiwan and abroad		
He Xin Venture Investment Enterprise Co., Ltd.	18,412	18,412
Kuo Tsung Development Co., Ltd.	5,000	5,000
Kuo Tsung Construction Development Co., Ltd.	5,000	5,000
YODN Lighting Corp.	9,754	9,754
Bridgestone Taiwan Co., Ltd.	77,104	77,104
Jeoutai Technology Co., Ltd.	26,604	26,604
Global Mobile Corp.	14,400	14,400
Great Dream Pictures, Inc.	10,000	10,000
Ruei-Guang Broadcasting Co., Ltd.	100	100
21^{st} Digital Technology Co., Ltd.	105,258	105,258
Citiesocial Holding Cayman Co., Ltd.	55,958	55,958
Com2B Corp.	8,961	8,961
Limited partnership interest in Taiwan and abroad	310,959	337,369
CDIB Capital Asia Partners L.P.	385,606	203,778
CDIB Capital Global Opportunities Fund L.P.		
China Development Asset Management Corporation's advantageous venture capital limited partnership	172,967	165,723
Subtotal	4,827,547	4,664,885
Plus (Less): Evaluation adjustment	(685,606)	544,850
Total	$ 4,141,941	$ 5,209,735

1) The aforementioned investments held by the Group 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) The Group converted its shares of China Life Insurance Co., Ltd. on December 30, 2021 (the basis day) for share of China Development Financial Holding Corporation, at the ratio of one common share of China Life Insurance Co., Ltd. for 0.8 common share and 0.73 preferred share of China Development Financial Holding Corporation in addition to NT$11.5 in cash. After the conversion, the Group acquired 95,143 thousand common shares (equivalent to NT$1,665,009 thousand), 86,818 thousand preferred shares (equivalent to NT$832,587 thousand) of China Development Financial Holding Corporation, in addition to NT$1,363,582 thousand in cash (net of stock transfer taxes). This share conversion was deemed as the Company's disposal of its investment in China Development Financial Holding Corporation and the accumulated profit was transferred to retained earnings for NT$2,744,442 thousand.

3) The Group additional 547 shares of 21st Digital Technology Co., Ltd. for NT$71,779 in June 2021.

4) The Company acquired 1,769 shares of Citiesocial Holding Cayman Co., Ltd. in July 2021 for USD2,000 thousand (or NT$55,958 thousand).

5) The Group newly invested limited partnership interest of the CDIB Capital Asia Partners L.P. for the years ended December 31, 2022 and 2021 in amounts of USD289 thousand (equivalent to NT$8,843 thousand) and USD180 thousand (equivalent to NT$4,998 thousand). Besides, the capital distribution of limited partnership interest for the years ended December 31, 2022 and 2021 amounted to USD1,737 thousand (equivalent to NT$53,918 thousand) and USD455 thousand (equivalent to NT$12,598 thousand); as of December 31, 2022 and 2021, the Group's cumulative investment in CDIB Capital Asia Partners L.P.'s limited partnership interest amounted to USD9,993 thousand and USD11,441 thousand respectively, and the Group's estimated total investment amount was USD13,000 thousand.

6) The Group newly invested CDIB Capital Global Opportunities Fund L.P.'s limited partnership interest of USD5,773 thousand (equivalent to NT$177,306 thousand) and USD633 thousand (equivalent to NT$17,526 thousand) for the years ended December 31, 2022 and 2021; in addition, the limited partnership interest distributed capital for the years ended December 31, 2022 and 2021 amounted to USD579 thousand (equivalent to NT$17,785 thousand) and USD4,035 thousand (equivalent to NT$111,696 thousand), respectively; as of December 31, 2022 and 2021, the Group's cumulative investment in CDIB Capital Global Opportunities Fund L.P.'s limited partnership interest was USD12,556 thousand and USD7,362 thousand, respectively, and the estimated total investment amount of the Group was USD30,000 thousand.

7) The Group's newly invested in China Development Asset Management Corporation's advantageous venture capital limited partnership interest for the years ended December 31, 2022 and 2021 in amounts of NT$23,601 thousand and NT$32,995 thousand respectively; the limited partnership equity distributed capital for the years ended December 31, 2022 and 2021 amounted to NT$16,357 thousand and NT$4,564 thousand, respectively; as of December 31, 2022 and 2021, the Group's cumulative investment in China Development Asset

Management Corporation's advantageous venture capital limited partnership interest were NT$172,967 thousand and NT$165,723 thousand, respectively, and the Group's estimated total investment amount was to NT$200,000 thousand.

8) The Group held investment in structured entity equity as a limited partnership interest, so there was no transaction volume and unit transaction price, and it only bore the rights and obligations within the scope of the investment contract which had no significant influence on such investment. Accordingly, the maximum exposure amount on the balance sheet date was just the carrying amount of these financial assets.

9) The Group's net profit (loss) recognized in other comprehensive income for the years ended December 31, 2022 and 2021 due to changes in fair value were (NT$1,230,456) thousand and NT$2,341,443 thousand, respectively and accumulated in other equity; in addition, the amount of accumulative gain (loss) due to disposal of investment transferred directly to the retained earnings were NT$0 thousand and NT$2,744,442 thousand, respectively, and the share attributable to the owners of the parent company were NT$0 thousand and NT$1,709,513 thousand, respectively.

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

(12) Investments accounted for using the equity method

1) Investments in associates

	December 31, 2022			December 31, 2021		
Name of associate	Carrying amount		Shareholding %	Carrying amount		Shareholding %
Zhenjiang Chimei Chemical Co., Ltd.	$	4,814,748	30.40%	$	8,429,325	30.40%
Zhangzhou Chimei Chemical Co., Ltd.		4,957,682	30.40%		3,114,827	30.40%
Total	$	9,772,430		$	11,544,152	

2) In August 2022, the Group transferred the surplus distributed from Zhenjiang Chimei Chemical Co., Ltd. for capital injection into Zhangzhou Chimei Chemical Co., Ltd. in a total amount of CNY273,600 thousand (equivalent to USD40,554 thousand / NT$1,287,601 thousand). This investment was already approved by Investment Commission, Ministry of Economic Affairs on October 26, 2022 with its Letter Jing-Shen-II-Zi 11100151980. Zhangzhou Chimei Chemical Co., Ltd. has set December 21, 2022 as the base date for the capital increase and has completed the capital verification process on December 23, 2022.

3) In October 2022, the Group transferred the surplus distributed from Zhenjiang Chimei Chemical Co., Ltd. for capital injection into Zhangzhou Chimei Chemical Co., Ltd. in a total amount of CNY167,808 thousand (equivalent to USD26,015 thousand / NT$720,099 thousand). This investment was already approved by Investment Commission, Ministry of Economic Affairs on February 22, 2022 with its Letter Jing-Shen-II-Zi 11100012630. Zhangzhou Chimei Chemical Co., Ltd. has set January 20, 2022 as the base date for the capital increase and has completed the capital verification process on January 21, 2022. As of December 31, 2022, Zhangzhou Chimei Chemical Co., Ltd. had not completed the capital raising procedures yet; hence, investment prepayment was recognized. Please refer to Note 6 (19).

4) The Group used the earnings distributed from Zhenjiang Chimei Chemical Co., Ltd. to launch capital increase into Zhangzhou Chimei Chemical Co., Ltd. in a total amount of CNY322,240 thousand (equivalent to USD45,357 thousand/NT$1,291,772 thousand) in April 2020. This investment was already approved by Investment Commission, Ministry of Economic Affairs on September 30, 2020 with its Letter Jing-Shen-II-Zi 10900151010. Zhangzhou Chimei Chemical Co., Ltd. set up its capital increase dates on June 11, 2021, February 25, 2021, and December 2, 2020 for raising of CNY91,200 thousand (equivalent to USD12,837 thousand/NT$366,302 thousand), CNY139,840 thousand (equivalent to USD19,683 thousand/NT$559,874 thousand) and CNY91,200 thousand (equivalent to USD12,837 thousand/NT$365,596 thousand), respectively. The capital increase verifications were completed on June 18, 2021, March 5, 2021 and December 11, 2020, respectively.

5) The shares of profits or losses and other comprehensive income of associates accounted for using the equity method for the years ended December 31, 2022 and 2021 were recognized based on the financial statements audited by other certified public accountants of international CPA firms in the cooperation relationship with the CPA firms of the Republic of China during the same period of associates.

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

	Year Ended December 31, 2022		Year Ended December 31, 2021	
Names of associates	Recognized in current profit/loss	Recognized in other comprehensive income	Recognized in current profit/loss	Recognized in other comprehensive income
Zhenjiang Chimei Chemical Co., Ltd.	$ 347,998	($ 848,340)	$ 3,997,831	$ 164,194
Zhangzhou Chimei Chemical Co., Ltd.	(147,710)	(387,084)	92,745	146,238
Total	$ 200,288	($ 1,235,424)	$ 4,090,576	$ 310,432

7) Investment accounted for using the equity method held by the Group has not been used for collateral or pledge.

8) For more details regarding the attribute in business of the aforementioned associates, their major business premises and country of incorporation registration, please see Note 13(3), information of investment in Mainland China.

9) The summarized financial information in respect of the Group's key associates are as follows: (The summarized financial information of the Group’s key associates hereunder was prepared on the grounds of IFRSs financial statements by the associates with the adjustment already reflected at the time of equity method).

A. Zhenjiang Chimei Chemical Co., Ltd.

① Balance Sheets

Items	December 31, 2022	December 31, 2021
Current assets	$ 20,062,320	$ 32,227,678
Noncurrent assets	9,839,746	9,863,380
Current liabilities	(11,375,455)	(11,945,989)
Noncurrent liabilities	(27,587)	(18,539)
Equity	18,499,024	30,126,530
The Company's shareholding ratio	30.40%	30.40%
The interests bestowed to the Company	5,623,703	9,158,465
Unrealized profit or loss	(808,955)	(729,140)
Carrying amount of investment in associates	$ 4,814,748	$ 8,429,325

② Statements of Comprehensive Income

Items	Year Ended December 31, 2022	Year Ended December 31, 2021
Operating revenues	$ 62,423,170	$ 79,866,442
Net profit for the year	1,144,728	13,150,760
Other comprehensive income	-	-
Total comprehensive income	$ 1,144,728	$ 13,150,760
Cash dividends from associates	$ 3,469,472	$ 2,367,919
Plus: dividends payable at the beginning of the period (Note 7)	939,259	-
Less: dividends payable at the end of the period (Note 7)	-	(939,259)
Less: subscription of associate shares (Note)	(1,183,985)	(720,099)
Stock dividends from associates (after tax)	$ 3,224,746	$ 708,561

Note: Direct remittances to Zhangzhou Chimei Chemical Co., Ltd. for the rights issue

B. Zhangzhou Chimei Chemical Co., Ltd.

① Balance Sheets

Items	December 31, 2022	December 31, 2021
Current assets	$ 14,518,043	$ 9,463,128
Noncurrent assets	20,014,483	16,575,911
Current liabilities	(8,015,844)	(5,758,260)
Noncurrent liabilities	(10,208,517)	(10,034,638)
Equity	16,308,165	10,246,141
The Company's shareholding ratio	30.40%	30.40%
Interests bestowed to the Company	4,957,682	3,114,827
Unrealized profit or loss	-	-
Carrying amount of investment in associates	$ 4,957,682	$ 3,114,827

② Statements of Comprehensive Income

Items	Year Ended December 31, 2022	Year Ended December 31, 2021
Operating revenues	$ 19,143,746	$ 4,349,892
Net profit (loss) for the year	(485,887)	305,083
Other comprehensive income	-	-
Total comprehensive income	($ 485,887)	$ 305,083
Dividend received from associates (After-tax)	$ -	$ -

(13) Property, plant and equipment

Items	December 31, 2022	December 31, 2021
Land	$ 3,276,815	$ 3,276,815
Buildings & constructions	1,636,321	1,630,667
Machinery & equipment	13,509,340	13,441,811
Transportation facilities	92,566	96,906
Other equipment	1,674,923	1,648,584
Construction in progress and Equipment to be inspected	13,209,249	2,859,430
Total costs	33,399,214	22,954,213
Less: Accumulated depreciation	(14,535,002)	(14,232,124)
Less: Accumulated impairment	(42,176)	(52,196)
Net	$ 18,822,036	$ 8,669,893

Items	Land	Buildings & constructions	Machinery & equipment	Transportation facilities	Other equipment	Construction in progress and equipment to be inspected	Total
Cost:							
Balance at January 1, 2022	$ 3,276,815	$ 1,630,667	$ 13,441,811	$ 96,906	$ 1,648,584	$ 2,859,430	$ 22,954,213
Addition	-	1,744	112,521	1,802	252,456	10,350,187	10,718,710
Disposal	-	-	(89,667)	(6,540)	(199,047)	-	(295,254)
Reclassification (Note)	-	766	41,272	-	(27,808)	(41,564)	(27,334)
Effects of exchange rate	-	3,144	3,403	398	738	41,196	48,879
Balance at December 31, 2022	$ 3,276,815	$ 1,636,321	$ 13,509,340	$ 92,566	$ 1,674,923	$ 13,209,249	$ 33,399,214
Accumulated depreciation and impairment:							
Balance at January 1, 2022	$ -	$ 1,037,442	$ 12,117,986	$ 88,174	$ 1,040,718	$ -	$ 14,284,320
Depreciation expenses	-	45,956	387,867	3,902	148,833	-	586,558
Impairment loss	-	-	-	-	-	-	-
Disposal	-	-	(87,448)	(6,436)	(198,985)	-	(292,869)
Reclassification (Note)	-	-	-	-	(6,200)	-	(6,200)
Effects of exchange rate	-	1,447	2,907	366	649	-	5,369
Balance at December 31, 2022	$ -	$ 1,084,845	$ 12,421,312	$ 86,006	$ 985,015	$ -	$ 14,577,178

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	$ 3,409,062	$ 1,656,156	$ 13,481,503	$ 97,730	$ 1,540,344	$ 65,210	$ 20,250,005
Addition	-	8,510	58,843	2,081	187,719	2,846,668	3,103,821
Disposal	-	(2,057)	(105,984)	(3,224)	(66,241)	-	(177,506)
Reclassification (Note)	-	28,419	10,375	677	(12,634)	(52,107)	(25,270)
Transfer into investment property	(132,247)	(57,970)	-	-	-	-	(190,217)
Effects of exchange rate	-	(2,391)	(2,926)	(358)	(604)	(341)	(6,620)
Balance at December 31, 2021	$ 3,276,815	$ 1,630,667	$ 13,441,811	$ 96,906	$ 1,648,584	$ 2,859,430	$ 22,954,213
Accumulated depreciation and impairment:							
Balance at January 1, 2021	$ -	$ 1,024,681	$ 11,809,456	$ 86,980	$ 947,896	$ -	$ 13,869,013
Depreciation expenses	-	48,751	416,275	4,655	157,053	-	626,734
Impairment loss	-	-	-	-	2,500	-	2,500
Disposal	-	(1,995)	(105,244)	(3,138)	(66,184)	-	(176,561)
Transfer into investment property	-	(32,992)	-	-	-	-	(32,992)
Effects of exchange rate	-	(1,003)	(2,501)	(323)	(547)	-	(4,374)
Balance at December 31, 2021	$ -	$ 1,037,442	$ 12,117,986	$ 88,174	$ 1,040,718	$ -	$ 14,284,320

Note: The net decrease due to reclassification was due to the expenses associated with the transfer of property, plant and equipment.

1) The Group's property, plant and equipment is primarily for internal use. Some property owned is rented out via operating leases. Please refer to Note 6 (14)-5 for information on leases.

2) The additions for the current period include non-cash items, which are reconciled to the acquisition of property, plant and equipment in the statement of cash flows as follows:

Items	Year Ended December 31, 2022	Year Ended December 31, 2021
Increase in property, plant and equipment	$ 10,718,710	$ 3,103,821
Less: Increase in the payables for equipment	(158,189)	(38,472)
Amounts paid in cash	$ 10,560,521	$ 3,065,349

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

Items	Year Ended December 31, 2022	Year Ended December 31, 2021
Amount capitalized	$ 355,218	$ 17,321
Interest rate range	4.05%～4.40%	4.40%

4) The major composition items of the Group'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	Broadcasting equipment	5 - 6 years
Others	7 years		

C. Transportation facilities

SNG Van	5 - 7 years	OB outside Broadcasting Van	6 - 7 years
Others	2 - 6 years		

D. Other equipment

Furniture & office equipment	4 - 7 years	Leasehold improvement	10 - 15 years
Catering equipment	3 years	Others	3 - 8 years

5) The Group 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 buildings & constructions at NT$24,978 thousand were transferred into investment property. Please see Note 6(15) for more details.

6) For the years ended December 31, 2022 and 2021, while some equipment capacity was not fully utilized, the Group expected that the future cash inflow of such equipment would decrease, and, in turn, estimated that recoverable amount was NT$0 less than the carrying amount so that it would recognize the impairment loss of this equipment amounting to NT$0 thousand and NT$2,500 thousand, respectively. Such impairment loss was already included in the consolidated statements of comprehensive income under other gains and losses. The Group used the value in use to determine the recoverable amount of such equipment. The discount rate adopted for the years ended December 31, 2022 and 2021 were 12.37%. In addition, based on the results of the Group's prudent assessment, as of

December 31, 2022 and 2021, the Group recognized that the accumulated impairment amounts for property, plant and equipment were NT$42,176 thousand and NT$52,196 thousand, respectively.

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

(14) Lease agreement

1) Right-of-use assets

Items	December 31, 2022	December 31, 2021
Land	$ 1,028,164	$ 981,071
Buildings & constructions	2,952,338	853,184
Machinery & equipment	35,377	35,377
Transportation facilities	9,952	13,196
Total costs	4,025,831	1,882,828
Less: Accumulated depreciation	(427,963)	(250,181)
Less: Accumulated impairment	-	-
Net	$ 3,597,868	$ 1,632,647

Items	Land	Buildings & constructions	Machinery & equipment	Transportation facilities	Total
Cost:					
Balance at January 1, 2022	$ 981,071	$ 853,184	$ 35,377	$ 13,196	$ 1,882,828
Addition－Individual origin	32,638	-	-	-	32,638
Addition/Remeasurement (Note 1)	-	2,120,369	-	1,066	2,121,435
Addition/decommissioning costs (Note 1)	-	44,679	-	-	44,679
Disposal/Derecognition	-	(67,667)	-	(4,360)	(72,027)
Effects of exchange rate	14,455	1,773	-	50	16,278
Balance at December 31, 2022	$ 1,028,164	$ 2,952,338	$ 35,377	$ 9,952	$ 4,025,831

Items	Land	Buildings & constructions	Machinery & equipment	Transportation facilities	Total
Accumulated depreciation and impairment:					
Balance at January 1, 2022	$ 24,899	$ 193,936	$ 24,972	$ 6,374	$ 250,181
Depreciation expenses	19,632	179,059	8,324	3,352	210,367
Disposal/Derecognition	-	(28,918)	-	(4,360)	(33,278)
Effects of exchange rate	509	169	-	15	693
Balance at December 31, 2022	$ 45,040	$ 344,246	$ 33,296	$ 5,381	$ 427,963

Items	Land	Buildings & constructions	Machinery & equipment	Transportation facilities	Total
Cost:					
Balance at January 1, 2021	$ 988,524	$ 489,409	$ 35,377	$ 17,507	$ 1,530,817
Addition－Individual origin	-	-	-	-	-
Addition/Remeasurement	-	376,718	-	4,292	381,010
Addition/decommissioning costs	-	4,008	-	-	4,008
Disposal/Derecognition	-	(15,630)	-	(8,588)	(24,218)
Effects of exchange rate	(7,453)	(1,321)	-	(15)	(8,789)
Balance at December 31, 2021	$ 981,071	$ 853,184	$ 35,377	$ 13,196	$ 1,882,828

Items	Land	Buildings & constructions	Machinery & equipment	Transportation facilities	Total
Accumulated depreciation and impairment:					
Balance at January 1, 2021	$ 5,450	$ 117,510	$ 16,648	$ 9,838	$ 149,446
Depreciation expenses	19,563	91,072	8,324	5,127	124,086
Disposal/Derecognition	-	(14,521)	-	(8,588)	(23,109)
Effects of exchange rate	(114)	(125)	-	(3)	(242)
Balance at December 31, 2021	$ 24,899	$ 193,936	$ 24,972	$ 6,374	$ 250,181

Note: (1) To operate its hotel brand “Capella”, the Group leased from China Life Insurance Co., Ltd. for properties, with a total area of 4,869.90 pings, at No. 129 ~ No. 139 Dunhua North Road, Songshan District, Taipei City starting on March 1, 2022. The lease is for a total of 20 years until February 28, 2142. The right-of-use asset (including decommissioning costs) is valued at NT$2,138,853 thousand based on the present value of future lease payments, less the amount of the leasing incentives receivable (renovation construction grants) of NT$1,000,000 thousand.

(2) For future business development, the Group has rented a portion of office space on the 8th floor of No. 135, Dunhua North Road, Songshan District, Taipei City from China Life Insurance Co., Ltd. The lease term is until September 30, 2036, for a total of 15 years and 9 months, and the amount of the right-to-use assets (including disposal costs) is valued at NT$328,936 thousand.

2) Lease liabilities

Items	December 31, 2022 Current	December 31, 2022 Noncurrent	December 31, 2021 Current	December 31, 2021 Noncurrent
Land	$ -	$ -	$ -	$ -
Buildings & constructions	172,678	2,525,497	87,824	577,347
Machinery & equipment	2,817	-	9,115	2,112
Transportation facilities	2,745	1,755	3,207	3,545
Total	$ 178,240	$ 2,527,252	$ 100,146	$ 583,004

Items	Land		Buildings & constructions		Machinery & equipment		Transportation facilities		Total
Lease liabilities:									
Balance at January 1, 2022	$ -	$	665,171	$	11,227	$	6,752	$	683,150
Addition/Remeasurement	-		2,120,369		-		1,066		2,121,435
Disposal/Derecognition	-	(	40,132)		-		-	(	40,132)
Repayment of principal of lease liabilities	-	(	49,047)	(	8,410)	(	3,353)	(	60,810)
Effects of exchange rate	-		1,814		-		35		1,849
Balance at December 31, 2022	$ -	$	2,698,175	$	2,817	$	4,500	$	2,705,492

Items	Land		Buildings & constructions		Machinery & equipment		Transportation facilities		Total
Lease liabilities:									
Balance at January 1, 2021	$ -	$	360,740	$	19,574	$	7,493	$	387,807
Addition/Remeasurement	-		376,718		-		4,292		381,010
Disposal/Derecognition	-	(	1,388)		-	(	1)	(	1,389)
Repayment of principal of lease liabilities	-	(	69,681)	(	8,347)	(	5,021)	(	83,049)
Effects of exchange rate	-	(	1,218)		-	(	11)	(	1,229)
Balance at December 31, 2021	$ -	$	665,171	$	11,227	$	6,752	$	683,150

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, 2022	December 31, 2021
Land	50 years	-	-
Buildings & constructions	2 - 29 years	0.32%～4.35%	0.32%～4.35%
Machinery & equipment	4 years	0.75%	0.75%
Transportation facilities	3 - 5 years	0.28%～1.20%	0.28%～0.90%

B. The maturity of the Company's lease liabilities (without deduction of leasing incentives receivable) are analyzed below:

Items	December 31, 2022	December 31, 2021
Within 1 year	$ 225,277	$ 106,581
1 to 5 years	924,624	331,978
5 to 10 years	1,024,200	147,577
10 to 15 years	1,096,147	123,888
15 to 20 years	924,795	8,007
Over 20 years	11,536	12,545
Total undiscounted lease payments	$ 4,206,579	$ 730,576

3) Major lease events and clauses

A. The Group leased the land in the People’s Republic of China for use as a production plants and office spaces for land use right in 50 years. The entire rents should be paid up in a lump-sum at the time of execution of this Lease Agreement. The Group was not entitled to procure the land upon expiry of the duration of land use right. The Group was entitled to the act of disposition such as land use right, income right, transfer and lease within the land use limit, and the Group is responsible to pay a variety of taxes as required.

In addition, the subject assets leased by the Group include buildings & constructions, machinery equipment and transportation facilities, and the like. At the end of the lease term, the Group 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. Some lease agreements stipulate that the lease payment may be adjusted according to the consumer price index. Assets other than leases should not be used as loan collateral, and it was agreed that unless with the consent of the lessor, the Group 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 extend the lease

The part of the Subject Premises covered within the Group's lease agreement includes the extension option entitled to the Group. Under the general practice for the lease agreement, the Group was bestowed with the maximum possible operating flexibility and effective use of assets. While the Group resolved to enter into the lease term, the Group 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 Group'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:

The Group sub-leases the right to use part of the leased spaces under a short-term operating lease. The rent has been collected in accordance with the lease agreements. Most lease agreements could be renewed at the market price at the end of the lease term. Those lease agreements include clauses that can adjust the rent according to the market environments every year. For the years ended December 31, 2022 and 2021, the proceeds from sublease of right-of-use assets amounted to NT$1,009 thousand and NT$734 thousand respectively.

5) Other lease related information

For the years ended December 31, 2022 and 2021, the Group recognized rental income of NT$17,529 thousand and NT$8,460 thousand respectively based on operating lease agreements. Among them, there was no income from variable lease payments.

The Group’s agreement to lease investment property by means of operating lease is detailed in Note 6(15)-9.

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

Items	Year Ended December 31, 2022		Year Ended December 31, 2021	
Expenses attributable to short-term lease agreement	$	6,503	$	4,614
Expenses attributable to low-value assets lease		2		20
Expenses paid under variable lease		414		2,629
Total	$	6,919	$	7,263
Interest expense for lease liabilities	$	41,963	$	7,249
Profit (loss) generated from back-lease transaction after sales	$	-	$	-
Profit (loss) generated from amendment to lease transaction	$	1,383	$	280

The Group 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 Group for the years ended December 31, 2022 and 2021 at NT$109,692 thousand and NT$97,561 thousand, respectively.

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

D. The Group's right-of-use assets do not provide any guarantee or pledge.

(15) Investment property

Items	December 31, 2022		December 31, 2021	
Land	$	519,432	$	192,610
Buildings & constructions		292,446		129,578
Subtotal		811,878		322,188
Less: Accumulated depreciation	(	90,745)	(	87,630)
Less: Accumulated impairment		-		-
Net	$	721,133	$	234,558

Items	Land		Buildings & constructions		Total	
Cost:						
Balance at January 1, 2022	$	192,610	$	129,578	$	322,188
Additions		326,822		162,868		489,690
Disposal		-		-		-
Balance at December 31, 2022	$	519,432	$	292,446	$	811,878
Accumulated depreciation and impairment:						
Balance at January 1, 2020	$	-	$	87,630	$	87,630
Depreciation expenses		-		3,115		3,115
Disposal		-		-		-
Reclassification		-		-		-
Balance at December 31, 2022	$	-	$	90,745	$	90,745

Items	Land		Buildings & constructions		Total	
Cost:						
Balance at January 1, 2021	$	60,363	$	71,608	$	131,971
Transferred from property, plant and equipment		132,247		57,970		190,217
Additions		-		-		-
Disposal		-		-		-
Balance at December 31, 2021	$	192,610	$	129,578	$	322,188
Accumulated depreciation and impairment:						
Balance at January 1, 2021	$	-	$	53,536	$	53,536
Transferred from property, plant and equipment		-		32,992		32,992
Depreciation expenses		-		1,102		1,102
Disposal		-		-		-
Balance at December 31, 2021	$	-	$	87,630	$	87,630

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

2) The Group's investment property, except for land, is depreciated on a straight-line basis over a useful life of 40 to 56 years.

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

Items	Year Ended December 31, 2022		Year Ended December 31, 2021	
Rent revenues from investment property	$	16,520	$	7,668
Direct operating expenses arising from investment property that generated rental income in the current year	$	2,847	$	1,102
Direct operating expenses arising from investment property that did not generate rental income in the current year	$	1,438	$	-

4) In order to revitalize the use of capital, the Group's board of directors approved the purchase of the real estate located at Dunhua South Road, Daan District, Taipei on June 23, 2022, and the contract has been entered into on June 29, 2022. The transaction price was determined with reference to the real estate valuation report issued by Cushman & Wakefield, the property valuation firm. The total transaction price (before taxes; including the related expenses such as land administration agent fees and deed taxes) was NT$489,690 thousand, of which the land price was NT$326,822 thousand and the building price was NT$162,868 thousand, and the transfer of ownership was completed on July 26, 2022.

5) The Group's property located in Kuo Chang Building, Songshan District, Taipei City has been changed from October 1, 2021 to be leased to others for rental income. Therefore, the carrying values of the related land, buildings and construction were NT$132,247 thousand and NT$24,978 thousand, respectively, and were reclassified from property, plant and equipment to investment property. Please refer to Note 6(13)-5 for details.

6) The fair value of the Group's investment property in Songshan District and Daan District, Taipei City were NT$835,714 thousand and NT$241,256 thousand, respectively, on December 31, 2022 and 2021. This above-mentioned fair value was based on the comparable properties in proximity and within the primary market area, as indicated by the most recent real estate transaction registration data of the Ministry of the 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. In addition, the Group has an investment property in Dali District, Taichung City. It is located in a software industry park, where the comparable transactions are infrequent and reliable alternative fair value estimates would be impractical, so the fair value cannot be determined reliably.

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

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

9) Lease agreements - The Group is the Lessee.

The investment property leased outward by the Group includes land and buildings & constructions, and the like. The lease agreement period is 1~2 years. 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, 2022	December 31, 2021
The first year	$ 14,856	$ 14,856
The second year	-	6,600
The third year	-	-
The fourth year	-	-
The fifth year	-	-
Over 5 years	-	-
Total	$ 14,856	$ 21,456

(16) Intangible assets

Items	December 31, 2022	December 31, 2021
Goodwill	$ 674,070	$ 674,070
Expertise	403,313	397,832
Sub-total	1,077,383	1,071,902
Less: Accumulated amortization	-	-
Less: Accumulated impairment	(15,155)	(15,155)
Net	$ 1,062,228	$ 1,056,747

Items	Goodwill	Expertise	Total
Cost:			
Balance at January 1, 2022	$ 674,070	$ 397,832	$ 1,071,902
Addition－Individual origin	-	326	326
Disposal/Derecognition	-	-	-
Effects of exchange rate	-	5,155	5,155
Balance at December 31, 2020	$ 674,070	$ 403,313	$ 1,077,383
Accumulated amortization and impairment:			
Balance at January 1, 2022	$ 15,155	$ -	$ 15,155
Amortized expenses	-	-	-
Loss in impairment	-	-	-
Disposal/Derecognition	-	-	-
Effects of exchange rate	-	-	-
Balance at December 31, 2022	$ 15,155	$ -	$ 15,155

Items	Goodwill	Expertise	Total
Cost:			
Balance at January 1, 2021	$ 674,070	$ 222,685	$ 896,755
Addition－Individual origin	-	176,826	176,826
Disposal/Derecognition	-	-	-
Effects of exchange rate	-	(1,679)	(1,679)
Balance at December 31, 2021	$ 674,070	$ 397,832	$ 1,071,902
Accumulated amortization and impairment:			
Balance at January 1, 2021	$ 15,155	$ -	$ 15,155
Amortized expenses	-	-	-
Loss in impairment	-	-	-
Disposal/Derecognition	-	-	-
Effects of exchange rate	-	-	-
Balance at December 31, 2021	$ 15,155	$ -	$ 15,155

1) Capitalized amount of the costs and interest rate range of intangible assets: None.

2) The proprietary technology is the license for the Spheripol process and the Oleflex propane dehydrogenation plant used by the Group to produce polymers such as propylene and polypropylene for the construction of a plant by QuanZhou Grand Pacific Chemical Co., Ltd. Since the licensor's performance obligations have not yet been completed and the patented technologies are not yet ready for use, they are expected to be amortized over the benefit period from the completion of the plant construction and mass production.

3) The intangible assets have no significant impairment as indicated by the result of the Group’s prudential evaluation.

4) The Group’s intangible assets have not been used for collateral or pledge.

5) Goodwill has been allocated to the Group's cash-generating units identified by the operating segment:

Items	December 31, 2022		December 31, 2021	
Goodwill				
Television Media Department	$	658,915	$	658,915
Other departments		15,155		15,155
Total	$	674,070	$	674,070

6) The value-in-use calculation is based on the pre-tax cash flow projections of the Group's approved financial budgets to reflect the specific risks of the related cash-generating units. Management determines the budgeted gross margin based on prior performance and its expectation of market development. The weighted average growth rate used is consistent with the industry report's forecast. The discount rate used is a pre-tax rate and reflects the specific risks of the relevant operating segment. The Group recognized an impairment loss on goodwill arising from the acquisition of GPPC Investment Corp. of NT$15,155 thousand whose recoverable amount was less than the carrying amount of the cash-generating unit to which the goodwill related. Moreover, the Group has carefully evaluated other goodwill and no significant impairment loss has been recognized.

(17) Prepayments for equipment

Items	December 31, 2022		December 31, 2021	
QuanZhou Grand Pacific Chemical Co., Ltd. prepaid for equipment of the plant.	$	4,526,844	$	3,012,071

(18) Refundable deposits

Items	December 31, 2022		December 31, 2021	
Performance bond	$	487	$	978
Lease security deposit - as a lessee		24,489		20,509
Environmental protection guarantee bond		-		2,000
Others		891		2,615
Total	$	25,867	$	26,102

(19) Investment paid in advance

In October 2021, the Group transferred the surplus distributed from Zhenjiang Chimei Chemical Co., Ltd. for capital injection into Zhangzhou Chimei Chemical Co., Ltd. in a total amount of CNY167,808 thousand (equivalent to USD26,015 thousand / NT$720,099 thousand). This investment was already approved by Investment Commission, Ministry of Economic Affairs on February 22, 2022 with its Letter Jing-Shen-II-Zi 11100012630. Zhangzhou Chimei Chemical Co., Ltd. has set January 20, 2022 as the base date for the capital increase and has completed the capital verification process on January 21, 2022. As of December 31, 2021, Zhangzhou Chimei Chemical Co., Ltd. did not complete the capital raising procedures yet; hence, an investment prepayment was recognized as follows.

(20) Other noncurrent assets - other

Items	December 31, 2022		December 31, 2021	
Cost of program broadcasting - noncurrent	$	113,205	$	131,650
Long-term prepaid expenses		6,817		9,555
Catering tableware		-		211
Long-term receivables		210		270
Issuance cost of syndicated loan		6,943		56,982
Total	$	127,175	$	198,668

1) The cost of program broadcasting included the cost of outsourcing film broadcasting rights, outsourcing filming or self-made programs and the like. The relevant details are as follows:

Items	December 31, 2022		December 31, 2021	
Movie film library	$	116,403	$	121,141
Film purchase paid in advance		47,872		54,310
Film production paid in advance		3,066		15,435
Subtotal		167,341		190,886
Less: Accumulated impairment - cost of program broadcasting	(	1,134)	(	23,445)
Less: Portion expected to be amortized within one year	(	53,002)	(	35,791)
Cost of program broadcasting - noncurrent	$	113,205	$	131,650

The portion expected to be amortized within one year was recorded in other current assets - others. Please see Note 6(9) for more details.

2) While some of the Group's broadcast programs were sold not well in the market at the box office or were not broadcast at all or a long period of time, the Group expected that the future cash inflow of these broadcast programs would drop, resulting in the estimated recoverable amounts, respectively below the carrying amounts. The Group, as a result, recognized the impairment loss of these broadcasts for the year ended December 31, 2021 at NT$193 thousand. The Group adopted the value in use to determine the recoverable amounts at NT$9,056 thousand of these broadcasts. The adopted discount rate was 6.64% for the year ended December 31, 2021. Such impairment loss has been recorded under non-operating income and expenditures - other gains and losses in the statements of comprehensive income. As of December 31, 2022 and 2021, the amount of accumulated impairment recognized by the Group for broadcasting programs were NT$1,134 thousand and NT$23,445 thousand, respectively.

3) The program broadcasting held by the Group has not been used for collateral or pledge.

4) The single-line items for all amortization of the cost of program broadcasting, long-term prepaid expenses and catering tableware are as follows:

Items	Year Ended December 31, 2022		Year Ended December 31, 2021	
Operating costs	$	447,213	$	592,707
Operating expenses		3,920		3,933
Total	$	451,133	$	596,640

5) Catering tableware refers to cloth towels and general tableware, amortized on a straight-line basis for three years. The long-term receivables were loans granted

employees without interest for vehicular purchase.

6) The issuance cost for the syndicated loan refers to syndicated loan fee for the Group's CNY3.5 billion syndicated loan from 17 banks. The total fee was CNY15,750 thousand based on a rate of 0.45%. When the loan facility is utilized, the Group converts the issuance cost of the syndicated loan pro rata into the contra account for long-term loans and recognizes an interest expense for the transaction cost of the financial liability with amortization based on the effective interest rate method. The syndicated fee paid for the portion of yet-to-be-utilized loan facility is recognized as an asset (other non-current assets – others).

(21) Short-term loan

Attribute	December 31, 2022 Amount	December 31, 2022 Interest rate range	December 31, 2021 Amount	December 31, 2021 Interest rate range
Credit loans	$ 1,681,000	1.53%～1.95%	$ 1,100,000	0.69%～0.72%
Secured loans	250,000	1.76%～1.80%	-	-
Import financing	-	-	25,875	0.53%～1.72%
Total	$ 1,931,000		$ 1,125,875	

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

(22) Short-term notes payable

Items	December 31, 2022	December 31, 2021
Commercial paper payable	$ 300,000	$ -
Less: discount on short-term notes payable	(688)	-
Net	$ 299,312	$ -
Interest Rate Range	1.61%	-

The Group's commercial paper payable is issued under the guarantee of a Bills Finance Company or a bank, and a promissory note is provided as a commitment to repay the loan. Please refer to Note 9-1-(1) for the details of the pledge and guarantee of short-term notes payable.

(23) Notes and accounts payable

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

(24) Other payables

Items	December 31, 2022	December 31, 2021
Salaries and bonuses payable	$ 298,387	$ 445,214
Compensation to employee payable	14,282	84,793
Remuneration to directors and supervisors payable	1,009	137,072
Interest payable	2,666	322
Freight payable	18,140	28,001
Taxes payable	10,782	10,597
Insurance premium payable	11,095	10,908
Utilities payable	4,957	7,660
Repair & maintenance expenses payable	21,792	28,238
Service charge payable	10,171	8,183
Labor service cost payable	6,352	5,536
Business tax payable	10,530	11,930
Equipment payable	203,173	44,984
Output tax	11,307	-
Others	36,253	42,956
Total	$ 660,896	$ 866,394

(25) Provisions - current

Items	December 31, 2022	December 31, 2021
Employee benefits - payment on leave	$ 18,063	$ 18,957
Restructuring plan	14,000	-
Total	$ 32,063	$ 18,957

Items	Employee benefits	Restructuring plan	Total
Balance at January 1, 2022	$ 18,957	$ -	$ 18,957
Additional amount for the year	25,190	39,314	64,504
Utilized amount for the year	(17,305)	(25,314)	(42,619)
Reversal of unutilized amount for the year	(8,319)	-	(8,319)
Effects of exchange rate	(460)	-	(460)
Balance at December 31, 2022	$ 18,063	$ 14,000	$ 32,063

Items	Employee benefits		Restructuring plan		Total	
Balance at January 1, 2021	$	17,790	$	-	$	17,790
Additional amount for the year		23,418		-		23,418
Utilized amount for the year	(	15,536)		-	(	15,536)
Reversal of unutilized amount for the year	(	6,715)		-	(	6,715)
Effects of exchange rate		-		-		-
Balance at December 31, 2021	$	18,957	$	-	$	18,957

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) On 10 November 2022, the Group's board of directors resolved to close the production line of the packaging materials division at the Zhongshan plant in Guangdong Province, China. The Group has proposed and announced to the public a detailed formal restructuring plan, which includes the termination of employment contracts and the disposal of assets, so that the affected parties have a valid expectation that the Group will be restructured and therefore have a constructive obligation to restructure. The Group recognized a provision for liabilities based on the best estimate of the expenses required to settle the constructive obligation of the reorganization.

(26) Advance receipts

Items	December 31, 2022		December 31, 2021	
Rents collected in advance	$	972	$	84

(27) Other current liabilities - other

Items	December 31, 2022		December 31, 2021	
All collections	$	6,794	$	6,225

(28) Long-term loans

Items	December 31, 2022		December 31, 2021	
Syndicated loan	$	13,885,200	$	2,541,240
Credit loan		700,000		-
Guaranteed loan		1,200,000		-
Subtotal		15,785,200		2,541,240
Less: issuance cost of syndicated loan	(	51,910)	(	11,072)
Less: due within one year		-		-
Total	$	15,733,290	$	2,530,168

1) Long-term loans:

A. Syndicated loan

To fund the capital required for the construction an annual capacity of 660,000 metric tons of propane dehydrogenation (PDH) and an annual capacity 450,000 metric tons of polypropylene (PP) at Quangang

Petrochemical Industrial Park in China, the Group signed with 17 banks for a syndicated loan of CNY3.5 billion on March 31, 2021. The credit term is five years after the first utilization of the loan facility. The interest rate is floating, based on ≥5-year Loan Prime Rate (LPR) published by National Inter-bank Funding Center on the 20th of each month. Interests are paid every six months. The grace period is three years and the level repayments for the principal are due every six months until September 2026. The Company serves as the joint guarantor for this loan and maintains a specific current ratio, debt ratio and interest coverage ratio as required by the covenant. Please refer to Note 9 (12) for the financial ratio restrictions during the contract period of this syndicated loan. As of December 31, 2022, the Group has utilized CNY3,150,000 thousand and CNY585,000 thousand, respectively, of the loan facility at an effective annual rate of 4.05%～4.40% and 4.40%, respectively.

B. Credit loan

The credit period of this contract is 2 years, with monthly interest payments, and the principal is expected to be repaid in March 2024. The Group has the capacity to refinance or roll over its liabilities beyond 12 months from the balance sheet date based on the available bank borrowing line, which can be utilized on a revolving basis under the contract within the credit line due to its long-term revolving nature. As of December 31, 2022, the effective interest rate range is 1.70% per annum.

C. Guaranteed loan

The credit period of this contract is 2 years with monthly interest payments and the principal is expected to be repaid in December 2024. The Group has the capacity to refinance or roll over its liabilities for more than 12 months after the balance sheet date based on the available bank borrowing line, which can be utilized within the credit line in accordance with the contract. The credit facilities are secured by the Group's own property, plant and equipment, as described in Note 8(1). As of December 31, 2022, the effective interest rate range is 1.93% per annum.

2) The Group enters loan facility contracts with banks and provides promissory notes corresponding to the credit lines as a promise for repayments. Please refer to Note 8 (1) and Note 9-1-(1) for pledges and collaterals of long-term loans.

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

(29) Provisions - noncurrent

Items	December 31, 2022	December 31, 2021
Other long-term employee benefits plans	$ 13,477	$ 11,784
Decommissioning liabilities	66,998	21,609
Total	$ 80,475	$ 33,393

1) Other long-term employee benefits plans

A. The other long-term employee benefits plans of the Group 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 Group has recognized other long-term employee benefits obligations. The composition of obligatory liabilities is as follows:

Items	December 31, 2022	December 31, 2021
Present value of other long-term employee benefits obligations	$ 13,477	$ 11,784
Fair value of plan assets	-	-
Other long-term employee benefits liabilities, net	$ 13,477	$ 11,784

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

Items	Year Ended December 31, 2022	Year Ended December 31, 2021
Beginning balance	$ 11,784	$ 11,986
Other long-term employee benefits costs:		
Current service cost	1,184	1,345
Interest cost of defined benefits obligation	74	44
Remeasurements:		
Actuarial losses (gains) - change in demographic assumptions	-	(2,184)
Actuarial losses (gains) - change in financial assumptions	(666)	(283)
Actuarial losses (gains) - experience adjustment	1,101	876
Recognized in profit or loss	1,693	(202)
Payments of benefit	-	-
Ending balance	$ 13,477	$ 11,784

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 Group 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 Group was actuarially counted by a qualified actuary. The main assumptions of the actuarial evaluation on the measurement date are as follows:

Items	2022	2021
Discount rate	1.125%～1.375%	0.50%～0.625%
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, 2022:				
Effect on present value of other long-term employee benefits obligations	($ 246)	$ 255	$ 176	($ 171)
December 31, 2021：				
Effect on present value of other long-term employee benefits obligations	($ 232)	$ 241	$ 152	($ 147)

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 Group expected to pay to other long-term employee benefit plans in Year 2023 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 Group 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 the location is recognized as a liability reserve. The Group 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, 2022		Year Ended December 31, 2021	
Beginning balance	$	21,609	$	17,405
Additional amount for the year		44,679		4,008
Utilized amount for the year		-		-
Discounted amortization		707		196
Effects of exchange rate		3		-
Ending balance	$	66,998	$	21,609

(30) Post-employment benefit plans

Items	December 31, 2022		December 31, 2021	
Net defined benefit assets and provisions - noncurrent				
Defined benefit plans	$	69,111	$	-

Items	December 31, 2022		December 31, 2021	
Net defined benefit liabilities and provisions - noncurrent				
Defined benefit plans	$	4,565	$	48,392
Defined contribution plans		5,140		4,036
Total	$	9,705	$	52,428

1) Defined benefit plans

A. In accordance with the “Labor Standards Act”, the Company and the domestic subsidiaries in the Group have 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 (15) years would be entitled to one base unit. The cumulative base units shall not exceed the maximum limit of 45 base units. The Company and its domestic subsidiaries attributed retirement funds on a monthly basis to the specified ratio 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 about 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 and its domestic subsidiaries estimate 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 and the domestic subsidiaries 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, 2022	December 31, 2021
Fair value of plan assets	$ 883,653	$ 839,019
Present value of defined benefit obligations	(819,107)	(887,411)
Net	$ 64,546	$ 48,392
Attributable to:		
Net defined benefit assets and provisions - noncurrent	$ 69,111	$ -
Net defined benefit liabilities and provisions - noncurrent	(4,565)	(48,392)
Net	$ 64,546	($ 48,392)

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

Items	Year Ended December 31, 2022	Year Ended December 31, 2021
Fair value of plan assets, beginning of year	$ 839,019	$ 866,160
Interest income of plan assets	5,179	3,516
Remeasurements:		
Gains (losses) on plan assets	64,856	11,731
Fund attributed by employer	18,463	21,906
Payments of benefit on plan assets	(43,864)	(64,294)
Fair value of plan assets, end of year	$ 883,653	$ 839,019

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

Items	Year Ended December 31, 2022	Year Ended December 31, 2021
Present value of defined benefit obligation, beginning of year	$ 887,411	$ 927,775
Service cost of the current year	7,475	8,888
Interest cost of defined benefits obligation	5,396	3,712
Remeasurements:		
Actuarial losses (gains) - change in demographic assumptions	-	22,084
Actuarial losses (gains) - change in financial assumptions	(39,781)	(14,455)
Actuarial losses (gains) - experience adjustment	2,470	4,299
Contribution to plan asset	(43,864)	(64,294)
Contribution to company benefits	-	(598)
Present value of defined benefit obligation, end of year	$ 819,107	$ 887,411

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, 2022	Year Ended December 31, 2021
Current service cost	$ 7,475	$ 8,888
Interest cost of defined benefit obligations	5,396	3,712
interest income of plan assets	(5,179)	(3,516)
Recognized in profit or loss	$ 7,692	$ 9,084

Items	Year Ended December 31, 2022	Year Ended December 31, 2021
Remeasurements:		
Actuarial losses (gains) - change in demographic assumptions	$ -	$ 22,084
Actuarial losses (gains) - change in financial assumptions	(39,781)	(14,455)
Actuarial losses (gains) - experience adjustment	2,470	4,299
Losses (gains) on plan assets	(64,856)	(11,731)
Recognized in other comprehensive income	($ 102,167)	$ 197

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, 2022	Year Ended December 31, 2021
Operating costs	$ 3,552	$ 4,190
Operating expenses		
Selling expenses	169	209
Administrative expenses	3,887	4,588
Research and development expenses	84	97
Subtotal	4,140	4,894
Total	$ 7,692	$ 9,084

H. The defined benefit retirement plan assets of the Company and the domestic subsidiaries were 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 Group 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, 2022 and 2021, please refer to reports of the Labor Pension Fund Utilization promulgated by the government in the respective years.

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

Items	2022	2021
Discount rate	1.125%～1.50%	0.50%～0.625%
Future salary growth rate	1.75%～2.00%	1.50%～2.00%
Average period of existence of defined benefit obligations	4.7 years - 11.2 years	4.0 years - 11.6 years

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

J. The Company and the domestic subsidiaries have 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.

K. 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, 2022:				
Effect to present value of defined benefit obligations	($ 15,018)	$ 15,470	$ 15,090	($ 14,724)
December 31, 2021：				
Effect to present value of defined benefit obligations	($ 17,703)	$ 18,271	$ 17,712	($ 17,253)

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.

L. The Company and the domestic subsidiaries expected to pay the aforesaid defined benefit plans in Year 2023 in the amount of contribution and the amount of payment NT$18,897 thousand and NT$35,266 thousand, respectively. Payment in the Company's account was NT$0.

2) Defined contribution plans

A. The Company and the domestic subsidiaries of the Group have 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 and the domestic subsidiaries 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 and the domestic subsidiary contributed a fixed amount to the Bureau of Labor Insurance, the Company and the subsidiaries would no longer be subject to statutory or presumed obligations extra.

B. The foreign subsidiaries of the Group have contributed old-age insurance fund or reserve of retirement allowance in accordance with the retirement regulations promulgated by the local governments. The pension for every employee has been managed under packaged arrangement by the local government authorities. Those companies have not been subject to further obligations except contribution of the pension on a monthly basis or on an annual basis as required by the Local Government Authorities. In addition, employees of subsidiaries in China are members of a retirement benefit plan operated by the Chinese government. The subsidiaries in this region are required to contribute a specific percentage of salary costs to the retirement benefit plan in order to fund the plan. The Group's obligation to this government-operated retirement benefit plan is only to contribute to the specified amount.

C. The Group recognized the pension costs in accordance with the aforementioned defined contribution plans for the years ended December 31, 2022 and 2021 amounted to NT$27,039 thousand and NT$26,674 thousand, respectively. The net defined benefit liabilities recognized by the Company in accordance with the aforementioned defined contribution plans as of December 31, 2022 and 2021 amounted to NT$5,140 thousand and NT$4,036 thousand, respectively.

D. 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, 2022	Year Ended December 31, 2021
Operating costs	$ 11,103	$ 10,612
Operating expenses		
Selling expenses	1,208	1,417
Administrative expenses	14,073	14,023
Research and development expenses	655	622
Subtotal	15,936	16,062
Total	$ 27,039	$ 26,674

(31) Guarantee deposits received

Items	December 31, 2022	December 31, 2021
Lease security deposit – lease	$ 2,834	$ 2,834
Pickup guarantee bond	2,483	1,154
Others	466	2,203
Total	$ 5,783	$ 6,191

(32) Other noncurrent liabilities - other

Items	December 31, 2022	December 31, 2021
Unrealized deferment revenues with disposal of investment	$ 22,317	$ 22,682

(33) Share capital

1) Common shares and preferred shares

Items	December 31, 2022	December 31, 2021
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

Items	December 31, 2022	December 31, 2021
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 rights issues 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.

(34) Capital reserve

Items	December 31, 2022		December 31, 2021	
Treasury stocks transaction premium	$	188,164	$	183,547
Dividend unclaimed within the term by shareholders		2,800		2,800
Recognized changes in the ownership interests of subsidiaries		10,902		112
Total	$	201,866	$	186,459

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 loss, 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, a 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.

(35) 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, ,unless there is a need for capital to improve the financial structure, to support investment, production capacity expansion, or other major capital expenditures, the Company's dividends shall not be less than 10% of the net income after deducting the amount of loss compensation, legal reserve, special reserve, and 6% of the dividend of preferred share of Grand Pacific in Year 1984. 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 distribute 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 May 20, 2022 and July 23, 2021 respectively, the earnings of Year 2021 and Year 2020 would be distributed in the following manners:

	Distributions of earnings		Dividend per share (NT$)	
Items of distribution	2021	2020	2021	2020
Provision of legal reserve	$ 758,961	$ 411,401	-	-
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	40,000	2,000	2.00	0.10
Bonuses to shareholders on common shares -cash	1,813,241	90,662	2.00	0.10
Bonuses to shareholders on common shares - stock	-	-	-	-

The aforesaid cash dividends were resoled on March 29, 2022 and May 6, 2021 by the board of directors under the authorization of the Articles of Incorporation. Since the Company's present obligation due to past events is reasonably certain and the amount can be measured reliably, dividends payable shall be recorded when the conditions for liability recognition are met. In addition, the provision of legal reserve and special reserve is consistent with the recognition of dividends payable mentioned above.

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 proposed distribution of earnings for 2022 is subject to the approval of the Board of Directors and the shareholders' meeting. Please inquire into the Market Observation Post System (MOPS) for related information after the relevant meetings have been held.

(36) 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, 2022	($ 672,627)	$ 453,236	($ 219,391)
Items directly recognized as other equity adjustment	1,582,024	(1,230,456)	351,568
Share attributable to non-controlling interests	(10,906)	347,806	336,900
Transferred to item of profit and loss	-	-	-
Transferred to retained earnings	-	-	-
Share accounted for using the equity method	(1,235,424)	-	(1,235,424)
Income tax related to items of other equity	123,543	-	123,543
Balance at December 31, 2022	($ 213,390)	($ 429,414)	($ 642,804)

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	(441,359)	2,341,443	1,900,084
Share attributable to non-controlling interests	7,037	(689,465)	(682,428)
Transferred to item of profit and loss	-	-	-
Transferred to retained earnings	-	(1,709,513)	(1,709,513)
Share accounted for using the equity method	310,432	-	310,432
Income tax related to items of other equity	(31,043)	-	(31,043)
Balance at December 31, 2021	($ 672,627)	$ 453,236	($ 219,391)

The related exchange difference incurred by the foreign operations' net assets converted from functional currency into the Group's expressed currency (i.e., New Taiwan Dollars) was directly recognized as exchange differences on translating financial statements of foreign operations under the other comprehensive income.

(37) Treasury stocks

1) As of December 31, 2022 and 2021, the amount of treasury stocks repurchased by the Company was 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, 2022							
		Beginning balance		Increase in this year		Decrease in this year		Ending balance	
Name of subsidiary	Kind	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
GPPC Chemical Corporation	Common Shares	-	$ -	-	$ -	-	$ -	-	$ -
	Preferred shares	1,776	49,858	-	-	-	-	1,776	49,858
Total		1,776	$ 49,858	-	$ -	-	$ -	1,776	$ 49,858

		Year Ended December 31, 2021							
		Beginning balance		Increase in this year		Decrease in this year		Ending balance	
Name of subsidiary	Kind	Shares	Amount	Shares	Amount	Shares	Amount	Shares	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

A. The gains from the subsidiaries from the disposal of the Company’s shares in the years ended on December 31, 2022 and December 31, 2021 were converted to capital reserve – treasury stocks for NT$0 thousand and NT$2,438 thousand, 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, 2022 and 2021 were NT$4,617 thousand and NT$1,243 thousand, respectively.

C. The fair values of the Company's stocks held by the subsidiaries as of December 31, 2022 and 2021 were NT$48,130 thousand and NT$62,160 thousand, respectively.

D. 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 rights issues and voting power but were entitled to the rights exactly same as shareholders’ equity.

(38) Non-controlling interests

Items	Year Ended December 31, 2022	Year Ended December 31, 2021
Beginning balance	$ 3,764,285	$ 2,935,980
Comprehensive income attributable to non-controlling interests:		
Net profit for the year	39,424	195,427
Exchange differences on translating financial statements of foreign operations	10,906	(7,037)
Unrealized valuation gain/loss of financial assets at fair value through other comprehensive income	(347,806)	689,465
Remeasurement of defined benefit plans	10,062	1,228
Income tax related to items of other comprehensive income	(1,720)	(108)
Cash dividend distributed by subsidiaries	(129,570)	(50,670)
Subscriptions not in proportion to shareholding	10,030	-
Ending balance	$ 3,355,611	$ 3,764,285

(39) Operating revenues

Items	Year Ended December 31, 2022	Year Ended December 31, 2021
Revenues under customer contracts		
Sales revenues	$ 16,308,253	$ 20,524,896
Labor service revenues	1,868,373	2,022,457
Total	$ 18,176,626	$ 22,547,353

1) Detailed classification of revenues under customer contracts

The Group's revenues were from the transfer of a certain point in time and the provision of product (commodities) and labor services gradually transferred over time. The revenues could be broken down into the following main product (commodities) lines and service types:

Main product (Commodities) lines and service types	Year Ended December 31, 2022	Year Ended December 31, 2021
Sales revenues		
Petrochemical products	$ 7,500,496	$ 8,032,324
Plastic products	5,891,425	9,113,266
Hydrogen products	173,453	141,869
Steam and electricity products	210,493	366,559
Nylon products	1,341,194	1,341,712
Packaging material products	1,150,822	1,523,766
Plastic material resale	40,370	5,400
Subtotal	16,308,253	20,524,896
Labor service revenues		
Advertising services	1,028,564	1,096,574
Video services	678,436	678,436
Licensing and other services	151,764	237,371
Catering services	9,609	10,076
Subtotal	1,868,373	2,022,457
Total	$ 18,176,626	$ 22,547,353

2) Balances of contracts

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

Items	December 31, 2022		December 31, 2021	
Contract assets - current				
Advertising contracts	$	6,270	$	9,717
Licensing contracts		1,856		54,384
Total	$	8,126	$	64,101

In terms of the Group's contract assets, the credit risks have not at all increased after the initial recognition. The expected credit loss rate is 0%.

Items	December 31, 2022		December 31, 2021	
Contract liabilities - current				
Advertising contracts	$	25,592	$	8,783
Licensing contracts		-		26,936
Commodity sales		16,603		24,811
Catering services		68		-
Total	$	42,263	$	60,530

A. Significant changes in contract assets and contract liabilities

As of December 31, 2022, the changes in the Group's 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, 2022		Year Ended December 31, 2021	
Beginning balance of contract liabilities recognized as revenues in the current year				
Advertising contracts	$	8,783	$	11,826
Licensing contracts		26,936		641
Commodity sales		24,811		39,422
Total	$	60,530	$	51,889

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

The Group 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, 2022 and 2021, the recognition income was adjusted in the current year.

D. Unfulfilled customer contracts

For customer contracts unfulfilled by the Group as of December 31, 2022 and 2021, except for the following descriptions, the remaining contracts were expected to last for less than one year, and were expected to be fulfilled and recognized as revenues within the ensuing year. The Group has not yet fully fulfilled its contract obligations with the transaction price of the obligation to be amortized and the expected timepoint to be recognized as revenues as follows:

Timepoint expected to fulfill the contracts and to recognize the revenues	December 31, 2022 Video contracts (Note)	Licensing contracts	Total
Jan. 1, 2023 to Dec. 31, 2023	$ 678,436	$ -	$ 678,436
Jan. 1, 2024 to Dec. 31, 2024	-	-	-
Jan. 1, 2025 to Dec. 31, 2025	-	-	-
Jan. 1, 2026 to Dec. 31, 2026	-	-	-
Jan. 1, 2027 to Dec. 31, 2027	-	-	-
Total	$ 678,436	$ -	$ 678,436

Timepoint expected to fulfill the contracts and to recognize the revenues	December 31, 2021 Video contracts (Note)	Licensing contracts	Total
Jan. 1, 2022 to Dec. 31, 2022	$ 678,436	$ 85,118	$ 763,554
Jan. 1, 2023 to Dec. 31, 2023	678,436	-	678,436
Jan. 1, 2024 to Dec. 31, 2024	-	-	-
Jan. 1, 2025 to Dec. 31, 2025	-	-	-
Jan. 1, 2026 to Dec. 31, 2026	-	-	-
Total	$ 1,356,872	$ 85,118	$ 1,441,990

3) Contract cost related assets: Nil.

(40) Interest income

Items	Year Ended December 31, 2022	Year Ended December 31, 2021
Interest from deposit in banks	$ 161,157	$ 99,820
Interest from bills & bonds under Repurchase Agreements	551	3,999
Other interest income	7	9
Total	$ 161,715	$ 103,828

(41) Other revenues

Items	Year Ended December 31, 2022	Year Ended December 31, 2021
Rent revenues	$ 17,529	$ 8,460
Dividend income	194,872	115,513
Subsidy revenues (Note)	96,050	99,606
Scrap sales revenues	1,819	3,860
Revenues of remuneration to directors and supervisors and traffic allowance	51,675	22,167
Others	6,712	4,352
Total	$ 368,657	$ 253,958

Note: The subsidy revenues include the relief subsidies or pandemic prevention subsidies received according to the first paragraph of Article 9-1 of the Special Act for Prevention, Relief and Revitalization Measures for Severe Pneumonia with Novel Pathogens (COVID-19) and the subsidies and provincial support funds for foreign enterprises in Quanzhou City, Fujian, China during the pandemic under the foreign enterprise stability policy, etc. These subsidies were granted according to certain percentages of the capital invested by foreign enterprises. These were immediate financial support to the Group and without future costs and hence recognized in profit and loss during the periods when subsidies were available.

(42) Other gains and losses

Items	Year Ended December 31, 2022	Year Ended December 31, 2021
Net gain on financial assets at fair value through profit or loss	$ 90	$ 38
Net loss on disposal of property, plant and equipment	1,218	(198)
Gain on disposal of investment	638	589
Net gain (loss) on foreign currency exchange	170,265	27,282
Loss on spare part obsolescence	(484)	(1,157)
Impairment loss on non-financial assets	-	(2,693)
Direct operating expenses of the investment property	(4,285)	(1,102)
Gain on leasehold amendment	1,383	280
Loss on restructuring plan	(39,314)	-
Loss due to settlement money	-	(1,196)
Loss due to withhold and remit tax	(5,401)	(5,742)
Loss on default and penalty	(6,890)	-
Loss due to overdue prepayments for purchase of titles	-	(13,451)
Others	(399)	2,795
Total	$ 116,821	$ 5,445

(43) Finance costs

Items	Year Ended December 31, 2022	Year Ended December 31, 2021
Interest expense		
Loan interest for financial institutions	$ 378,233	$ 18,820
Interest counted upon security deposit	13	3
Lease liabilities interest	41,963	7,249
Decommissioning liability interest	707	196
Amortization of issuance cost of syndicated loan	10,131	365
Less: Capitalized amount consistent with prerequisite constituents	(355,218)	(17,321)
Subtotal	75,829	9,312
Commercial paper handling fees and other related expenses	176	-
Total	$ 76,005	$ 9,312

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

Attribute	Year Ended December 31, 2022 Operating Cost	Year Ended December 31, 2022 Operating Expense	Year Ended December 31, 2022 Total	Year Ended December 31, 2021 Operating Cost	Year Ended December 31, 2021 Operating Expense	Year Ended December 31, 2021 Total
Employee benefits expenses						
Salaries	$ 383,587	$ 640,304	$ 1,023,891	$ 554,694	$ 640,056	$ 1,194,750
Labor and health insurance	45,086	57,179	102,265	41,937	46,874	88,811
Pension	14,655	20,076	34,731	14,802	20,956	35,758
Other employee benefits	14,172	33,030	47,202	14,492	242,958	257,450
Depreciation expenses (Note)	526,334	270,591	796,925	550,694	200,126	750,820
Amortization expenses	447,213	3,920	451,133	592,707	3,933	596,640
Total	$ 1,431,047	$ 1,025,100	$ 2,456,147	$ 1,769,326	$ 1,154,903	$ 2,924,229

Note: For the investment property for the years ended December 31, 2022 and 2021, the depreciation expenses provided in the consolidated financial statements were NT$3,115 thousand and NT$1,102 thousand, respectively entered into the accounts as non-operating revenues and expenditures - other gains and losses.

1) 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.

2) 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 Company has a net loss before tax for the period from January 1 to December 31, 2022; therefore, no compensation payable to employees and remuneration to directors have been recognized. The amounts estimated for compensation to employees was NT$67,180 thousand and the amounts estimated for remuneration to directors was NT$134,360 thousand for the years ended December 31, 2021. 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.

3) As resolved by the Company's board of directors on March 14, 2023 and March 29, 2022, the compensation to employees for the years ended 2022 and 2021 amounted to NT$0 thousand and NT$67,180 thousand respectively, and the remuneration to directors and supervisors amounted to NT$0 thousand and

NT$134,360 thousand, respectively. The aforementioned amounts resolved show no difference from the expenses entered into the financial statements of Year 2022 and Year 2021. The aforementioned compensation/remunerations were paid in cash.

4) 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 (TWSE).

(45) Equity transactions with non-controlling interests

The Group increased its shareholding in GPPC Development Co., Ltd. by 16.72% in December 2022, resulting in an increase in the shareholding ratio from 61.54% to 78.26%. As the aforesaid transaction did not change the Group's control over the subsidiary, the Group treated it as an equity transaction. The difference of this equity transaction amounted to NT$10,030 thousand, which increased capital surplus - recognized change in ownership interest in subsidiaries by NT$10,790 thousand and decreased retained earnings by NT$20,820 thousand, respectively, and transferred the same amount to non-controlling interest based on the relative change in equity.

(46) Changes in liabilities coming from financing activities

Items	Short-term loans	Short-term notes payable	Long-term loans	Lease liabilities	Guarantee deposits received
January 1, 2022	$ 1,125,875	$ -	$ 2,530,168	$ 683,150	$ 6,191
Net change in financing cash flows	805,125	300,000	13,206,520	(60,810)	(408)
Change in non-cash - lease addition/remeasurement	-	-	-	2,121,435	-
Change in non-cash - Lease disposal/decommissioning	-	-	-	(40,132)	-
Non-cash change – conversion of issuance cost of syndicated loan	-	-	(50,879)	-	-
Non-cash change – amortization of issuance of syndicated loan	-	-	10,131	-	-
Non-cash change –discount on notes and bills	-	(688)	-	-	-
Effects of exchange rate	-	-	37,350	1,849	-
December 31, 2022	$ 1,931,000	$ 299,312	$ 15,733,290	$ 2,705,492	$ 5,783

Items	Short-term loans	Short-term notes payable	Long-term loans	Lease liabilities	Guarantee deposits received
January 1, 2021	$ 440,977	$ -	$ 400,000	$ 387,807	$ 4,824
Net change in financing cash flows	684,898	-	2,141,240	(83,049)	1,367
Change in non-cash - lease addition/remeasurement	-	-	-	381,010	-
Change in non-cash - Lease disposal/decommissioning	-	-	-	(1,389)	-
Non-cash change – conversion of issuance cost of syndicated loan	-	-	(11,436)	-	-
Non-cash change – amortization of issuance of syndicated loan	-	-	365	-	-
Effects of exchange rate	-	-	(1)	(1,229)	-
December 31, 2021	$ 1,125,875	$ -	$ 2,530,168	$ 683,150	$ 6,191

(47) Income tax

1) Composition of income tax expense (gain):

A. Income tax recognized in profit or loss

Items	Year Ended December 31, 2022	Year Ended December 31, 2021
Current income tax expense payable	$ 841,936	$ 1,163,944
Deferred income tax expenses (gains)		
Origination and reversal of temporary differences	(398,685)	119,593
Effect of exchange rate	(4)	2
Net change in deferred income tax decrease (increase)	(398,689)	119,595
Adjustment to income taxes in previous year	(4,473)	(2,826)
Effects of exchange rate	4	(2)
Income tax expenses (gains) recognized in profit or loss	$ 438,778	$ 1,280,711

B. Recognized in income tax related to other comprehensive income

Items	Year Ended December 31, 2022	Year Ended December 31, 2021
Deferred income tax		
Exchange difference resulting from translating the financial statements of foreign operations	($ 123,543)	$ 31,043
Remeasurements of defined benefit plan	19,971	(257)
Net change in deferred income tax decrease (increase)	(103,572)	30,786
Income tax expenses (gains) recognized in other comprehensive income	($ 103,572)	$ 30,786

2) Reconciliation of income in the current fiscal year and the income tax expense recognized into profit or loss.

Items	Year Ended December 31, 2022	Year Ended December 31, 2021
Net profit (loss) before tax from continuing operations unit	($ 15,610)	$ 7,357,299
Income tax with (profit) loss before tax at statutory tax rate	(3,122)	1,471,460
Effects of income tax upon adjustments		
Effects not counted into the items upon determination of the taxable income	438,607	(550,819)
Tax to be made up under the minimum taxation system	-	37,590
Income tax levied additionally on undistributed earnings	352,069	197,276
Loss carry-forward incurred in the current year	56,673	5,406
Loss carry-forward for offset in the current year	(72)	-
Deduction of investment tax credit for the current year	-	(251)
Impact subject to different tax rates among entities in combination	(2,219)	3,282
Current income tax expense payable	841,936	1,163,944
Net change in deferred income tax decrease (increase) －recognized in profit or loss	(398,689)	119,595
Adjustment to income taxes in previous year	(4,473)	(2,826)
Effects of exchange rate	4	(2)
Income tax expenses (gains) recognized in profit or loss	$ 438,778	$ 1,280,711

The Group applies 20% statutory tax rate applied for the entities under the Income Tax Act prevalent in the Republic of China. The tax rate applicable to subsidiaries in Mainland China was 25%. Taxes incurred in other regions would be counted based on the respective tax rates. The Group has estimated the impacts linked up with such changes in the taxation rates.

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

Items	December 31, 2022	December 31, 2021
Income tax assets for the year		
Income tax paid in advance	$ -	$ 290

Items	December 31, 2022	December 31, 2021
Income liabilities for the year		
Current income tax expense payable	$ 841,936	$ 1,163,944
Supplementary income tax payable for the year	-	177
Less: Credit for the income tax paid in advance in the year	(391,360)	(289,524)
Total	$ 450,576	$ 874,597

4) Balance of deferred income tax assets (liabilities)

Items	Year Ended December 31, 2022 Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Deferred income tax assets				
Unrealized exchange loss	$ 2,329	($ 1,399)	$ -	$ 930
Losses on obsolescence and market value decline in inventories	14,723	(291)	-	14,432
Employee leave payment obligations	4,056	(378)	-	3,678
Defined employee benefits plans	12,386	(9,000)	(1,860)	1,526
Loss on impairment of tangible assets	13,603	(5,709)	-	7,894
Lease decommissioning obligations	4,322	9,078	-	13,400
Unrealized accrued expense	7,000	8,946	-	15,946
Loss carry-forward (Note)	130	29,112	-	29,242
Others	1,257	64	-	1,321
Total	$ 59,806	30,423	(1,860)	$ 88,369
Deferred income tax liabilities				
Unrealized exchange gain	$ 53	1,556	-	$ 1,609
Unrealized loss of sales	1,207	(935)	-	272
Defined employee benefits plans	-	(4,288)	18,111	13,823
Investment in Associates	556,380	(372,598)	(123,543)	60,239
Financial & taxation difference in depreciation expenses	187	(36)	-	151
Lease decommissioning costs	3,259	8,035	-	11,294
Reserve for land value increment tax	1,062,196	-	-	1,062,196
Total	$ 1,623,282	(368,266)	(105,432)	$ 1,149,584
Changes in net increase (decrease)		$ 398,689	$ 103,572	

Items	Year Ended December 31, 2021 Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance
Deferred income tax assets				
Unrealized exchange loss	$ 868	$ 1,461	$ -	$ 2,329
Losses on obsolescence and market value decline in inventories	3,136	11,587	-	14,723
Employee leave payment obligations	3,817	239	-	4,056
Defined employee benefits plans	22,475	(10,346)	257	12,386
Loss on impairment of tangible assets	13,595	8	-	13,603
Lease decommissioning obligations	3,481	841	-	4,322
Unrealized accrued expense	-	7,000	-	7,000
Unrealized gains in sales	856	(856)	-	-
Loss carry-forward (Note)	348	(218)	-	130
Others	798	459	-	1,257
Total	$ 49,374	10,175	257	$ 59,806

Deferred income tax liabilities				
Unrealized exchange gain	$ 327	(274)	-	$ 53
Unrealized loss of sales	-	1,207	-	1,207
Investment in Associates	396,730	128,607	31,043	556,380
Financial & taxation difference in depreciation expenses	238	(51)	-	187
Lease decommissioning costs	2,978	281	-	3,259
Reserve for land value increment tax	1,062,196	-	-	1,062,196
Total	$ 1,462,469	129,770	31,043	$ 1,623,282
Changes in net increase (decrease)		($ 119,595)	($ 30,786)	

Note: Amount of loss carry-forward recognized in profit or loss included the amounts incurred/used in the current year and adjustment for changes estimated in previous year deducted with the amounts recognized as not likely to be realized.

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

Items	December 31, 2022	December 31, 2021
Deferred income tax assets		
Defined employee benefits plans	$ 6,607	$ 7,069
Loss on impairment of financial assets	686	686
Loss carry-forward	37,921	10,450
Total	$ 45,214	$ 18,205

6) The unrecognized deferred income tax liabilities related to investment

The temporary difference related to investment in subsidiaries, while the Group 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 Group did not recognize the deferred income tax liabilities. As of December 31, 2022 and 2021, 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$2,633,439 thousand and NT$2,552,707 thousand, respectively.

7) As of December 31, 2022, the Group applied the provisions of the Income Tax Act, which the aggregate total of the deferred income tax assets with income tax payable in the year after credit was summarized as follows:

Last credit-use year	Recognized loss carry-forward	Unrecognized loss carry-forward	Total
Year 2025	-	$ 663	$ 663
Year 2028	-	22	22
Year 2029	-	1,263	1,263
Year 2030	92	3,062	3,154
Year 2031	38	5,349	5,387
Year 2032	29,112	27,562	56,674
Total	$ 29,242	$ 37,921	$ 67,163

8) As of December 31, 2022, the income tax returns of the Company as well as its domestic subsidiaries within the Group have been assessed and approved by the tax authority up to Year 2020.

9) Where the distribution of earnings for Year 2023 to be resolved in the shareholders' meeting remains uncertain, the undistributed earnings added with the very outcome of the potential income tax in Year 2022 could not be determined in a reliable way.

(48) 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 rights issues, 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, 2022			Year Ended December 31, 2021		
	Amount after tax	Weighted average number of outstanding shares (in thousand shares)	Losses per share (EPS) (NT$)	Amount after tax	Weighted average number of outstanding shares (in thousand shares)	Earnings per share (EPS) (NT$)
Basic earnings (losses) per share:						
Net profit (loss) attributable to owners of the parent	($ 493,812)			$ 5,881,161		
Less: Dividends on preferred shares	(12,000)			(12,000)		
Net profit (loss) attributable to shareholders of common shares of the parent	($ 505,812)	906,620	($ 0.56)	5,869,161	906,507	$ 6.47
Effect of potential common shares having dilution function						
Compensation to employee				-	2,756	
Diluted earnings per share:						
Net profit attributable to shareholders of common shares of the parent Effect added to potential common shares				$ 5,869,161	909,263	$ 6.45

7. Related party transactions

(1) Parent company and ultimate controller

The Company is the ultimate controller of the Group.

(2) Names of the related parties and relationship thereof

Name of related party	Relationship with the Group
Zhenjiang Chimei Chemical Co., Ltd.	Associate
Zhangzhou Chimei Chemical Co., Ltd.	Associate
China Development Financial Holding Corporation	The subsidiary is the legal person director of the company (other related party)
China Development Asset Management Corporation	The subsidiary is the legal person director of the parent company (other related party)
CDIB Capital International Corporation	The subsidiary is the legal person director of the parent company (other related party)
China Development Asset Management Corporation	The subsidiary is the legal person director of the parent 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
Ruihui Japanese Food & Beverage Co., Ltd.	Other related party
Ku Chung-Ying	Other related party
Lin Jui-Hui	Other related party
All directors, general manager and deputy general managers	Main management

(3) Significant transactions with related parties

All such major transactions, account balances, income and expenses by and between the Company and the subsidiaries (as the related parties of the Company) were eliminated in full during the preparation of the consolidated financial statements, so they were not disclosed in this Note. Please see Note 13(1) (2)-11. The transactions between the Group and other related parties are as follows:

1) Sales revenue

Type of the related party	Year Ended December 31, 2022	Year Ended December 31, 2021
Associate	$ 30,124	$ 18,285

There are no significant differences in the selling price and sales trading conditions for related parties and those for ordinary customers of the Group.

2) Services revenue

Type of the related party	Year Ended December 31, 2022	Year Ended December 31, 2021
Other related party	$ 2,507	$ 4,941

There are no significant differences in the selling price and services trading conditions for related parties and those for ordinary customers of the Group.

3) Purchases

Type of the related party	Year Ended December 31, 2022		Year Ended December 31, 2021	
Other related party	$	86	$	27

The Group's purchase prices and terms of purchase transactions with related parties are not significantly different from those of ordinary suppliers.

4) Operating expense

Type of the related party	Year Ended December 31, 2022		Year Ended December 31, 2021	
Other related party	$	24,804	$	27,766
Main management		1,800		300
Total	$	26,604	$	28,066

5) Other revenue

Type of the related party	Year Ended December 31, 2022		Year Ended December 31, 2021	
Other related party	$	271	$	-

6) Lease agreement

A. Right-of-use assets

Type of related party	December 31, 2022		December 31, 2021	
China Life Insurance Co., Ltd.	$	2,291,394	$	305,154
Other related party		-		30,071
Total	$	2,291,394	$	335,225

B. Refundable deposits

Type of related party	December 31, 2022		December 31, 2021	
China Life Insurance Co., Ltd.	$	5,766	$	5,766
Other related party		-		1,040
Total	$	5,766	$	6,806

C. Lease liabilities - current

Type of related party	December 31, 2022		December 31, 2021	
China Life Insurance Co., Ltd.	$	111,372	$	19,429
Other related party		-		5,787
Total	$	111,372	$	25,216

D. Lease liabilities - noncurrent

Type of related party	December 31, 2022		December 31, 2021	
China Life Insurance Co., Ltd.	$	2,321,850	$	303,650
Other related party		-		24,699
Total	$	2,321,850	$	328,349

E. Interest expenses

Type of related party	Year Ended December 31, 2022		Year Ended December 31, 2021	
China Life Insurance Co., Ltd.	$	37,915	$	2,770
Other related party		136		312
Total	$	38,051	$	3,082

F. Lease payments

Type of related party	Year Ended December 31, 2022		Year Ended December 31, 2021	
China Life Insurance Co., Ltd.	$	22,095	$	5,572
Other related party		3,023		6,036
Total	$	25,118	$	11,608

G. Lease payments

Type of related party	Year Ended December 31, 2022		Year Ended December 31, 2021	
Other related party	$	406	$	-

H. The Group signed operating lease contracts for properties with China Life Insurance Co., Ltd. and other related parties. As of December 31, 2022 and 2021, as agreed, the Group issued forward notes (not enumerated in the accounts) in advance for NT$0 thousand and NT$1,159 thousand, respectively, to facilitate payments at time of future transactions.

I. On June 29, 2022, the Group entered into a real estate transaction contract with other related parties, and the lease contract entered into by the Group to lease the above-mentioned premises shall be terminated at the same time as the completion of the handover. The Group completed the registration of the transfer of ownership on July 26, 2022 and therefore derecognized the right-of-use assets and lease liabilities related to the original lease premises.

J. The rents of the lease agreements are based on market prices and negotiations between both parties. Rents are paid per month or via issuance of forward notes.

7) Lease agreements

A. Rent revenues

Type of related party	Year Ended December 31, 2022		Year Ended December 31, 2021	
China Development Financial Holding Corporation	$	9,920	$	1,654
Other related party		-		71
Total	$	9,920	$	1,725

B. Rents collected in advance

Type of related party	December 31, 2022		December 31, 2021	
Other related party	$	867	$	-

C. Deposits received

Type of related party	December 31, 2022		December 31, 2021	
China Development Financial Holding Corporation	$	1,734	$	1,734

D. The abovementioned leases are for the Group 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.

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

A. Accounts receivable

Type of related party	December 31, 2022	December 31, 2021
Other related party	$ -	$ 69

B. Other receivables

Type of related party	December 31, 2022	December 31, 2021
Zhenjiang Chimei Chemical Co., Ltd.	$ -	$ 939,259

Note: Cash dividends receivable, collected in full on January 5, 2022, after the reporting date.

C. Other payables

Type of related party	December 31, 2022	December 31, 2021
Other related party	$ 4,724	$ 8,550

D. Prepayments

Type of related party	December 31, 2022	December 31, 2021
Main management	$ 1,500	$ 3,300
Other related party	131	-
Total	$ 1,631	$ 3,300

E. Investment prepayments

Type of related party	December 31, 2022	December 31, 2021
Zhangzhou Chimei Chemical Co., Ltd.	$ -	$ 720,099

9) Property transactions

On June 29, 2022, the Group entered into a real estate transaction agreement with China Development Asset Management Corporation to purchase real estate located at Dunhua South Road, Daan District, Taipei. The transaction price was determined with reference to the real estate valuation report issued by Cushman & Wakefield, the property valuation firm. The total transaction price was NT$494,984 thousand (including tax), and the transfer of ownership was completed on July 26, 2022. Please refer to Note 6(15) for details.

10). The Group's participation in rights issues and increase in investments in related parties:

(A) Year ended December 31, 2022

Type of related party/ target	Entry	Increase in No. of shares (1,000)	Amount	Holding before rights issue	Holding after rights issue
Zhangzhou Chimei Chemical Co., Ltd.	Investment under equity method	-	$ 2,007,700	30.40%	30.40%

(B) 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
Zhangzhou Chimei Chemical Co., Ltd.	Investment under equity method	-	$ 926,176	30.40%	30.40%

(4) Information of compensation for main management

Items	Year Ended December 31, 2022		Year Ended December 31, 2021	
Salaries and other short-term employee benefits	$	151,876	$	259,283
Termination benefits		-		-
Post-employment benefits		11,513		8,394
Other long-term benefits		-		-
Shares-based payment		-		-
Total	$	163,389	$	267,677

8. Pledged assets

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

Items	Purposes of pledge (mortgage)	December 31, 2022		December 31, 2021	
Land	Guarantee for comprehensive facility of credit extension	$	3,077,553	$	3,077,553
Buildings & constructions	Guarantee for comprehensive facility of credit extension		276,490		291,438
Machinery & equipment	Guarantee for comprehensive facility of credit extension		466,066		605,955
Total		$	3,820,109	$	3,974,946

(2) Pledges on investment properties

Items	Purposes of pledge (mortgage)	December 31, 2022		December 31, 2021	
Land	Security for purchase	$	132,247	$	132,247
Buildings & constructions	Security for purchase		23,717		24,726
Total		$	155,964	$	156,973

(3) Facts of other assets pledged

Items	Purposes of pledge (mortgage)	December 31, 2022	December 31, 2021
Bank deposits	Reserve and guarantee accounts	$ 437	$ 6,422
Bank deposits	Renovation construction guarantee	1,000	-
Total		$ 1,437	$ 6,422

9. Significant contingent liabilities and unrecognized contract commitments

In addition to those disclosed in other notes, the Group had the following significant contingent liabilities and unrecognized contractual commitments as of the end of the reporting period:

(1) Refundable deposit guarantee notes and debit notes

1) The Group 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, 2022 and 2021, the guaranteed promissory notes were USD41,000 thousand, NTD9,292,000 thousand, and USD44,000 thousand, NT$8,042,000 thousand, respectively.

2) To apply for the government subsidies, the Group issued performance guarantee notes to subsidy management agencies for both NT$25,000 thousand as of December 30, 2022 and 2021.

(2) Deposited guarantee notes and collateral

The Group collected deposited guarantee notes and collateral as its performance guarantee. As of December 31, 2022 and 2021, the deposited guarantee notes were NTD176,572 thousand, SGD208 thousand, EUR730 thousand, USD2,909 thousand, JPY1,850 thousand and NTD165,705 thousand, SGD208 thousand, EUR730 thousand, USD2,909 thousand, JPY1,850 thousand, respectively.

(3) To apply for the government subsidies, the Group requested financial institutions to provide performance guarantees for NT$7,000 thousand and NT$10,000 as of December 30, 2022 and 2021, respectively.

(4) Amidst the need for material procurement and other purposes, the Group commissioned the financial institutions to provide performance bonds. As of December 31, 2022 and 2021, the performance bonds were NT$2,500 thousand and NT$3,500 thousand, respectively.

(5) The Group requested financial institutions to provide performance guarantees for the lease purposes amounting to NT$84,371 thousand and NT$0 for the years ended December 31, 2022 and 2021, respectively.

(6) The balance of L/C opened but not used by the Group as of December 31, 2022 and 2021 were USD6,470 thousand, NTD704,171 thousand and USD3,675 thousand, NT$896,000 thousand, respectively.

(7) The property, plant and equipment and other major capital expenditures for which the Group had executed contracts but had not paid off as of December 31, 2022 and 2021 were NT$4,844,912 thousand and NT$12,506,943 thousand, respectively.

(8) As of December 31, 2022 and 2021, the Group had signed contracts for film procurement and for outsourced production of programs for which the Group had not yet paid for the contracts as the contract films had not been delivered in the amounts of NT$36,555 thousand and NT$196,093 thousand, respectively.

(9) Under the agreement duly executed by and between the Group and CPC Corporation, Taiwan (CPC), the Group has been required to procure from CPC specified volumes of ethylene, benzene and butadiene from every year. If the annual purchase volume of the Group did not reach the minimum contract amount, CPC may reduce the supply in the following year as appropriate. In addition, the Group 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 Group should not transfer into other uses or resell the quotas (Where required for petrochemical scheduling, and with the prior written consent of CPC, the Group 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.

(10) In order to manufacture ABS and other products, the Group purchased butadiene from Formosa Petrochemical Corporation as a raw material for which the Group signed a transaction agreement. Under the agreement, the Group 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.

(11) In order to manufacture ABS and other products, the Group purchased acrylonitrile from China Petrochemical Development Corporation as a raw material for which the Group signed a transaction agreement. Under the agreement, the Group 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.

(12) The Group signed a syndicated loan contract with 17 banks and is committed to maintain the following financial ratios during the syndicated loan contract period:

1) Current ratio: ratio of current assets to current liabilities, no less than 100%

2) Liability ratio: ratio of total liabilities to tangible book value, no more than 150%

3) Interest coverage ratio: ratio of EBITDA (earnings before interest, taxes, depreciation, and amortization) to interest expenses, to lower than 3x

The aforesaid financial ratios and requirements are based on International Financial Reporting Standards (IFRS) and consolidated financial statements audited by certified public accountants.

As of December 31, 2022 and 2021, the Group adhered to the above covenants on financial ratios.

(13) Significant business agreements

A. Revenues

In response to the substantial need in business operation, the Group had executed important long-term contracts such as basic channel exclusive agency agreements and NBA broadcast authorization contract as irrevocable major business agreements. The Group expected that the amounts of the authorization fee to be received in the respective coming years would be as follows:

Items	December 31, 2022	December 31, 2021
Within 1 year	$ 678,436	$ 745,659
1 to 5 years	-	678,436
Over 5 years	-	-
Total	$ 678,436	$ 1,424,095

B. Expenditures

In line with the substantial need in business operation, the Group had executed licensing contracts, music and recording works public broadcasting license agreements and advertising opening buyback contracts and agreements. Such important long-term contracts that have become effective are a sort of non-cancellable major business agreement. The details of the amount of authorization fund payable by the Group in the respective coming years are as follows:

Items	December 31, 2022		December 31, 2021	
Within 1 year	$	64,093	$	69,446
1 to 5 years		514		63,578
Over 5 years		-		-
Total	$	64,607	$	133,024

10. Significant Disaster Loss: Nil

11. Significant Events after the Balance Sheet Date:

In order to diversify our operations and expand our business scope in the field of online e-commerce, on December 22, 2022, the Board of Directors resolved to acquire 7,205 thousand common shares and 2,638 thousand preferred shares from the existing shareholders of Citiesocial Holding Cayman Co. The total amount of the transaction is US$5,046 thousand (equivalent to NT$154,900 thousand), and the Company holds 76.69% of the voting shares, and the payment and transfer of shares were made on January 5, 2023. Upon the completion of the transaction, Citiesocial Holding CaymanCo., Ltd. and its subsidiary, Citiesocial Co., Ltd. became subsidiaries of the Group, and the revenue and expenses of these companies will be included in the consolidated financial statements from the date of acquisition of control after the balance sheet date.

12. Other events

(1) Seasonal or cyclical interpretation of interim operations

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

(2) Capital risk management

The Group 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 Group ensures a good profitability level and financial ratio. Where necessary, the Group 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 assets	December 31, 2022	December 31, 2021
Financial assets at fair value through profit or loss		
Mandatorily measured at fair value through profit or loss	$ 196,611	$ 180,527
Designated as measured at fair value through profit or loss	7,200	-
Investment in equity instrument designated as financial assets measured at fair value through other comprehensive income	4,141,941	5,209,735
Financial assets carried at amortized cost		
Cash & cash equivalents	6,279,477	7,038,195
Contract assets - current	8,126	64,101
Notes and accounts receivable (including related parties)	1,880,614	2,452,342
Other receivables (including related parties)	88,157	1,015,993
Other financial assets - current	5,240,172	2,936,539
Refundable deposits	25,867	26,102
Financial liabilities		
Financial liabilities carried at amortized cost		
Short-term loans	1,931,000	1,125,875
Short-term notes payable	299,312	-
Notes and accounts payable	1,128,458	1,769,933
Other payables (including related parties)	665,620	874,944
Long-term loans	15,733,290	2,530,168
Lease liabilities (Current and Noncurrent)	2,705,492	683,150
Guarantee deposits received	5,783	6,191

2) Financial risk management policies

In terms of routine business operation, the Group 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 Group 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 Group 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 Group 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 Group, 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 Group's business involves certain non-functional currencies (the functional currency of the Company and some subsidiaries has been the New Taiwan Dollars and the functional currencies of some subsidiaries have been U. S. Dollars, Hong Kong dollars, Malaysian Ringgit and Renminbi) so it is subject to exchange rate fluctuations impact. Information on foreign currency assets and liabilities with significant exchange rate fluctuations is as follows: (including non-functional currency-denominated monetary items that have been written off in the consolidated financial statements).

Items (Foreign currencies: Functional currency)	December 31, 2022			December 31, 2021		
	Foreign currencies	Exchange rate foreign currencies vs. functional currency	New Taiwan Dollars	Foreign currencies	Exchange rate foreign currencies vs. functional currency	New Taiwan Dollars
Financial assets						
Monetary items						
USD: NTD	$ 41,711	30.71	$ 1,280,945	$ 70,694	27.68	$ 1,956,810
USD: CNY	241	6.9669	7,401	217	6.3720	6,007
USD: MYR	102	4.5843	3,132	171	4.3556	4,733
USD: HKD	71	7.7984	2,180	71	7.7994	1,965
CNY: NTD	9,901	4.4080	43,644	193,845	4.3440	842,063
CNY: USD	660,022	0.1435	2,909,377	218,880	0.1569	950,815
CNY: HKD	1,425	1.1193	6,281	1,424	1.2240	6,186
SGD: NTD	-	-	-	6	20.46	123
SGD: MYR	52	3.4154	1,190	24	3.2195	491
JPY: NTD	4,600	0.2324	1,069	3,590	0.2405	863
Non-monetary items						
CNY: USD	2,400,503	0.1569	10,581,417	2,825,340	0.1569	12,273,277
Financial liabilities						
Monetary items						
USD: NTD	9,257	30.71	284,282	22,917	27.68	634,343
USD: MYR	27	4.5843	829	120	4.3556	3,322
CNY: NTD	-	4.4080	-	2	4.3440	9
SGD: NTD	6	22.88	137	-	-	-
JPY: NTD	42,825	0.2324	9,953	-	-	-
EUR: NTD	28	32.72	916	-	-	-

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 consolidated financial statements.

Here at the Group, 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 or depreciation impact on the Group's profit and loss as well as equity. All other risk factors being equal, any 1% movement in exchange rates of the Group’s foreign currency position would result in NT$31,673 thousand and NT$17,453 thousand change in profit and loss and NT$95,233 thousand and NT$110,459 thousand change in equity on December 31, 2022 and 2021, 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.

In addition, the net gain (loss) with exchange in foreign currency (including realization and un-realization) under the Group's monetary items for the years ended December 31, 2022 and 2021 were NT$170,265 thousand and NT$27,282 thousand, respectively. Due to multiple currency types of foreign currency transactions, practically, it was impossible to clearly distinguish the types of exchange gains and losses and their exposure separately according to each foreign currency, so they are expressed in a summary amount.

② Interest rate risks

The interest rate related risks refer to the risks of financial instruments' fair value or future cash flow fluctuations due to changes in market interest rates. The Group'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 Group 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$35,598 thousand and NT$2,641 thousand change in the Group's profit and loss on December 31, 2022 and 2021, respectively (without taking into account the eligible capitalization amount).

③ Price risks

The investments in equity instruments held by the Group 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 Group has been, therefore, exposed to pricing risks of equity instruments. In an effort to manage the pricing risks of equity instruments, the Group virtually diversifies its investment portfolio in a manner that was based on the limits set by the Group. The Group 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 equity 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 equity instruments would result in NT$1,966 thousand and NT$1,805 thousand change in the Group's profit and loss and NT$41,419 thousand and NT$52,097 thousand change in the Group's equity on December 31, 2022 and 2021, respectively.

B. Credit risks

Credit risks refer to such risks in financial losses incurred in an event where a customer of the Group or financial instrument transaction counterparty fails to perform the contract. The credit risks of the Group 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 Group'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 Group. In addition, the Group 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 Group, the Finance Department manages credit risks of bank deposits and other financial instruments in accordance with company policies. Since the Group’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 Group.

③ Information of credit-related risks in accounts receivable

The Group 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 Group, the Group deemed that financial asset in default.

In an effort to minimize credit risks, the management of the Group 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 Group 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. The concentration of credit risk is limited because the Group's customer base is broad and unrelated. Accordingly, the management believes that the Group's credit risk has been significantly reduced. For facts of changes regarding aging analysis of accounts receivables and allowance loss, please see Note 6(3) & (4).

④ Exposure to credit risks

The Group 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 Group has seen very low potential default. Besides, the Group 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 Group has amortized adequate allowance against loss. The management has, therefore, firmly believed that the Group's receivables would not have been significantly concentrated in the credit risks. As of the balance sheet date in terms of cash & cash equivalents, contract assets - current, receivables and other financial assets - current, the maximum possible exposure to credit risks would be exactly the carrying amounts of such financial assets.

Financial instruments	December 31, 2022		December 31, 2021	
	Carrying amount	Maximum credit exposure to risks	Carrying amount	Maximum credit exposure to risks
Cash & cash equivalents	$ 6,279,477	$ 6,279,477	$ 7,038,195	$ 7,038,195
Contract assets - current	8,126	8,126	64,101	64,101
Notes receivable	309,704	309,704	340,024	340,024
Accounts receivable (including related parties)	1,570,910	1,570,910	2,112,318	2,112,318
Other receivables (including related parties)	88,157	88,157	1,015,993	1,015,993
Other financial assets - current	5,240,172	5,240,172	2,936,539	2,936,539

C. Liquidity risk

The liquidity risk refers to the risk that the position could not be settled as expected. The Group 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 Group 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 Group'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 Group 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(14)-2-(2).

Items	December 31, 2022						
	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Contract cash flow	Carrying amount

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	$ 1,934,167	$ -	$ -	$ -	$ -	$ 1,934,167	$ 1,931,000
Short-term notes payable	300,000	-	-	-	-	300,000	299,312
Notes payable	79,803	-	-	-	-	79,803	79,803
Accounts payable	1,048,655	-	-	-	-	1,048,655	1,048,655
Other payables (including related parties)	663,602	1,009	1,009	-	-	665,620	665,620
Long-term loans	298,705	298,705	5,237,408	11,558,041	-	17,392,859	15,733,290

	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	$ 1,126,220	$ -	$ -	$ -	$ -	$ 1,126,220	$ 1,125,875
Notes payable	60,028	-	-	-	-	60,028	60,028
Accounts payable	1,709,905	-	-	-	-	1,709,905	1,709,905
Other payables (including related parties)	867,822	3,561	3,561	-	-	874,944	874,944
Long-term loans	55,907	55,907	111,815	2,736,916	-	2,960,545	2,530,168

(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 the first to the third level 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 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 Group's financial instruments not measured at fair values (including cash & cash equivalents, contract assets - current, notes receivable, accounts receivable (including related parties), other receivables (including related parties), other financial assets - current, short-term loans, short-term notes payable, notes payable, 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, 2022 and 2021 for financial and non-financial instruments

at fair values were classified by the Group based on the attributes, characteristics, risks and fair value hierarchy of assets and liabilities, with the relevant information as follows:

	December 31, 2022			
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 - current				
Mutual fund beneficiary certificates	$ 196,611	$ -	$ -	$ 196,611
Financial assets at fair value through profit or loss - noncurrent				
Film investment agreement	$ -	$ -	$ 7,200	$ 7,200
Financial assets at fair values through other comprehensive income - noncurrent				
Listed stocks in Taiwan	$ 2,991,059	$ -	$ -	$ 2,991,059
Domestic and foreign unlisted stocks and limited partnerships	-	-	1,150,882	1,150,882
Total	$ 2,991,059	$ -	$ 1,150,882	$ 4,141,941

	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 - current				
Mutual fund beneficiary certificates	$ 180,527	$ -	$ -	$ 180,527
Financial assets at fair values through other comprehensive income - noncurrent				
Listed stocks in Taiwan	$ 4,053,537	$ -	$ -	$ 4,053,537
Domestic and foreign unlisted stocks and limited partnerships	-	-	1,156,198	1,156,198
Total	$ 4,053,537	$ -	$ 1,156,198	$ 5,209,735

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 Group, 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 value. Open end mutual fund beneficiary certificates were counted based on net worth as fair values.

B. For financial instruments with higher complexity, the Group 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 Group must make appropriate estimates based on assumptions. The Company's unlisted stocks held by the Group and the limited partnership 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. The film investment agreement is made using the income method, which is based on discounted cash flows, to calculate the present value of the expected income from holding this investment. In addition, the significant non-observable input value was mainly current discount, discount for lack of control and discount rate. 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 Group’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 Group’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 Group 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 Group.

5) Transfer of fair values between Level 1 and Level 2 for the years ended December 31, 2022 and 2021: Nil

6) Change in the financial instruments of Level 3

A. Years ended December 31, 2022

Items	Financial assets at fair value through profit or loss	Financial assets at fair values through other comprehensive income
Beginning balance	$ -	$ 1,156,198
Acquisition this year	7,200	209,750
Disposal this year	-	-
Capital distribution this year	-	(88,060)
Inward (Outward) transfer of Level 3	-	-
Recognized in income	-	-
Recognized in other comprehensive income	-	(167,978)
Effects of exchange rate	-	40,972
Ending balance	$ 7,200	$ 1,150,882

B. Years ended December 31, 2021

Items	Financial assets at fair value through profit or loss	Financial assets at fair values through other comprehensive income
Beginning balance	$ -	$ 825,583
Acquisition this year	-	183,256
Disposal this year	-	-
Capital distribution this year	-	(128,858)
Inward (Outward) transfer of Level 3	-	-
Recognized in income	-	-
Recognized in other comprehensive income	-	289,876
Effects of exchange rate	-	(13,659)
Ending balance	$ -	$ 1,156,198

7) The Group had no outward transfer from Level 3 and inward transfer into Level 3for the years ended December 31, 2022 and 2021.

8) The Group'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, 2022	Evaluation technology	Significant unobservable input value	Range (Weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Film investment agreement	$ 7,200	Income method	Discount rate	N/A	The higher the discount rate, the lower the fair value
Unlisted stocks	354,046	Market approach	Liquidity discount	20.73%～32.75%	The higher the liquidity discount, the lower the fair value
Unlisted stocks	4,725	Asset approach	Discount for lack of control	21.63%～25.00%	The higher the discount for lack of the control, the lower the fair value
Limited partnership’s equity	792,111	Asset approach	N/A	N/A	N/A
Total	$ 1,158,082				

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 stocks	$ 411,925	Market approach	Liquidity discount	21.16%～35.07%	The higher the liquidity discount, the lower the fair value
Unlisted stocks	5,212	Asset approach	Discount for lack of control	21.45%～25.00%	The higher the discount for lack of the control, the lower the fair value
Limited partnership's equity	739,061	Asset approach	N/A	N/A	N/A
Total	$ 1,156,198				

10) The Group 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:

			Year Ended December 31, 2022			
			Recognized in profit or loss		Recognized in other comprehensive income	
Items	Input value	Change	Favorable change	Adverse change	Favorable change	Adverse change
Non-derivative financial instruments:						
Unlisted stocks	Liquidity discount and Discount for lack of control	±1%	$ -	$ -	$ 4,772	($ 4,754)
Film investment agreement	Discount rate	±1%	$ 72	($ 72)	$ -	$ -

			Year Ended 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 financial instruments:						
Unlisted stocks	Liquidity discount and Discount for lack of control	±1%	$ -	$ -	$ 5,673	($ 6,014)

13. Additional disclosure in the notes

(1) Significant transactions and (2) Information relating to investee companies (Before consolidated write-off)

1) Funds loaned to others:

The company lending the funds	The company borrowing the funds	Transaction item	Related party or not	Maximum balance for the period	Balance at the end of the period	Actual use amount	Interest rate range	Nature of loans	Transaction amount	Reasons for short-term financing	Allowance for losses	Collaterals		Limit on loans to individual party	Limit on the total amount of loans to others
												Type	Amount		
Land & Sea Capital Corp.	Grand Pacific Petrochemical Corporation	Other receivables - related parties	Yes	$617,120 (CNY140,000)	$617,120 (CNY140,000)	－	1.53%	For short-term financing needs	－	The working capital	－	Promissory Notes	$617,120 (CNY140,000)	For each company with short-term financing needs, the amount of the loan shall be limited to 10% of the Company's net worth. (NT$1,363,289)	The total amount of the Company's lending funds shall be limited to 20% of the Company's net worth. (NT$2,726,578)

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 ($22,926,561)	$15,428,000 (CNY3,500,000)	$15,428,000 (CNY3,500,000)	$13,885,200 (CNY3,150,000)	—	47.11%	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 ($26,201,784)	Yes	No	Yes
	GPPC Development Co., Ltd.	A subsidiary with direct and indirect shareholding in equity up to 78.26%		84,371	84,371	84,371		0.26%		Yes	No	No
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. ($229,035)	59,889 (RM8,940)	19,695 (RM2,940)	4,464 (RM666)	—	2.15%	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 ($458,071)	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	$ 1,483	2.85	$ 1,483
		YODN Lighting Corp.	_	Financial assets at fair values through other comprehensive income - noncurrent	165	412	0.93	412
		Bridgestone Taiwan Co., Ltd.	_	Financial assets at fair values through other comprehensive income - noncurrent	1,151	93,362	1.42	93,362
		China Development Financial Holding Corporation	Other related party	Financial assets at fair values through other comprehensive income - noncurrent	21,297	268,348	0.13	268,348
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	$ 1,984	3.80	$ 1,984
		YODN Lighting Corp.	_	Financial assets at fair values through other comprehensive income - noncurrent	64	161	0.36	161
		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	75,774	1.15	75,774
		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	48,130	8.88	48,130
		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	152,586	0.07	152,586
GPPC Investment Corp.	Stock	YODN Lighting Corp.	_	Financial assets at fair values through other comprehensive income - noncurrent	631	1,575	3.54	1,575
	Partnership	China Development Asset Management Corporation's advantageous venture capital limited partnership	_	Financial assets at fair values through other comprehensive income - noncurrent	-	202,138	-	202,138
	Fund	KGI Victory Money Market Fund	_	Financial assets at fair value through profit or loss - current	4,644	54,600	-	54,600
GPPC Hospitality And Leisure Inc.	Fund	KGI Victory Money Market Fund	_	Financial assets at fair value through profit or loss - current	1,425	16,755	-	16,755
GPPC Development Co., Ltd.	Fund	KGI Victory Money Market Fund	_	Financial assets at fair value through profit or loss - current	9,968	117,187	-	117,187

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
Perfect Meat Co., Ltd.	Fund	KGI Victory Money Market Fund	—	Financial assets at fair value through profit or loss - current	686	8,069	-	8,069
Goldenpacific Equities Ltd.	Partnership	CDIB Capital Asia Partners L.P.	—	Financial assets at fair values through other comprehensive income - noncurrent	-	157,124	-	157,124
		CDIB Capital Global Opportunities Fund L.P.	—	Financial assets at fair values through other comprehensive income - noncurrent	-	298,140	-	298,140
Videoland Inc.	Partnership	CDIB Capital Asia Partners L.P.	—	Financial assets at fair values through other comprehensive income - noncurrent	-	134,709	-	134,709
	Stock	China Development Financial Holding Corporation - common shares	Other related party	Financial assets at fair values through other comprehensive income - noncurrent	150,647	1,898,151	0.89	1,898,151
		China Development Financial Holding Corporation - preferred shares	Other related party	Financial assets at fair values through other comprehensive income - noncurrent	86,818	671,974	5.49	671,974
	Stock	Jeoutai Technology Co., Ltd.	—	Financial assets at fair values through other comprehensive income - noncurrent	2,007	66,186	5.96	66,186
		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	58	9.98	58
		Ruei-Guang Broadcasting Co., Ltd.	—	Financial assets at fair values through other comprehensive income - noncurrent	10	1,200	10.00	1,200
		21st Digital Technology Co., Ltd.	—	Financial assets at fair values through other comprehensive income - noncurrent	1,276	100,433	2.31	100,433
		Citiesocial Holding Cayman Co., Ltd.	—	Financial assets at fair values through other comprehensive income - noncurrent	1,769	16,143	12.82	16,143

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 purchase/sale	Type and Name of securities	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
Land & Sea Capital Corp.	Zhangzhou Chimei Chemical Co., Ltd.	Investments accounted for using the equity method	Rights issue	Associate	-	$3,114,827	-	$2,007,700	-	-	- 164,845 (Note)	-	-	$4,957,682
Grand Pacific Petrochemical Corporation	QuanZhou Grand Pacific Chemical Co., Ltd.	Investments accounted for using the equity method	Rights issue	Subsidiary	-	6,659,975	-	3,433,392	-	-	- 34,942 (Note)	-	-	10,058,425

Note: 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:

The company acquiring the property	Name of the property	Date of occurrence	Transaction amount	Payment status	Counterparty	Relationship	If the counterparty is a related party, the information of the previous transfer				Reference basis for price determination	Purpose of acquisition and use	Other contractual matters
							Ownership	Relationship with the issuer	Date of transfer	Amount			
Videoland Inc.	Land and building	6.23.2022.	NT$494,984 (tax included)	Fully paid	China Development Asset Management Corporation	Other related party	China Development Asset Management Corporation before the acquisition and elimination	Other related party	7.1.2019 (Base date of the acquisition)	NT$201,532	The real estate valuation report issued by Cushman & Wakefield	Revitalization of the use of capital to acquire real estate	—

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)	
			Purchase (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	$1,245,281	8.46%	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.	$4,482	0.42%
GPPC Chemical Corporation	Grand Pacific Petrochemical Corporation	The Company's parent company	Purchase	1,245,281	82.21%	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.	(4,482)	(62.04%)

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	$567,418	$51,727	$48,045	The investment profit/loss recognized includes the cash dividend of $4,617 received from parent company and the difference in the parent company only financial statements and the consolidated financial statements to increase by NT$935.
	GPPC Investment Corp.	8F, No.135, Dunhua N. Rd., Taipei City	Investment business	170,307	170,307	22,032	81.60	263,832	(10,544)	(8,604)	
	GPPC Development Co., Ltd.	10F, No.1, Sec. 4, Nanjing E. Rd., Taipei City	General hotel business	70,000	50,000	7,000	30.43	25,242	(137,939)	(52,141)	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	5,277,995	254,459	158,504	
	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	144,109	25,402	3,995	Comprehensive shareholding up to control force
	Goldenpacific Equities Ltd.	British Virgin Islands	Investment business	10,510	10,510	75	100.00	632,531	(106)	(106)	
	Land & Sea Capital Corp.	British Virgin Islands	Investment business	1,139,923	1,139,923	26,319	100.00	13,588,904	(209,267)	156,202	The recognized investment profit / loss including adjustment with difference in the parent company only financial statements and the consolidated financial statements to increase by NT$365,469
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	16,741	(10,584)	(10,584)	
GPPC Development Co., Ltd.	Perfect Meat Co., Ltd.	8F, No.135, Dunhua N. Rd., Taipei City	Meat import sales	10,000	10,000	1,000	100.00	9,393	(113)	(113)	
Videoland Inc.	Videoland International Limited	Hongkong	Engaged in the business of trading wine related alcohol products	97,800	97,800	25,000	100.00	96,556	(814)	(814)	
	ZW ENM Co., Ltd.	1F, No. 480, Ruiguang Rd., Neihu District, Taipei City	Film and program production and distribution	5,000	-	500	100.00	4,979	(21)	(21)	
	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	309,564	25,402	8,585	
	GPPC Investment Corp.	8F, No.135, Dunhua N. Rd., Taipei City	Investment business	35,372	35,372	4,968	18.40	59,492	(10,544)	(1,940)	Comprehensive shareholding with significant power of influence
	GPPC Development Co., Ltd.	10F, No.1, Sec. 4, Nanjing E. Rd., Taipei City	General hotel business	109,873	29,873	11,000	47.83	39,675	(137,939)	(34,643)	
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	4,048	(655)	(327)	With control force
	Dragon King Inc.	Samoa	Outward investment business	3,258	3,258	100	100.00	4,381	(313)	(313)	
	KK Enterprise (Malaysia) Sdn.Bhd.	Malaysia	Trademark paper, glue paper and such business	15,995	15,995	1,680	70.00	53,764	5,384	3,769	Recognition of investment gains and losses include realized and unrealized net gains and losses from forward and reverse side-current transaction

11) Business Relation and Important Transaction Details between Parent Company and Subsidiary and between Subsidiaries

Name of counterparty	Name of transaction party	Relationship with counterparty	Transaction conditions			
			Account name	Amount	Transaction terms	Ratio to consolidated total revenues or total assets
Grand Pacific Petrochemical Corporation	GPPC Chemical Corporation	Parent company vs. subsidiary	Sales revenues	$1,245,281	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.	6.85%
			Accounts receivable	4,482	The collection method is month-end settlement and the payment shall be received 45 days after the settlement. If the payment is not received as scheduled, the sale shall be treated as a sale on account and interest shall be charged at the Bank of Taiwan's annual interest rate for one-year fixed deposits as of January 1 of that year, but the credit period shall be limited to 3 months.	0.01%
			Other revenues	8,400	To be counted based on general transaction prices	0.05%
			Technical support revenues	4,164	As per the requirements in the contract (Entered as deduction of expense)	0.02%
	GPPC Investment Corp.	Parent company vs. subsidiary	Rent revenues	50	As per the requirements in the lease agreement	—
	GPPC Development Co., Ltd.	Parent company vs. subsidiary	Rent revenues	23	As per the requirements in the lease agreement	—
			Other revenues	253	As per the requirements in the contract	—
			Investment under the equity method	20,000	Rights issue	0.03%
			Endorsements/ guarantees	84,371	As per endorsements/guarantee operating procedures	0.14%
	Perfect Meat Co., Ltd.	Parent company vs. subsidiary	Rent revenues	40	As per the requirements in the lease agreement	—
	KK Enterprise Co., Ltd.	Parent company vs. subsidiary	Other revenues	791	As per the requirements in the Articles of Incorporation	—
	QuanZhou Grand Pacific Chemical Co., Ltd.	Parent company vs. subsidiary	Technical support revenues	32,801	As per the requirements in the contract (Entered as deduction of expense)	0.18%
			Other revenues	8,261	As per the requirements in the contract	0.05%
			Other receivables	8,261	Within 45 days on a monthly basis	0.01%

Name of counterparty	Name of transaction party	Relationship with counterparty	Transaction conditions			
			Account name	Amount	Transaction terms	Ratio to consolidated total revenues or total assets
			Investment under the equity method	3,433,392	Rights issue	5.59%
			Endorsements/ guarantees	15,428,000	As per endorsements/guarantee operating procedures	25.14%
GPPC Chemical Corporation	Grand Pacific Petrochemical Corporation	Subsidiary vs. parent company	Sales revenues	2,470	To be counted based on general transaction prices	0.01%
			Accounts receivable	42	Within 45 days on a monthly basis	—
			Rent revenues	72	As per the requirements in the lease agreement	—
Videoland Inc.	GPPC Development Co., Ltd.	Subsidiary vs. subsidiary	Investment under the equity method	80,000	Rights issue	0.13%
	KK Enterprise Co., Ltd.	Subsidiary vs. subsidiary	Other revenues	791	As per the requirements in the Articles of Incorporation	—
	ZW ENM Co., Ltd.	Parent company vs. subsidiary	Rent revenues	7	As per the requirements in the lease agreement	—
			Other receivables	7	Within 30 days on a monthly basis	—
GPPC Hospitality And Leisure Inc.	Grand Pacific Petrochemical Corporation	Subsidiary vs. parent company	Catering revenues	150	To be counted based on general transaction prices	—
	Videoland Inc.	Subsidiary vs. subsidiary	Catering revenues	66	To be counted based on general transaction prices	—
Land & Sea Capital Corp.	Grand Pacific Petrochemical Corporation	Subsidiary vs. parent company	Interest income	766	As stipulated in the loan agreement	—
KK Enterprise Co., Ltd.	KK Enterprise (Malaysia) Sdn Bhd.	Parent company vs. subsidiary	Sales revenues	13,617	To be counted based on general transaction prices	0.07%
			Endorsements/ guarantees	19,695	As per endorsements/guarantee operating procedures	0.03%
	KK Enterprise (Kunshan) Co., Ltd.	Parent company vs. subsidiary	Sales revenues	5,193	To be counted based on general transaction prices	0.03%
			Accounts receivable	48	Within 90 days on a monthly basis	
KK Enterprise (Zhongshan) Co., Ltd.	KK Enterprise (Kunshan) Co., Ltd.	Subsidiary vs. subsidiary	Sales revenues	8,467	To be counted based on general transaction prices	0.05%
			Accounts receivable	3,802	Within 90 days on a monthly basis	0.01%
KK Enterprise (Kunshan) Co., Ltd.	KK Enterprise (Zhongshan) Co., Ltd.	Subsidiary vs. subsidiary	Sales revenues	2,505	To be counted based on general transaction prices	0.01%
			Accounts receivable	340	Within 90 days on a monthly basis	—
	KK Enterprise (Malaysia) Sdn Bhd.	Parent company vs. subsidiary	Sales revenues	2,600	To be counted based on general transaction prices	0.01%

Note:

(1) In case of the same transaction between parent and subsidiary companies or among subsidiaries, there is no need for repeated disclosure. For example, if the parent company has disclosed the transaction between the parent company and the subsidiary, the subsidiary part does not need to disclose repeatedly; if the transaction among the subsidiaries has been disclosed by one of its subsidiaries, the other subsidiary need not be disclosed repeatedly.

(2) The calculation of the ratio of the transaction amount to the consolidated total revenue or total assets. If it is a balance sheet item, it should be calculated as the ending balance of the consolidated total assets; if it is a profit or loss item, it is calculated as the cumulative amount in the period as a percentage to the total consolidated revenue.

(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	USD384,850	Note (2)	$1,652,206 (USD52,830)	-	-	$1,652,206 (USD52,830)	$1,144,728	30.40%	$347,998	$4,814,748	$473,318 (USD15,496)
	Zhangzhou Chimei Chemical Co., Ltd.	Primary form plastics and synthetic resin manufacturing	CNY3,760,000	Note (2)	716,901 (USD23,340)	-	-	716,901 (USD23,340)	(485,887)	30.40%	(147,710)	4,957,682	-
	QuanZhou Grand Pacific Chemical Co., Ltd.	Propane dehydrogenation to propylene, polypropylene and hydrogen products	CNY2,278,800	Note (1)	6,585,732 (CNY1,519,200)	$3,433,392 (CNY759,600)	-	10,019,124 (CNY2,278,800)	(47,640)	100.00%	(47,640)	10,058,425	-
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)	(38,972)	50.00%	(19,391) Note (6)	39,511	51,688
	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)	(4,476)	100.00%	(4,398) Note (6)	197,413	41,010

Name of investor	Amount of accumulated investment remitted from Taiwan to the Mainland China at the 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	$12,388,231(USD76,170, CNY2,278,800)	$13,934,448 (USD453,743) (Note 8)	$21,664,705
KK Enterprise Co., Ltd.	$228,467(USD5,168, HKD6,150 and Machine USD827)	$228,467 (USD5,995, HKD6,150)	$596,932

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, 2022, the amount of accumulated investment by the Company toward Mainland China as approved by the Investment Commission, Ministry of Economic Affairs totaled at USD671,090 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 USD201,851 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:

QuanZhou Grand Pacific Chemical Co., Ltd., KK Enterprise (Zhongshan) Co., Ltd. and KK Enterprise (Kunshan) Co., Ltd. as included in the preparation of the consolidated financial statements because the Group's direct and indirect investment with more than 50% of comprehensive shareholding ratio. Those by and between the Group and QuanZhou Grand Pacific Chemical Co., Ltd., KK Enterprise (Zhongshan) Co., Ltd. and KK Enterprise (Kunshan) Co., Ltd. either directly or indirectly through the business in the third territory were eliminated in full upon preparation of the consolidated financial statements. For more detail regarding major transactions by and between the Group and the Mainland China based investees, please refer to Note 13(1) (2)-11.

In addition, the Group’s major transactions with Zhenjiang Chimei Chemical Co., Ltd. and Zhangzhou Chimei Chemical Co., Ltd. via a third territory based enterprises either directly or indirectly for the years ended December 31, 2022 and 2021 are 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, 2022 & December 31, 2022

		Sales revenues		Accounts receivable	
Company name of sales	Name of transaction object	Amount	Percentage of net sales	Amount	Percentage of total accounts receivable
Grand Pacific Petrochemical Corporation	Zhenjiang Chimei Chemical Co., Ltd.	$30,124	0.20%	$ -	-

② For the Year Ended December 31, 2021 & December 31, 2021

		Sales revenues		Accounts receivable	
Company name of sales	Name of transaction object	Amount	Percentage of net sales	Amount	Percentage of total accounts receivable
Grand Pacific Petrochemical Corporation	Zhenjiang Chimei Chemical Co., Ltd.	$18,285	0.10%	$ -	-

③ The transactions terms and conditions had been conducted as per the specified selling prices. The payments were collected 30 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: Nil

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 Other receivables (dividends receivable)

Type of related party	December 31, 2022	December 31, 2021
Zhenjiang Chimei Chemical Co., Ltd.	$ -	$ 939,259

② Prepayment of investment

Type of related party	December 31, 2022	December 31, 2021
Zhangzhou Chimei Chemical Co., Ltd.	$ -	$ 720,099

③ Acquisition of financial assets (capital increase in cash)

A. January 1 to December 31, 2022

Type of related party/Target of transaction	Item	Increase in investment		Percentage of shareholding	
		Number of shares (in thousands)	Amount	Before capital increase	After capital increase
Zhangzhou Chimei Chemical Co., Ltd.	Investment under the equity method	-	$ 2,007,700	30.40%	30.40%

B. January 1 to December 31, 2021

Type of related party/Target of transaction	Item	Increase in investment		Percentage of shareholding	
		Number of shares (in thousands)	Amount	Before capital increase	After capital increase
Zhangzhou Chimei Chemical Co., Ltd.	Investment under the equity method	-	$ 926,176	30.40%	30.40%

(4) Information of major shareholders:

December 31, 2022

Shares / Name of major shareholders	Number of shares held	Percentage of shareholding
KGI Securities Co., Ltd.	85,091,000	9.18%

Note: 1. The information on major shareholders in this table is based on the total number of common shares and preferred shares held by the shareholders of the Company that have been delivered by book-entry operation (including treasury shares) of at least 5% on the last business day of each quarter, as indicated by Taiwan Depositary and Clearing Corporation. The number of shares recorded in the Company's financial statements and the actual number of shares delivered by book-entry operation may differ due to different bases of calculation.

2. The above information is shown by the trustor's individual sub-account of the trustee's trust account if the shareholding is delivered to the trust by the shareholder. As for the shareholder's shareholding of more than 10% of insider shares reported under the Securities and Exchange Act, the shareholding includes his or her own shares plus the shares delivered to the trust for which he or she has the right to decide the use of the trust property, etc. Please refer to the Market Observation Post System for information on insider shareholding

reporting.

14. Information of the operating segments

(1) The “operating segments” as set forth herein were business composing units which would comport with the following characteristics:

1) The operating activities to obtain revenues and incur expenses.

2) Where the operating results would be regularly rechecked by the enterprise’s decision-makers to formulate decisions to allocate resources of the segments and to evaluate the performance of the segments

3) With individual and separable financial information.

(2) Based on the view of the operating decision-makers, the Group would recheck the link up with various managerial departments and the products and labor services. The operating units were classified into three reportable operating segments:

1) Petrochemistry Department: That department was responsible for the production, processing and trading of related products and their products using styrene as raw materials.

2) Television Media Department: That department was responsible for TV program production, import and export agency distribution of cable TV programs and various advertising agencies and the planning and production thereof.

3) Packaging Materials Department: That department was responsible for manufacturing, processing and trading of various packaging materials such as trademark paper and release paper.

Other operating activities not reported by the Group and related information of the operating segments are consolidated and disclosed under "Other Departments".

(3) The departments required to be reported to the Group were strategic business units to provide different products and labor services. Each strategic business unit would call for different technologies and marketing strategies, so they must be managed separately.

(4) Here in the Group, the management individually monitored the operating results of the business units to formulate resource distribution and performance evaluation decisions. The performance of the operating segment was measured based on operating profit or loss, and the amount so measured was provided to the chief operating decision maker to allocate resources to the department and evaluate its performance and, in turn, adopted the consistent method of operating profit or loss in the consolidated financial report. The operating cost of the headquarters in the consolidated financial report, income tax expense (gain) and non-recurring profit or loss (non-operating income and expenditure) were, nevertheless, based on the management of the parent company, and was not distributed to the reportable department. The reported amount and the report used by the operating decision maker proved consistent. The transfer price between the operating segments was based on the regular transactions as similar to external third parties. The operating segment’s accounting policies were roughly the same as those shown in Note 4 to Consolidated Financial Statements.

(5) Financial information of the operating segments

1) For the Year Ended December 31, 2022 & December 31, 2022

Items	Petrochemistry Dept.	TV Media Dept.	Packaging Material Dept.	Other Departments	Adjustment (reconciliation) and elimination	Total
Revenues						
Revenues from external customers	$ 15,157,431	$ 1,858,764	$ 1,150,822	$ 9,609	$ -	$ 18,176,626
Revenues between segments	1,247,751	-	32,382	216	(1,280,349)	-
Total revenues	$ 16,405,182	$ 1,858,764	$ 1,183,204	$ 9,825	($ 1,280,349)	$ 18,176,626
Segment profit or loss	($ 952,376)	$ 303,905	$ 10,125	($ 158,907)	$ 10,167	($ 787,086)
Non-operating revenues and expenditures						771,476
Net profit before tax from continuing operations unit						($ 15,610)
Segment profit or loss include:						
Depreciation & amortization	$ 559,966	$ 544,720	$ 51,951	$ 91,421	$ -	$ 1,248,058
Segment assets	$ -	$ -	$ -	$ -	$ 61,371,545	$ 61,371,545
Segment liabilities	$ -	$ -	$ -	$ -	$ 25,263,704	$ 25,263,704

2) For the Year Ended December 31, 2021 & December 31, 2021

Items	Petrochemistry Dept.	TV Media Dept.	Packaging Material Dept.	Other Departments	Adjustment (reconciliation) and elimination	Total
Revenues						
Revenues from external customers	$ 19,001,130	$ 2,012,381	$ 1,523,766	$ 10,076	$ -	$ 22,547,353
Revenues between segments	1,550,909	-	65,390	350	(1,616,649)	-
Total revenues	$ 20,552,039	$ 2,012,381	$ 1,589,156	$ 10,426	($ 1,616,649)	$ 22,547,353
Segment profit or loss	$ 2,452,818	$ 383,450	$ 113,525	($ 43,628)	$ 6,639	$ 2,912,804
Non-operating revenues and expenditures						4,444,495
Net profit before tax from continuing operations unit						$ 7,357,299
Segment profit or loss include:						
Depreciation & amortization	$ 571,453	$ 705,814	$ 65,318	$ 4,932	($ 57)	$ 1,347,460
Segment assets	$ -	$ -	$ -	$ -	$ 48,912,979	$ 48,912,979
Segment liabilities	$ -	$ -	$ -	$ -	$ 9,682,439	$ 9,682,439

3) Descriptions on adjustment (reconciliation) and elimination

A. The revenues between segments were eliminated upon consolidation.

B. The adjustment (reconciliation) and elimination of segment profit or loss were primarily subject to the elimination of profit or loss between the segments at the moment of consolidation.

C. Where the amounts to be measured amidst assets and liabilities between segments were not the indications for measurement by decision-makers, the amount to measure assets and liabilities to be disclosed was NT$0. The amounts of unamortized assets and liabilities were recorded under items of adjustment (reconciliation).

(6) Revenues of main products and labor services

Please see descriptions of Note 6 (39)

(7) Territories information

The Group's revenues coming from external customers have been classified based on the locations where the sales or labor services were provided, and the noncurrent assets were classified based on the locations where the assets were in, the territories information is as follows:

	Revenues from external customers		Noncurrent assets	
Territory	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021	December 31, 2022	December 31, 2021
Taiwan	$ 12,183,076	$ 13,979,077	$ 10,723,124	$ 7,450,924
Mainland China	4,349,454	7,031,741	19,112,028	7,331,502
Asia	1,088,706	920,732	47,999	48,260
Americas	299,618	452,128	-	-
Africa	230,436	129,100	-	-
Europe	18,171	29,860	-	-
Oceania	7,165	4,715	-	-
Total	$ 18,176,626	$ 22,547,353	$ 29,883,151	$ 14,830,686

Note: Noncurrent assets exclude noncurrent assets held for sale, financial instruments, deferred income tax assets, post-employment benefits assets as well as assets generated by insurance contracts.

(8) Information on key customers

A single customer with revenues reaching for over 10% of the net consolidated operating revenues of the Group for the years ended December 31, 2022 and 2021, the details were as follows:

	Year Ended December 31, 2022				Year Ended December 31, 2021		
Customers	Amount	% to net operating revenues	Segment to be reported	Customers	Amount	% to net operating revenues	Segment to be reported
Company A	$ 3,332,952	18.34%	Petrochemistry Department	Company A	$ 3,920,651	17.39%	Petrochemistry Department

V. The Company's parent company only financial statement duly certified by certified public accountants in the most recent year

Grand Pacific Petrochemical Corporation

Independent Auditors' Report

To: The Board of Directors and Shareholders of Grand Pacific Petrochemical Corporation

Audit Opinions

We, as the CPAs, have completed the audit of the parent company only balance sheets dated December 31 of 2022 and 2021 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 notes of parent company only financial statement for the years ended December 31 of 2022 and 2021, 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, 2022 and 2021 and the parent company only financial performance and parent company only cash flows for the years ended December 31, 2022 and 2021.

Bases for the Audit Opinions

We followed the Rules Governing the Audit of Financial Statements by Certified Public Accountants and 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 2022 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 2022 parent company only financial statement of Grand Pacific Petrochemical Corporation are specified as follows:

Recognition of Income

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 (31) 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, 2022, the book value of property, plant, and equipment owned by Grand Pacific Petrochemical Corporation totaled $5,030,075 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, 2022 totaled $30,558,456 thousand, accounting for around 78% 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 $(160,396) thousand, accounting for around 19% 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 2022 and 2021 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, 2022 and 2021, was $9,852,348 thousand and $11,617,564 thousand, accounting for 25.03% and 28.55% of the total value, respectively. The portions of profits and losses indirectly recognized adopting the equity method for the years ended December 31, 2022 and 2021, was $201,167 thousand and $4,091,925 thousand, accounting for (23.85%) and 55.47% 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 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 our professional doubts while performing the audit according to 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 2022 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 14, 2023

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

The accompanying parent company only financial statements are intended only to present the parent company only 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 parent company only financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying parent company only 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 parent company only financial statements shall prevail.

Grand Pacific Petrochemical Corporation
PARENT COMPANY ONLY BALANCE SHEETS
For the years ended December 31, 2022 and 2021

Expressed in Thousands of New Taiwan Dollars

Codes	Assets	December 31, 2022 Amount	%	December 31, 2021 Amount	%
11xx	Current assets	$ 2,830,990	7	$ 6,897,635	17
1100	Cash & cash equivalents	342,754	1	2,630,126	6
1150	Net notes receivable	950	-	4,307	-
1170	Net accounts receivable	1,064,477	3	1,445,664	4
1180	Accounts receivable - related parties	4,482	-	-	-
1200	Other receivables	34,996	-	57,680	-
1210	Other receivables - related parties	8,261	-	377	-
1310	Net inventories	1,262,365	3	1,816,817	5
1410	Prepayments	88,051	-	100,999	-
1476	Other financial assets - current	24,654	-	841,665	2
15xx	Non-current assets	36,532,678	93	33,788,981	83
1517	Financial assets at fair value through other comprehensive income - noncurrent	363,605	1	472,251	1
1550	Investments accounted for using equity method	30,558,456	78	27,577,191	68
1600	Property, plant and equipment	5,030,075	13	5,198,363	13
1755	Right-of-use assets	313,133	1	335,352	1
1760	Investment property, net	155,964	-	156,973	-
1840	Deferred income tax assets	59,949	-	41,758	-
1920	Refundable deposits	6,788	-	6,823	-
1932	Long-term receivables	210	-	270	-
1975	Net defined benefit assets - noncurrent	44,498	-	-	-
1xxx	Total assets	$ 39,363,668	100	$ 40,686,616	100

Codes	Liabilities and Equity	December 31, 2022 Amount	%	December 31, 2021 Amount	%
21xx	Current liabilities	$ 3,375,182	9	$ 3,850,060	10
2100	Short-term loans	1,747,000	5	1,124,846	3
2110	Short-term notes payable	299,312	1	-	-
2130	Contract liabilities - current	14,212	-	15,604	-
2170	Accounts payables	869,621	2	1,372,311	3
2180	Accounts payables - related parties	42	-	-	-
2200	Other payables	178,753	-	625,209	2
2220	Other payables - related parties	150	-	14,422	-
2230	Current income tax liabilities	222,253	1	647,053	2
2250	Provisions - current	11,640	-	13,148	-
2280	Lease liabilities - current	28,125	-	34,344	-
2310	Advances receipts	867	-	-	-
2399	Other current liabilities - Other	3,207	-	3,123	-
25xx	Noncurrent liabilities	3,236,256	8	1,370,301	3
2540	Long-term loans	1,900,000	5	-	-
2550	Provisions - noncurrent	16,713	-	15,028	-
2570	Deferred income tax liabilities	990,481	2	980,493	2
2580	Lease liabilities - noncurrent	302,248	1	316,554	1
2640	Net defined benefit liabilities - noncurrent	1,725	-	32,703	-
2645	Guarantee deposits received	2,897	-	3,331	-
2670	Other noncurrent liabilities - other	22,192	-	22,192	-
2xxx	Total liabilities	6,611,438	17	5,220,361	13
31xx	Equity				
3100	Share capital	9,266,203	23	9,266,203	23
3110	Common shares capital	9,066,203	23	9,066,203	22
3120	Preferred shares capital	200,000	-	200,000	1
3200	Capital reserve	201,866	1	186,459	-
3300	Retained earnings	23,976,823	61	26,282,842	65
3310	Legal reserve	3,170,794	8	2,411,833	6
3320	Special reserve	1,640,828	4	1,640,828	4
3350	Undistributed earnings	19,165,201	49	22,230,181	55
3400	Other equity	(642,804)	(2)	(219,391)	(1)
3410	Exchange differences on translating financial statements of foreign operations	(213,390)	(1)	(672,627)	(2)
3420	Unrealized valuation gain/loss of financial assets at fair value through other comprehensive income	(429,414)	(1)	453,236	1
3500	Treasury stocks	(49,858)	-	(49,858)	-
3xxx	Total equity	32,752,230	83	35,466,255	87
3x2x	Total liabilities and equity	$ 39,363,668	100	$ 40,686,616	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, 2022 and 2021

Expressed in Thousands of New Taiwan Dollars

Codes	Items	Year Ended December 31, 2022 Amount	%	Year Ended December 31, 2021 Amount	%
4000	Operating revenues	$ 14,723,385	100	$18,163,272	100
5000	Operating costs	(15,018,771)	(102)	(15,216,125)	(84)
5900	Total amount of gross operating profit (loss)	(295,386)	(2)	2,947,147	16
5910	Unrealized sales loss	1,358	-	6,034	-
5920	Realized sales gain (loss)	(6,034)	-	4,267	-
5950	Net gross operating profit (loss)	(300,062)	(2)	2,957,448	16
6000	Operating expenses	(404,882)	(3)	(745,432)	(4)
6100	Selling expenses	(200,586)	(2)	(254,334)	(1)
6200	Administrative expenses	(179,199)	(1)	(461,681)	(3)
6300	Research and development expenses	(25,097)	-	(29,417)	-
6900	Net operating income (loss)	(704,944)	(5)	2,212,016	12
	Non-operating revenues and expenses				
7100	Interest revenue	11,776	-	19,962	-
7010	Other revenues	64,523	-	40,496	-
7020	Other gains and losses	108,047	1	(5,033)	-
7050	Finance costs	(33,422)	-	(4,349)	-
7070	Share of profit or loss of subsidiaries, associates & joint ventures accounted for using equity method	258,255	2	4,253,382	24
7000	Total non-operating revenues and expenses	409,179	3	4,304,458	24
7900	Net profit (loss) before tax from continuing operations unit	(295,765)	(2)	6,516,474	36
7950	Income tax expenses	(198,047)	(1)	(635,313)	(4)
8200	Net profit (loss) for the year	(493,812)	(3)	5,881,161	32
	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	(108,646)	(1)	187,167	1
8311	Remeasurements of the defined benefit plan	67,743	-	(2,875)	-
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	(754,345)	(5)	1,466,051	8
8349	Income tax related to items that will not be reclassified subsequently	(13,548)	-	575	-
8310	Total Items that will not be reclassified subsequently to profit or loss	(808,796)	(6)	1,650,918	9
	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	335,694	2	(123,890)	(1)
8399	Income tax related to items that may be reclassified subsequently	123,543	1	(31,043)	-
8360	Items that may be reclassified subsequently to profit or loss	459,237	3	(154,933)	(1)
8300	Current other comprehensive income (net after tax)	(349,559)	(3)	1,495,985	8
8500	Total comprehensive income for the year	($ 843,371)	(6)	$ 7,377,146	40
	Earnings (loss) per share in ordinary shares: (NT$)				
9750	Basic earnings (loss) per share	($ 0.56)		$ 6.47	
9850	Diluted earnings per share			$ 6.45	

(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, 2022 and 2021

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, 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
A1	Balance at January 1, 2022	$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
	Appropriation & distribution of earnings for fiscal year 2021:										
B1	Provision of legal reserve	-	-	-	758,961	-	(758,961)	-	-	-	-
B5	Cash dividends to common shares	-	-	-	-	-	(1,813,241)	-	-	-	(1,813,241)
B7	Cash dividends and dividends to preferred shares	-	-	-	-	-	(52,000)	-	-	-	(52,000)
D1	Net profit for the year ended December 31, 2022	-	-	-	-	-	(493,812)	-	-	-	(493,812)
D3	Other comprehensive income after tax for the year ended December 31, 2022	-	-	-	-	-	73,854	459,237	(882,650)	-	(349,559)
M1	Adjustment to capital surplus for distribution of dividends to subsidiary	-	-	4,617	-	-	-	-	-	-	4,617
M7	Change in equity to subsidiaries	-	-	10,790	-	-	(20,820)	-	-	-	(10,030)
Z1	Balance at December 31, 2022	$9,066,203	$200,000	$201,866	$3,170,794	$1,640,828	$19,165,201	($213,390)	($429,414)	($49,858)	$32,752,230

(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, 2022 and 2021

Expressed in Thousands of New Taiwan Dollars

Codes	Items	Year ended December 31, 2022	Year ended December 31, 2021
AAAA	CASH FLOWS FROM OPERATING ACTIVITIES:		
A00010	Net profit (loss) before tax from continuing operations unit	($ 295,765)	$ 6,516,474
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)	528,390	542,147
A20900	Interest expenses	33,246	4,349
A21200	Interest income	(11,776)	(19,962)
A21300	Dividend revenue	(27,169)	(17,693)
A22400	Share of losses (gains) of subsidiaries, associates & joint ventures accounted for using equity method	(258,255)	(4,253,382)
A22500	Net loss on disposal of property, plant and equipment	10	76
A22600	Property, plant and equipment transferred to expenses	21,134	25,161
A23700	Impairment loss on non-financial assets	-	2,500
A23900	Unrealized sales loss	(1,358)	(6,034)
A24000	Realized sales (gain) loss	6,034	(4,267)
A20010	Total gain and expense loss not result influence on cash flows	290,256	(3,727,105)
A30000	Changes in assets/liabilities relating to operation activities		
A31130	(Increase) decrease in notes receivable	3,357	(2,519)
A31150	Decrease in accounts receivable	381,187	97,644
A31160	(Increase) decrease in accounts receivable - related parties	(4,482)	7,724
A31180	(Increase) decrease in other receivables	21,102	(45,142)
A31190	Increase in other receivables - related parties	(7,884)	(377)
A31200	(Increase) decrease in inventories	554,452	(972,056)
A31230	(Increase) decrease in prepayments	12,948	(42,508)
A31990	Increase in other operating assets	(7,866)	-
A32125	Decrease in contract liabilities	(1,392)	(23,325)
A32150	Increase (decrease) in accounts payable	(502,690)	427,770
A32160	Increase in accounts payable - related parties	42	-
A32180	Increase (decrease) in other payables	(435,064)	224,344
A32190	Increase (decrease) in other payables - related parties	(14,272)	14,422
A32200	Increase in provisions	142	560
A32210	Increase (decrease) in advance receipts	867	(128)
A32230	Increase in other current liabilities - other	84	137
A32240	Increase (decrease) in net defined benefit liabilities	133	(6,262)
A30000	Total net changes in assets/liabilities relating to operating activities	664	(319,716)
A33000	Cash provided (used) generated from operations	(4,845)	2,469,653
A33100	Interest received	13,358	20,948
A33200	Dividend received	452,354	262,038
A33300	Interest paid	(31,669)	(4,115)
A33500	Income tax paid	(644,598)	(301,745)
AAAA	Net cash provided (used) in operating activities	(215,400)	2,446,779

(Continued on the next page)

(Brought Forward)

Codes	Items	Year ended December 31, 2022	Year ended December 31, 2021
BBBB	CASH FLOWS FROM INVESTING ACTIVITIES:		
B01800	Acquisition of investment accounted for using equity method	(3,453,392)	(3,334,644)
B02400	Refund of share payment under capital decrease from the investee accounted for using equity method.	-	833,250
B02700	Acquisition of property, plant and equipment	(359,028)	(226,810)
B03800	Increase (decrease) in refundable deposits	35	(174)
B06600	Decrease in other financial assets	817,011	758,335
B06800	(Increase) decrease in other noncurrent assets - other	60	(217)
BBBB	Net cash used in investing activities	(2,995,314)	(1,970,260)
CCCC	CASH FLOWS FROM FINANCING ACTIVITIES:		
C00100	Increase in short-term loans	622,154	724,846
C00500	Increase in short-term notes payable	300,000	-
C01600	Proceeds from long-term loans	1,900,000	-
C01700	Repayments of long-term loans	-	(400,000)
C03100	Increase (decrease) in guarantee deposits received	(434)	1,245
C04020	Repayment of lease principal	(33,137)	(16,502)
C04500	Payout of cash dividends	(1,865,241)	(104,662)
C09900	Transfer of dividends not collected after deadline to capital reserve	-	14
CCCC	Net cash provided (used) in financing activities	923,342	204,941
EEEE	Net increase (decrease) in cash and cash equivalents for the year	(2,287,372)	681,460
E00100	Cash and cash equivalents, beginning of year	2,630,126	1,948,666
E00200	Cash and cash equivalents, end of year	$ 342,754	$ 2,630,126
E00210	Cash & cash equivalents recorded in parent company only balance sheets	$ 342,754	$ 2,630,126

(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, 2022 and 2021
(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's head office registered address and factory are located in Dashe District, Kaohsiung City, and the Taipei office address is 8F, No. 135, Dunhua North Road, Songshan District, Taipei City. 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 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 14, 2023.

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. 1100362952 of FSC as of July 26, 2021, 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 2022.

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 New Conceptual Framework"	January 1, 2022
Annual Improvements to IFRS Standards 2018–2020 Cycle	January 1, 2022

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 2023:

New issuance, revised and amended standards and interpretations	Effective date issued by IASB
Amendments to IASB 1 “Disclosure of Accounting Policies”	January 1, 2023
Amendments to IASB 8 “Definition of Accounting Estimates”	January 1, 2023
Amendment to IFRS 12 “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction”	January 1, 2023

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
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 IASB 1 “Classification of Liabilities as Current or Noncurrent”	January 1, 2024
Amendments to IASB 1 “Non-current Liabilities with Contractual Terms”	January 1, 2024
Amendments to IFRS 16 "Lease liability in a sale and leaseback"	January 1, 2024
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 balance of the estimated selling price in the ordinary course of business less the estimated costs remaining to be invested to completion and the estimated costs necessary to complete the sale.

(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. For property, plant and equipment under construction, samples produced while testing the proper functioning of these assets before they reach their intended use are measured at the lower of cost or net realizable value, and the selling price and cost are recognized in profit or loss.

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$1,113,166 thousand and NT$1,508,028 thousand, respectively as of December 31, 2022 and 2021,

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, 2022 and 2021, the carrying amount of the Company's inventories was NT$1,262,365 thousand and NT$1,816,817 thousand, respectively. (After deducting loss on allowance for obsolescence and market price decline of inventories of NT$53,958 thousand and NT$64,473 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, 2022 and 2021, the Company's holdings of unlisted (OTC) company stocks and limited partnership investments showed the carrying amounts of NT$95,257 thousand and NT$99,546 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, 2022 and 2021, there is no material investment impairment loss based on the Company's careful evaluation.

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, 2022 and 2021, the accumulated impairment of tangible assets recognized by the Company was NT$37,500 thousand and NT$43,700 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, 2022 and 2021, the deferred income tax assets recognized by the Company were NT$59,949 thousand and NT$41,758 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, 2022 and 2021, the carrying amounts of the Company’s long-term employee benefits liabilities (including net defined benefit liabilities and provisions - noncurrent) were NT$14,361 thousand and NT$43,689 thousand, respectively; the carrying amounts of the net defined benefit assets - noncurrent were NT$44,498 thousand and NT$0 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, 2022	December 31, 2021
Cash and petty cash	$ 354	$ 153
Checking deposits	98	282
Demand deposits	15,481	1,708,835
Deposit in foreign currency	316,169	9,927
Time deposits with original maturity within three months	10,652	307,504
Bills & bonds under Repurchase Agreements	-	603,425
Total	$ 342,754	$ 2,630,126

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

2) As of December 31, 2022 and 2021, the interest rate range in the market for the Company’s time deposit with original maturity within three months was 0.90% and 0.18% to 0.35% per annum, respectively, either floating or on a fixed rate basis.

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

(2) Notes receivable

Items	December 31, 2022	December 31, 2021
Total notes receivable	$ 950	$ 4,307
Less: Allowance loss	-	-
Net	$ 950	$ 4,307

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, 2022	December 31, 2021
Total accounts of receivable	$ 1,064,477	$ 1,445,664
Less: Allowance loss	-	-
Subtotal	1,064,477	1,445,664
Total accounts receivable - related parties	4,482	-
Less: Allowance loss	-	-
Subtotal	4,482	-
Net	$ 1,068,959	$ 1,445,664

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, 2022			December 31, 2021		
	Total amount	Allowance loss	Net	Total amount	Allowance loss	Net
Not overdue	$ 1,024,488	$ -	$ 1,024,488	$ 1,343,981	$ -	$ 1,343,981
1 - 30 days overdue	44,471	-	44,471	101,683	-	101,683
31 - 90 days overdue	-	-	-	-	-	-
91 - 180 days overdue	-	-	-	-	-	-
181 - 365 days overdue	-	-	-	-	-	-
More than 365 days overdue	-	-	-	-	-	-
Total	$ 1,068,959	$ -	$ 1,068,959	$ 1,445,664	$ -	$ 1,445,664

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.

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, 2022		December 31, 2021	
Interest receivable	$	13	$	1,595
Tax refund receivable		32,692		55,486
Allowance receivable		2,181		-
Others		110		599
Total	$	34,996	$	57,680

(5) Inventories

Items	December 31, 2022 Cost	Valuation allowance	Carrying amount	December 31, 2021 Cost	Valuation allowance	Carrying amount
Raw materials	$ 301,490	$ 13,872	$ 287,618	$ 330,305	$ 5,733	$ 324,572
Supplies	192,059	7,889	184,170	228,089	89	228,000
Work in process	66,086	2,049	64,037	68,763	6,292	62,471
Partly-finished goods	417,730	20,028	397,702	543,161	51,466	491,695
Finished goods	193,430	9,732	183,698	290,544	529	290,015
By-products	2,571	388	2,183	2,743	364	2,379
Inventory in transit	142,957	-	142,957	417,685	-	417,685
Total	$ 1,316,323	$ 53,958	$ 1,262,365	$ 1,881,290	$ 64,473	$ 1,816,817

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

Items	Year Ended December 31, 2022	Year Ended December 31, 2021
Inventory sales transferred to cost of sales	$ 14,830,190	$ 15,105,105
Plus: Unamortized labor and manufacturing overhead	230,712	53,094
Plus: Loss on Inventories(net)	-	131
Plus: Loss on net realizable value of inventory	-	62,983
Less: Recovery in net realizable value of inventory	(10,515)	-
Less: Profit on Inventories(net)	(26,179)	-
Less: income of off-grades & scrap material sold	(5,437)	(5,188)
Account recorded in operating costs	$ 15,018,771	$ 15,216,125

2) The Company’s operating costs, including the gain (loss) in net realizable value of inventory for the years ended December 31, 2022 and 2021 were (NT$10,515) thousand and 62,983 thousand, respectively,. The increase in net realizable value of inventories was mainly due to the stabilization of sales prices of products in specific markets and the destocking of inventories. The loss in net realizable value of inventories is due to the decrease in selling prices of products in certain markets.

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

(6) Prepayments

Items	December 31, 2022	December 31, 2021
Prepayment of short-term lease agreement fees/rent	$ 95	$ 517
Prepayment on sales	38,903	35,311
Prepayment of insurance premium	14,901	14,397
Prepaid service fees	1,500	3,300
Input tax	19,049	29,950
Tax credit	12,373	12,690
Others	1,230	4,834
Total	$ 88,051	$ 100,999

(7) Other financial assets - current

Items	December 31, 2022	December 31, 2021
Time deposits with original maturity more than three months	$ 24,654	$ 841,665

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, 2022 and 2021, the interest rate range in the market for the time deposits with original maturity of over three months in bank were 2.38% - 3.00% and 2.50% - 3.00%.

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, 2022	December 31, 2021
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: Evaluation adjustment	60,791	169,437
Net	$ 363,605	$ 472,251

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) The Company's net gain (loss) recognized in other comprehensive income for the years ended December 31, 2022 and 2021 due to changes in fair value were (NT$108,646) thousand and NT$187,167 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 thousand for both.

3) 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, 2022			December 31, 2021		
Name of subsidiary		Carrying amount	Shareholding %		Carrying amount	Shareholding %
GPPC Chemical Corporation	$	567,418	100.00%	$	846,574	100.00%
GPPC Investment Corp.		263,832	81.60%		289,601	81.60%
GPPC Development Co., Ltd.		25,242	30.43%		46,494	38.46%
Videoland Inc.		5,277,995	62.29%		5,837,706	62.29%
KK Enterprise Co., Ltd.		144,109	15.73%		149,675	15.73%
Goldenpacific Equities Ltd.		632,531	100.00%		680,423	100.00%
Land & Sea Capital Corp.		13,588,904	100.00%		13,066,743	100.00%
QuanZhou Grand Pacific Chemical Co., Ltd.		10,058,425	100.00%		6,659,975	100.00%
Total	$	30,558,456		$	27,577,191	

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$3,334,644 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 Jing-Shen-II-Zi No. 11000003840 dated January 21, 2021.

4) The Company remitted NT$3,433,392 thousand in March 2022 as the third phase investment in the capital increase of QuanZhou Grand Pacific Chemical Co., Ltd. The verification of capital increase was completed on April 25, 2022. The investment was approved by the Investment Commission, Ministry of Economic Affairs via Letter Jing-Shen-II-Zi No. 11100001240 dated January 22, 2022.

5) GPPC Development Co., Ltd. increased its capital by 10,000 thousand shares for NT$100,000 thousand on December 2, 2022. The Company subscribed 2,000 thousand shares at NT$10 per share for NT$20,000 thousand in total. The Company's shareholding ratio decreased from 38.46% to 30.43% because the Company did not subscribe in proportion to its shareholding. Since the above transaction did not change the Company's control over GPPC Development Co., Ltd., it was treated as an equity transaction. The difference of NT$10,889 thousand from this equity transaction was recorded as capital surplus - recognition of change in ownership interest in a subsidiary.

6) 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.

7) The shares of profits and losses and other comprehensive income of subsidiaries accounted for using the equity method for the years ended December 31, 2022 and 2021 were recognized based on the financial statements audited by CPAs during the same period of respective subsidiaries

8) 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, 2022 and 2021 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.

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

	Year Ended December 31, 2022		Year Ended December 31, 2021	
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	$ 48,045	($ 55,252)	$ 294,674	$ 109,773
GPPC Investment Corp.	(8,604)	(17,165)	(8,524)	66,686
GPPC Development Co., Ltd.	(52,141)	-	(1,391)	-
Videoland Inc.	158,504	(555,109)	237,223	1,136,667
KK Enterprise Co., Ltd.	3,995	1,547	14,133	(744)
Goldenpacific Equities Ltd.	(106)	(47,786)	1,063	130,653
Land & Sea Capital Corp.	156,202	365,959	3,682,625	(71,576)
QuanZhou Grand Pacific Chemical Co., Ltd.	(47,640)	12,698	33,579	(60,341)
Total	$ 258,255	($ 295,108)	$ 4,253,382	$ 1,311,118

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, 2022	Year Ended December 31, 2021
Share of other comprehensive income of subsidiary accounted for using the equity method		
- Items that will not be reclassified subsequently to profit or loss	($ 754,345)	$ 1,466,051
- Items that may be reclassified to profit or loss	335,694	(123,890)
- Income tax related to items that may be reclassified to profit/loss	123,543	(31,043)
Total	($ 295,108)	$ 1,311,118

10) 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, 2022 and 2021 to (NT$1,358) thousand and (NT$6,034) thousand, respectively. The value of investments accounted for using the equity method adjusted up (down) for realized sales income (loss), on the other hand, was (NT$6,034) thousand and NT$4,267 thousand, respectively.

11) 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, 2022 and 2021 was NT$425,185 thousand and NT$244,345 thousand, respectively.

12) For the years ended December 31, 2022 and 2021, the Company reduced its investment accounted for using the equity method by NT$20,919 thousand and NT$0 due to the change in ownership interest in subsidiaries.

13) 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, 2022 and 2021 was NT$4,617 thousand and NT$1,243 thousand, respectively. Please refer to Note 6 (30) for details.

14) The disposal of the Company’s shares by subsidiaries during the years ended December 31, 2022 and 2021 was treated as the transaction of treasury stocks. Hence, the investment under the equity method was increased by NT$0 thousand and NT$8,157 thousand , respectively. Please refer to Note 6 (30).

15) The accumulated gains were transferred to retained earnings due to the disposal of investments by subsidiaries during the years ended December 31, 2022 and 2021. According to its shareholdings, the Company adjusted unrealized valuation gains and retained earnings by NT$0 thousand and NT$1,709,513, thousand respectively, via the financial assets measured at fair value through other comprehensive income.

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

17) With regards to the information on subsidiaries of the Company, please refer to Note 4 (3) of the Company’s 2022 consolidated financial statement.

18) 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, 2022	December 31, 2021
Land	$ 3,052,970	$ 3,052,970
Buildings & constructions	1,202,059	1,199,845
Machinery & equipment	11,615,462	11,523,869
Transportation facilities	34,738	34,738
Other equipment	1,307,273	1,297,125
Construction in progress and Equipment to be inspected	35,239	33,221
Total costs	17,247,741	17,141,768
Less: Accumulated depreciation	(12,180,166)	(11,899,705)
Less: Accumulated impairment	(37,500)	(43,700)
Net	$ 5,030,075	$ 5,198,363

Items	Land	Buildings & constructions	Machinery & equipment	Transportation facilities	Other equipment	Construction in progress and equipment to be inspected	Total
Cost:							
Balance at January 1, 2022	$ 3,052,970	$ 1,199,845	$ 11,523,869	$ 34,738	$ 1,297,125	$ 33,221	$ 17,141,768
Addition	-	1,449	78,879	-	227,519	37,559	345,406
Disposal	-	-	(16,241)	-	(195,858)	-	(212,099)
Reclassification (Note)	-	765	28,955	-	(21,513)	(35,541)	(27,334)
Balance at December 31, 2022	$ 3,052,970	$ 1,202,059	$ 11,615,462	$ 34,738	$ 1,307,273	$ 35,239	$ 17,247,741
Accumulated depreciation and impairment loss:							
Balance at January 1, 2022	$ -	$ 755,324	$ 10,346,422	$ 30,354	$ 811,305	$ -	$ 11,943,405
Depreciation expenses	-	31,740	337,098	1,976	121,736	-	492,550
Disposal	-	-	(16,241)	-	(195,848)	-	(212,089)
Reclassification (Note)	-	-	-	-	(6,200)	-	(6,200)
Balance at December 31, 2022	$ -	$ 787,064	$ 10,667,279	$ 32,330	$ 730,993	$ -	$ 12,217,666

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

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. Some of the space of its own property was leased to others as operating lease. Please refer to Note 6(11) -5 for the detailed lease information.

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, 2022	Year Ended December 31, 2021
Increase in property, plant and equipment	$ 345,406	$ 251,052
Plus: (Increase) Decrease in the payables for equipment	13,622	(24,242)
Amounts paid in cash	$ 359,028	$ 226,810

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 see Note 6(12) for more details.

6) For the years ended December 31, 2022 and 2021 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 NT$0 less than the carrying amount so that it would recognize the impairment loss of this equipment amounting to NT$0 thousand and NT$2,500 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 was 12.37%. As of December 31, 2022 and 2021, the Company recognized that the accumulated impairment amounts for property, plant and equipment were NT$37,500 thousand and NT$43,700 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, 2022	December 31, 2021
Buildings & constructions	$ 367,617	$ 355,005
Machinery & equipment	35,377	35,377
Total costs	402,994	390,382
Less: Accumulated depreciation	(89,861)	(55,030)
Less: Accumulated impairment	-	-
Net	$ 313,133	$ 335,352

Items	Buildings & constructions	Machinery & equipment	Total
Cost:			
Balance at January 1, 2022	$ 355,005	$ 35,377	$ 390,382
Addition/Remeasurement	12,612	-	12,612
Addition/decommissioning costs	-	-	-
Disposal/Derecognition	-	-	-
Balance at December 31, 2022	$ 367,617	$ 35,377	$ 402,994
Accumulated depreciation:			
Balance at January 1, 2022	$ 30,058	$ 24,972	$ 55,030
Depreciation expenses	26,507	8,324	34,831
Disposal/Derecognition	-	-	-
Balance at December 31, 2022	$ 56,565	$ 33,296	$ 89,861

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

2) Lease liabilities

Items	December 31, 2022		December 31, 2021	
	Current	Noncurrent	Current	Noncurrent
Buildings & constructions	$ 25,308	$ 302,248	$ 25,229	$ 314,442
Machinery & equipment	2,817	-	9,115	2,112
Total	$ 28,125	$ 302,248	$ 34,344	$ 316,554

Items	Buildings & constructions	Machinery & equipment	Total

Lease liabilities:						
Balance at January 1, 2022	$	339,671	$	11,227	$	350,898
Addition/Remeasurement		12,612		-		12,612
Disposal/Derecognition		-		-		-
Repayment of principal of lease liabilities	(	24,727)	(	8,410)	(	33,137)
Balance at December 31, 2022	$	327,556	$	2,817	$	330,373

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, 2021	$	339,671	$	11,227	$	350,898

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, 2022	December 31, 2021
Buildings & constructions	2 - 16 years	0.32% - 1.10%	0.32% - 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, 2022		December 31, 2021
Within 1 year	$	30,150	$	37,200
1 to 5 years		104,088		96,925
5 to 10 years		122,828		122,879
10 to 15 years		91,939		115,881
15 to 20 years		-		-
Over 20 years		-		-
Total undiscounted lease payments	$	349,005	$	372,885

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. Some of the lease agreements provide for adjustments to lease payments based on the Consumer Price Index. 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:

The Company subleases a portion of the usable space under short-term operating leases at contractual rental rates, most of which are renewable at market rates at the end of the lease term and include provisions for annual rental adjustments based on market conditions. The Company's revenues from subleased assets for the periods ended December 31, 2022 and 2021 were NT$80 thousand and NT$0, respectively.

5) Other lease related information

For the years ended December 31, 2022 and 2021, the Company recognized rental income of NT$10,033 thousand and NT$1,842 thousand respectively based on operating lease agreements. Among them, there was no income from variable lease payments.

Please refer to Note 6 (12)-8 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, 2022	Year Ended December 31, 2021
Expenses attributable to short-term lease agreement	$ 2,685	$ 2,803
Expenses attributable to low-value assets lease	2	20
Expenses paid under variable lease	414	2,629
Total	$ 3,101	$ 5,452
Interest expense for lease liabilities	$ 2,998	$ 3,050
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, 2022 and 2021 totaled at NT$39,236 thousand and NT$25,004 thousand, respectively.

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

D. The Company's right-of-use assets do not provide any guarantee or pledge.

(12) Investment property

Items	December 31, 2022	December 31, 2021
Land	$ 132,247	$ 132,247
Buildings & constructions	57,970	57,970
Total cost	190,217	190,217
Less: Accumulated depreciation	(34,253)	(33,244)
Less: Accumulated impairment	-	-
Net	$ 155,964	$ 156,973

Items	Land	Buildings & constructions	Total
Cost:			
Balance at January 1, 2022	$ 132,247	$ 57,970	$ 190,217
Additions	-	-	-
Disposal	-	-	-
Balance at December 31, 2022	$ 132,247	$ 57,970	$ 190,217
Accumulated depreciation and impairment:			
Balance at January 1, 2022	$ -	$ 33,244	$ 33,244
Depreciation expenses	-	1,009	1,009
Disposal	-	-	-
Balance at December 31, 2022	$ -	$ 34,253	$ 34,253

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) The Company's investment property, except for land, is depreciated on a straight-line basis over a useful life of 56 years.

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

Items	Year Ended December 31, 2022		Year Ended December 31, 2021	
Rent revenues from investment property	$	9,953	$	1,668
Direct operating expenses arising from investment property that generated rental income in the current year	$	1,662	$	252
Direct operating expenses arising from investment property that did not generate rental income in the current year	$	-	$	-

4) The Company’s property located in Kuo Chang Building, Songshan District, Taipei City has been changed from October 1, 2021 to be leased to others for rental income. Therefore, the carrying values of the related land, buildings and construction were NT$132,247 thousand and NT$24,978 thousand, respectively, and were reclassified from property, plant and equipment to investment property. Please refer to Note 6(10)—5 for details.

5) The fair value of the Company's investment property in Songshan District, Taipei City were NT$287,472 thousand and NT$241,256 thousand, respectively, on December 31, 2022 and 2021. This above-mentioned fair value was based on the comparable properties in proximity and within the primary market area, as indicated by the most recent real estate transaction registration data of 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.

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

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

8) 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, 2022		December 31, 2021	
The first year	$	8,256	$	8,256
The second year		-		-
The third year		-		-
The fourth year		-		-
The fifth year		-		-
Over 5 years		-		-
Total	$	8,256	$	8,256

(13) Refundable deposits

Items	December 31, 2022		December 31, 2021	
Performance bond- bid bond	$	360	$	360
Lease security deposit - as a lessee		6,230		6,260
Others		198		203
Total	$	6,788	$	6,823

(14) Short-term loan

	December 31, 2022		December 31, 2021	
Attribute	Amount	Interest rate range	Amount	Interest rate range
Credit loans	$ 1,587,000	1.53%～1.95%	$ 1,100,000	0.69%～0.72%
Secured loans	160,000	1.76%	-	-
Import financing	-	-	24,846	0.53%
Total	$ 1,747,000		$ 1,124,846	

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) Short-term notes payable

Items	December 31, 2022		December 31, 2021	
Commercial paper payable	$	300,000	$	-
Less: discount on short-term notes payable	(	688)		-
Net	$	299,312	$	-
Interest Rate Range		1.61%		-

The Company's commercial paper payable is issued under the guarantee of a Bills Finance Company or a bank, and a promissory note is provided as a commitment to repay the loan. Please refer to Note 9-2-(1) for the details of the pledge and guarantee of short-term notes payable.

(16) 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.

(17) Other payables

Items	December 31, 2022		December 31, 2021	
Salaries and bonuses payable	$	98,836	$	325,344
Compensation to employee payable		-		67,180
Remuneration to directors and supervisors payable		-		134,360
Interest payable		2,552		322
Freight payable		13,556		18,919
Taxes payable		1,954		1,994
Insurance premium payable		5,094		4,975
Utilities payable		1,327		2,751
Repair & maintenance expenses payable		20,842		24,289
Service charge payable		8,983		7,676
Labor service cost payable		2,700		1,910
Equipment payable		10,647		24,269
Others		12,262		11,220
Total	$	178,753	$	625,209

(18) Provisions - current

Items	December 31, 2022		December 31, 2021	
Employee benefits - payment on leave	$	11,640	$	13,148

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, 2022		Year Ended December 31, 2021	
Beginning balance	$	13,148	$	12,395
Additional amount for the year		18,271		16,913
Utilized amount for the year	(	12,553)	(	10,519)
Reversal of unutilized amount for the year	(	7,226)	(	5,641)
Ending balance	$	11,640	$	13,148

(19) Advance receipts

Items	December 31, 2022		December 31, 2021	
Rents collected in advance	$	867	$	-

(20) Other current liabilities - other

Items	December 31, 2022		December 31, 2021	
All collections	$	3,207	$	3,123

(21) Long-term loans

Items	December 31, 2022	December 31, 2021
Credit loan	$ 700,000	$ -
Guaranteed loan	1,200,000	-
Total	$ 1,900,000	$ -

1) Long-term loans:

A. Credit loan

The credit period of this contract is 2 years, with monthly interest payments, and the principal is expected to be repaid in March 2024. The Company has the capacity to refinance or roll over its liabilities beyond 12 months from the balance sheet date based on the available bank borrowing line, which can be utilized on a revolving basis under the contract within the credit line due to its long-term revolving nature. As of December 31, 2022, the effective interest rate range is 1.70% per annum.

B. Guaranteed loan

The credit period of this contract is 2 years with monthly interest payments and the principal is expected to be repaid in December 2024. The Company has the capacity to refinance or roll over its liabilities for more than 12 months after the balance sheet date based on the available bank borrowing line, which can be utilized within the credit line in accordance with the contract. The credit facilities are secured by the Company's own property, plant and equipment, as described in Note 8(1). As of December 31, 2022, the effective interest rate range is 1.93% per annum.

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).

(22) Provisions - noncurrent

Items	December 31, 2022	December 31, 2021
Other long-term employee benefits plans	$ 12,636	$ 10,986
Decommissioning liabilities	4,077	4,042
Total	$ 16,713	$ 15,028

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, 2022	December 31, 2021
Present value of other long-term employee benefits obligations	$ 12,636	$ 10,986
Fair value of plan assets	-	-
Other long-term employee benefits liabilities, net	$ 12,636	$ 10,986

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

Items	Year Ended December 31, 2022	Year Ended December 31, 2021
Beginning balance	$ 10,986	$ 11,179
Other long-term employee benefits costs:		
Current and past service cost	1,141	1,300
Interest expenses	69	40
Remeasurements:		
Actuarial losses (gains) - change in demographic assumptions	-	(1,951)
Actuarial losses (gains) - change in financial assumptions	(614)	(272)
Actuarial losses (gains) - experience adjustment	1,054	690
Recognized in profit or loss	1,650	(193)
Payments of benefit	-	-
Ending balance	$ 12,636	$ 10,986

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, 2022	Year Ended December 31, 2021
Discount rate	1.125%～1.25%	0.50%～0.625%
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, 2022:				
Effect on present value of other long-term employee benefits obligations	($ 230)	$ 238	$ 160	($ 154)
December 31, 2021：				
Effect on present value of other long-term employee benefits obligations	($ 216)	$ 224	$ 136	($ 131)

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 2023 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 the 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, 2022		Year Ended December 31, 2021	
Beginning balance	$	4,042	$	-
Additional amount for the year		-		4,008
Utilized amount for the year		-		-
Discounted amortization		35		34
Ending balance	$	4,077	$	4,042

(23) Post-employment benefit plans

Items	December 31, 2022		December 31, 2021	
Net defined benefit assets and provisions - noncurrent				
Defined benefit plans	$	44,498	$	-

Items	December 31, 2022		December 31, 2021	
Net defined benefit liabilities and provisions - noncurrent				
Defined benefit plans	$	-	$	31,111
Defined contribution plans		1,725		1,592
Total	$	1,725	$	32,703

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, 2022	December 31, 2021
Present value of defined benefit obligations	$ 570,973	$ 624,253
Fair value of plan assets	(615,471)	(593,142)
Net defined benefit liabilities (assets)	($ 44,498)	$ 31,111

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

Items	Year Ended December 31, 2022	Year Ended December 31, 2021
Present value of defined benefit obligation, beginning of year	$ 624,253	$ 654,690
Service cost of the current year	5,602	6,766
Interest cost of defined benefits obligation	3,752	2,400
Remeasurements:		
Actuarial losses (gains) - change in demographic assumptions	-	15,466
Actuarial losses (gains) - change in financial assumptions	(25,466)	(11,325)
Actuarial losses (gains) - experience adjustment	3,140	7,255
Payments of benefit (Note)	(40,308)	(50,999)
Present value of defined benefit obligation, end of year	$ 570,973	$ 624,253

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

Items	Year Ended December 31, 2022	Year Ended December 31, 2021
Fair value of plan assets, beginning of year	$ 593,142	$ 620,072
Interest income of plan assets	3,626	2,296
Remeasurements:		
Return (loss) on plan assets	45,417	8,521
Fund attributed by employer	13,594	13,252
Payments of benefit on plan assets	(40,308)	(50,999)
Fair value of plan assets, end of year	$ 615,471	$ 593,142

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, 2022		Year Ended December 31, 2021	
Current service cost	$	5,602	$	6,766
Interest cost of defined benefit obligations		3,752		2,400
Interest income of plan assets	(	3,626)	(	2,296)
Recognized in gains (loss)	$	5,728	$	6,870
Remeasurements:				
Actuarial losses (gains) - change in demographic assumptions	$	-	$	15,466
Actuarial losses (gains) - change in financial assumptions	(	25,466)	(	11,325)
Actuarial losses (gains) - experience adjustment		3,140		7,255
Return on plan assets other than net interest	(	45,417)	(	8,521)
Recognized in other comprehensive income	($	67,743)	$	2,875

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, 2022		Year Ended December 31, 2021	
Operating costs	$	2,588	$	3,124
Operating expenses				
Selling expenses		165		206
Administrative expenses		2,654		3,229
Research and development expenses		84		97
Subtotal		2,903		3,532
Non-operating expense		237		214
Total	$	5,728	$	6,870

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, 2022 and 2021, 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	2022	2021
Discount rate	1.125%～1.25%	0.50%～0.625%
Future salary growth rate	1.75%～2.00%	1.75%～2.00%
Average period of existence of defined benefit obligations	4.7 years ~ 7.3 years	4.0 years ~ 7.9 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, 2022:				
Effect to present value of defined benefit obligations	($ 9,705)	$ 9,975	$ 9,731	($ 9,516)
December 31, 2021:				
Effect to present value of defined benefit obligations	($ 11,470)	$ 11,811	$ 11,451	($ 11,179)

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 2023 in the amount of contribution and the amount of payment NT$13,527 thousand and NT$20,778 thousand, respectively.

2) Defined contribution plans

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, 2022 and 2021 amounted to NT$9,235 thousand and NT$8,735 thousand, respectively. As of December 31, 2022 and 2021, the net defined benefit liabilities recognized by the Company in accordance with the aforementioned defined contribution plans amounted to NT$1,725 thousand and NT$1,592 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, 2022	Year Ended December 31, 2021
Operating costs	$ 7,297	$ 6,852
Operating expenses		
Selling expenses	394	380
Administrative expenses	1,121	1,160
Research and development expenses	358	334
Subtotal	1,873	1,874
Non-operating expense	65	9
Total	$ 9,235	$ 8,735

(24) Guarantee deposits received

Items	December 31, 2022	December 31, 2021
Lease security deposit – lease	$ 1,734	$ 1,734
Pickup guarantee bond	720	1,154
Others	443	443
Total	$ 2,897	$ 3,331

(25) Other noncurrent liabilities - other

Items	December 31, 2022		December 31, 2021	
Unrealized deferment revenues with disposal of investment	$	22,192	$	22,192

(26) Share capital

1) Common shares and preferred shares

Items	December 31, 2022		December 31, 2021	
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.

(27) Capital reserve

Items	December 31, 2022		December 31, 2021	
Treasury stocks transaction premium	$	188,164	$	183,547
Dividend unclaimed within the term by shareholders		2,800		2,800
Recognized changes in the ownership interests of subsidiaries		10,902		112
Total	$	201,866	$	186,459

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.

(28) 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, unless there is a need for capital to improve the financial structure, to support investment, production capacity expansion, or other major capital expenditures, the Company's dividends shall not be less than 10% of the net income after deducting the amount of loss compensation, legal reserve, special reserve, and 6% of the dividend of preferred share of Grand Pacific in Year 1984. 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 May 20, 2022 and July 23, 2021 respectively, the earnings of Year 2021 and Year 2020 would be distributed in the following manners:

	Distribution of earnings		Dividend per share (NT$)	
Items of distribution	2021	2020	2021	2020
Provision of legal reserve	$ 758,961	$ 411,401	-	-
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	40,000	2,000	2.00	0.10
Bonuses to shareholders on common shares -cash	1,813,241	90,662	2.00	0.10
Bonuses to shareholders on common shares - stock	-	-	-	-

The aforesaid cash dividends were resoled on March 29, 2022 and May 6, 2021 by the board of directors under the authorization of the Articles of Incorporation. Since the Company's present obligation due to past events is reasonably certain and the amount can be measured reliably, dividends payable shall be recorded when the conditions for liability recognition are met. In addition, the provision of legal reserve and special reserve is consistent with the recognition of dividends payable mentioned above.

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 proposed distribution of earnings for 2022 is subject to the approval of the Board of Directors and the shareholders' meeting. Please inquire into the Market Observation Post System (MOPS) for related information after the relevant meetings have been held.

(29) 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, 2022	($ 672,627)	$ 453,236	($ 219,391)
Items directly recognized as other equity adjustment	-	(108,646)	(108,646)
Transferred to item of profit and loss	-	-	-
Transferred to retained earnings	-	-	-
Share accounted for using the equity method	335,694	(774,004)	(438,310)
Income tax related to items of other equity.	123,543	-	123,543
Balance at December 31, 2022	($ 213,390)	($ 429,414)	($ 642,804)

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)

(30) Treasury stocks

1) As of December 31, 2022 and 2021, 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, 2022							
		Beginning balance		Increase in this year		Decrease in this year		Ending balance	
Name of subsidiary	Kind	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount
GPPC Chemical Corporation	Common Shares	-	$ -	-	$ -	-	$ -	-	$ -
	Preferred shares	1,776	49,858	-	-	-	-	1,776	49,858
Total		1,776	$ 49,858	-	$ -	-	$ -	1,776	$ 49,858

		Year Ended December 31, 2021							
		Beginning balance		Increase in this year		Decrease in this year		Ending balance	
Name of subsidiary	Kind	Shares	Amount	Shares	Amount	Shares	Amount	Shares	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

A. The gains from the subsidiaries from the disposal of the Company's shares in the years ended on December 31, 2022 and December 31, 2021 were converted to capital reserve – treasury stocks for NT$0 and NT$2,438 thousand, 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, 2022 and 2021 were NT$4,617 thousand and NT$1,243 thousand, respectively.

C. The fair values of the Company's stocks held by the subsidiaries as of December 31, 2022 and 2021 were NT$48,130 thousand and NT$62,160 thousand, respectively.

D. 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.

(31) Operating revenues

Items	Year Ended December 31, 2022	Year Ended December 31, 2021
Revenues under customer contracts		
Sales revenues	$ 14,723,385	$ 18,163,272

1) Detailed classification of revenues under customer contracts

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

Main product line types	Year Ended December 31, 2022	Year Ended December 31, 2021
Sales revenues		
Petrochemical products	$ 8,744,587	$ 9,579,384
Plastic products	4,212,527	6,728,060
Hydrogen products	173,453	141,869
Steam and electricity products	210,493	366,559
Nylon products	1,341,362	1,341,712
Resale of plasticized raw materials	40,963	5,688
Total	$ 14,723,385	$ 18,163,272

2) Balances of contracts

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

Items	December 31, 2022	December 31, 2021
Contract assets: Nil		
Contract liabilities – current		
Commodity sales	$ 14,212	$ 15,604

A. Significant changes in contract assets and contract liabilities

As of December 31, 2022, 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, 2022		Year Ended December 31, 2021	
Beginning balance of contract liabilities recognized as revenues in the current year				
Commodity sales	$	15,604	$	38,929

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, 2022 and 2021, 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, 2022 and 2021, 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.

(32) Interest income

Items	Year Ended December 31, 2022		Year Ended December 31, 2021	
Interest from deposit in banks	$	11,538	$	18,510
Interest from bills & bonds under Repurchase Agreements		236		1,447
Other interest income		2		5
Total	$	11,776	$	19,962

(33) Other revenues

Items	Year Ended December 31, 2022		Year Ended December 31, 2021	
Rent revenues	$	10,033	$	1,842
Dividend income		27,169		17,693
Scrap sales revenues		876		990
Revenues of administrative expenses		8,400		8,400
Subsidy revenues		7,715		10,000
Fee income		8,514		377
Revenues of remuneration to directors and supervisors		791		565
Others		1,025		629
Total	$	64,523	$	40,496

(34) Other gains and losses

Items	Year Ended December 31, 2022	Year Ended December 31, 2021
Net loss on disposal of property, plant and equipment	($ 10)	($ 76)
Gain on foreign currency exchange	122,589	1,957
Direct operating expenses of the investment property	(1,662)	(252)
Benefits for seconded employees	(11,384)	(3,222)
Loss on spare part inventory and obsolescence	(484)	(631)
Impairment loss on non-financial assets	-	(2,500)
Loss due to settlement money	-	(300)
Default loss	(1,000)	-
Others	(2)	(9)
Total	$ 108,047	($ 5,033)

(35) Finance costs

Items	Year Ended December 31, 2022	Year Ended December 31, 2021
Interest expense		
Loan interest for financial institutions	$ 29,434	$ 1,261
Financing interest	766	-
Lease liabilities interest	2,998	3,050
Decommissioning liability interest	35	34
Interest counted upon security deposit	13	4
Less: Capitalized amount consistent with prerequisite constituents	-	-
Subtotal	33,246	4,349
Commercial paper handling fees and other related expenses	176	-
Total	$ 33,422	$ 4,349

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

Attribute	Year Ended December 31, 2022			Year Ended December 31, 2021		
	Operating Cost	Operating Expense	Total	Operating Cost	Operating Expense	Total
Employee benefits expenses						
Salaries	$ 248,303	$ 69,205	$ 317,508	$ 399,214	$ 181,999	$ 581,213
Labor and health insurance	30,243	10,208	40,451	27,520	9,047	36,567
Pension	9,885	4,776	14,661	9,976	5,406	15,382
Remuneration to directors	-	35,391	35,391	-	166,224	166,224
Other employee benefits	8,522	2,179	10,701	8,478	69,310	77,788
Depreciation expenses (Note)	487,424	39,957	527,381	503,751	38,144	541,895
Amortization expenses	-	-	-	-	-	-
Total	$ 784,377	$ 161,716	$ 946,093	$ 948,939	$ 470,130	$ 1,419,069

Note: The Company recognized depreciation of NT$1,009 thousand and NT$252 thousand for investment properties for the years ended December 31, 2022 and 2021, 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 381 and 377, respectively for the years ended December 31, 2022 and 2021. The average number of directors who are not also employees were 6 for both, respectively. The calculation basis is the same as that for employee benefit and employee salary expense.

2) The average employee benefit expense was NT$1,022 thousand and NT$1,916 thousand, respectively for the years ended December 31, 2022 and 2021; the average employee salary expense was NT$847 thousand and NT$1,567 thousand, respectively; and the average movement of adjustment to employee salary expense was (45.95%)% and 33.25%, 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 Company has a net loss before tax for year ended December 31, 2022; therefore, no compensation payable to employees and remuneration to directors have been recognized. The amounts estimated for compensation to employees was NT$67,180 thousand and the

amounts estimated for remuneration to directors was NT$134,360 thousand for the year ended December 31, 2021. 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 14, 2023 and March 29, 2022, the compensation to employees for the years ended 2022 and 2021 amounted to NT$0 thousand and NT$67,180 thousand, respectively, and the remuneration to directors and supervisors amounted to NT$0 thousand and NT$134,360 thousand, respectively. The aforementioned amounts resolved show no significant difference from the expenses entered into the financial statements of Year 2022 and Year 2021. 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 (TWSE).

(37) Changes in liabilities coming from financing activities

Items	Short-term loans	Short-term notes payable	Long-term loans	Lease labilities	Guarantee deposits received
January 1, 2022	$ 1,124,846	$ -	$ -	$ 350,898	$ 3,331
Net change in financing cash flows	622,154	300,000	1,900,000	(33,137)	(434)
Change in non-cash - lease addition/remeasurement	-	-	-	12,612	-
Non-cash change –discount on notes and bills	-	(688)	-	-	-
December 31, 2022	$ 1,747,000	$ 299,312	$ 1,900,000	$ 330,373	$ 2,897

Items	Short-term loans	Short-term notes payable	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

(38) Income tax

1) Composition of income tax expense (gain):

A. Income tax recognized in profit or loss

Items	Year Ended December 31, 2022	Year Ended December 31, 2021
Current income tax expense payable	$ 223,580	$ 649,143
Deferred income tax expenses (gains)		
Origination and reversal of temporary differences	(21,751)	(11,389)
Net change in deferred income tax decrease (increase) — recognized in profit or loss	(21,751)	(11,389)
Adjustment to income taxes in previous year	(3,782)	(2,441)
Income tax expenses (gains) recognized in profit or loss	$ 198,047	$ 635,313

B. Recognized in income tax related to other comprehensive income

Items	Year Ended December 31, 2022	Year Ended December 31, 2021
Current income tax		
Exchange difference resulting from translating the financial statements of foreign operations	($ 123,543)	$ 31,043
Deferred income tax		
Remeasurements of defined benefit plan	13,548	(575)
Net change in deferred income tax decrease (increase)	13,548	(575)
Income tax expenses (gains) recognized in other comprehensive income	($ 109,995)	$ 30,468

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, 2022	Year Ended December 31, 2021
Net profit (loss) before tax from continuing operations unit	($ 295,765)	$ 6,516,474
Income tax with profit (loss) loss before tax at statutory tax rate	(59,153)	1,303,295
Effects of income tax upon adjustments		
Effects not counted into the items upon determination of the taxable income	30,086	(834,049)
Tax to be made up under the minimum taxation system	-	-
Income tax levied additionally on undistributed earnings	223,580	179,897
Loss carry-forward incurred in the current year	29,067	-
Loss carry-forward for offset in the current year	-	-
Deduction of investment tax credit for the current year	-	-
Current income tax expense payable	223,580	649,143
Net change in deferred income tax decrease (increase)	(21,751)	(11,389)
Adjustment to income taxes in previous year	(3,782)	(2,441)
Income tax expenses (gains) recognized in profit or loss	$ 198,047	$ 635,313

The Company applied 20% statutory tax rate.

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

Items	December 31, 2022	December 31, 2021
Income tax assets for the year: Nil		
Income liabilities for the year		
Current income tax expense payable	$ 223,580	$ 649,143
Less: Credit for the income tax paid in advance in the current year	(1,327)	(2,090)
Total	$ 222,253	$ 647,053

4) Balance of deferred income tax assets (liabilities)

	Year Ended December 31, 2022			
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	12,895	(2,103)	-	10,792
Employee leave payment obligations	2,629	(301)	-	2,328
Defined employee benefits plans	8,419	(5,892)	-	2,527
Loss on impairment of tangible assets	8,740	(1,240)	-	7,500
Lease decommissioning obligations	809	6	-	815
Unrealized accrued expense	7,000	(80)	-	6,920
Loss carry-forward	-	29,067	-	29,067
Total	$ 41,758	18,191	-	$ 59,949
Deferred income tax liabilities				
Unrealized exchange profit	-	1,176	-	1,176
Defined employee benefits plans	-	(4,649)	13,548	8,899
Financial & taxation difference in depreciation expenses	186	(36)	-	150
Lease decommissioning costs	751	(51)	-	700
Reserve for land value increment tax	979,556	-	-	979,556
Total	$ 980,493	(3,560)	13,548	$ 990,481
Changes in net increase (decrease)		$ 21,751	($ 13,548)	

Items	Year Ended December 31, 2021 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
Lease decommissioning obligations	-	809	-	809
Unrealized accrued expense	-	7,000	-	7,000
Total	$ 29,421	11,762	575	$ 41,758
Deferred income tax liabilities				
Unrealized exchange profit	327	(327)	-	-
Financial & taxation difference in depreciation expenses	237	(51)	-	186
Lease decommissioning costs	-	751	-	751
Reserve for land value increment tax	979,556	-	-	979,556
Total	$ 980,120	373	-	$ 980,493
Changes in net increase (decrease)		$ 11,389	$ 575	

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, 2022	December 31, 2021
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, 2022 and 2021, 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$2,622,061 thousand and NT$2,534,195 thousand, respectively.

7) As of December 31, 2022, the Company applied the provisions of the Income Tax Act, which the aggregate total of the deferred income tax assets with income tax payable in the year after credit was summarized as follows:

Last credit-use year	Recognized loss carry-forward	Unrecognized loss carry-forward	Total
Year 2032	$ 29,067	$ -	$ 29,067

8) As of December 31, 2022, the Company's income tax returns through 2020 has been assessed and approved by the tax authority.

9) Where the distribution of earnings for Year 2023 to be resolved in the shareholders' meeting remains uncertain, the undistributed earnings added with the very outcome of the potential income tax in Year 2022 could not be determined in a reliable way.

(39) 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, 2022			Year Ended December 31, 2021		
	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 (losses) per share:						
Net profit (loss) for the year	($ 493,812)			$ 5,881,161		
Less: Dividends on preferred shares	(12,000)			(12,000)		
Net profit (loss) attributable to shareholders of common shares for the year	($ 505,812)	906,620	($ 0.56)	5,869,161	906,507	$ 6.47
Effect of potential common shares having dilution function						
Compensation to employee				-	2,756	
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

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
Land & Sea Capital Corp	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, 2022	Year Ended December 31, 2021
Subsidiary	$ 1,245,281	$ 1,548,147
Associate	30,124	18,285
Total	$ 1,275,405	$ 1,566,432

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, 2022	Year Ended December 31, 2021
Subsidiary	$ 2,470	$ 2,762

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, 2022	Year Ended December 31, 2021
Subsidiary	$ 157	$ 118
Other related party	7,817	6,513
Main management	1,800	300
Total	$ 9,774	$ 6,931

4) Lease agreement

A. Right-of-use assets

Type of related party	December 31, 2022	December 31, 2021
China Life Insurance Co., Ltd.	$ 284,334	$ 305,154

B. Refundable deposits

Type of related party	December 31, 2022	December 31, 2021
China Life Insurance Co., Ltd.	$ 5,766	$ 5,766

C. Lease liabilities - current

Type of related party	December 31, 2022	December 31, 2021
China Life Insurance Co., Ltd.	$ 19,594	$ 19,429

D. Lease liabilities - noncurrent

Type of related party	December 31, 2022	December 31, 2021
China Life Insurance Co., Ltd.	$ 284,056	$ 303,650

E. Interest expenses

Type of related party	Year Ended December 31, 2022	Year Ended December 31, 2021
China Life Insurance Co., Ltd.	$ 2,667	$ 2,770

F. Lease payments

Type of related party	Year Ended December 31, 2022	Year Ended December 31, 2021
China Life Insurance Co., Ltd.	$ 22,095	$ 5,572

G. Rent expense

Type of related party	Year Ended December 31, 2022	Year Ended December 31, 2021
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$0 thousand and NT$101 thousand, respectively, during the years ended December 31, 2022 and 2021.

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, 2022	Year Ended December 31, 2021
Subsidiary	$ 113	$ 117
Other related party	-	71
China Development Financial Holding Corporation	9,920	1,654
Total	$ 10,033	$ 1,842

B. Rents collected in advance

Type of related party	December 31, 2022	December 31, 2021
China Development Financial Holding Corporation	$ 867	$ -

C. Deposits received

Type of related party	December 31, 2022	December 31, 2021
China Development Financial Holding Corporation	$ 1,734	$ 1,734

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, 2022	December 31, 2021
Subsidiary	$ 4,482	$ -

B. Other receivables

Type of related party	December 31, 2022	December 31, 2021
QuanZhou Grand Pacific Chemical Co., Ltd.	$ 8,261	$ 377

Note: It is the guarantee service fee receivable, which has been fully collected after the balance sheet date.

C. Accounts payable

Type of related party	December 31, 2022	December 31, 2021
Subsidiary	$ 42	$ -

D. Other payables

Type of related party	December 31, 2022	December 31, 2021
Subsidiary	$ -	$ 13,966
Other related party	150	456
Total	$ 150	$ 14,422

E. Prepaid service fees

Type of related party	December 31, 2022	December 31, 2021
Main management	$ 1,500	$ 3,300

7) Financing Information

A. From January 1 to December 31, 2022

Item	Type of related party	Maximum balance	Effective limit at the end of the period	Amount used at the end of the period	Interest rate range	Interest expense
Other payables - related party	Land & Sea Capital Corp.	$ 617,120 (CNY140,000)	$ 617,120 (CNY140,000)	$ -	1.53%	$ 766

B. From January 1 to December 31, 2021: None.

C. The interest rate of the Company's borrowings from related parties is comparable to that of market interest rate without significant difference; in addition, the Company provided a promissory note as a commitment to repay the loan.

8) Endorsements and guarantees

A. As of December 31, 2022 and 2021, the Company endorsed and guaranteed for QuanZhou Grand Pacific Chemical Co., Ltd. at 15,428,000 thousand and 15,204,000 thousand, respectively. The amounts utilized were 13,885,200 thousand and 2,541,240 thousand , respectively.

B. As of December 31, 2022 and 2021, the amount of bank guarantee that the Company had obtained for the lease deposit for GPPC Development Co., Ltd. was NT$84,371 thousand and NT$0, respectively, and the actual used amount was NT$84,371 thousand and NT$0, respectively.

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

A. Year ended December 31, 2022

Type of related party/ target	Entry	Increase in investment: Number of shares (in thousands)	Increase in investment: Amount	Percentage of shareholding: Before capital increase	Percentage of shareholding: After capital increase
QuanZhou Grand Pacific Chemical Co., Ltd.	Investment under equity method	-	$ 3,433,392	100.00%	100.00%
GPPC Development Co., Ltd.	Investment under equity method	2,000	$ 20,000	38.46%	30.43%

B. Year ended December 31, 2021

Type of related party/ target	Entry	Increase in investment: Number of shares (in thousands)	Increase in investment: Amount	Percentage of shareholding: Before capital increase	Percentage of shareholding: After capital increase
QuanZhou Grand Pacific Chemical Co., Ltd.	Investment under equity method	-	$ 3,334,644	100.00%	100.00%

10) Others

Items	Type of related party/Name	Year Ended December 31, 2022	Year Ended December 31, 2021
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	791	565
Revenues from scrap waste sales (recorded as other revenues)	Subsidiary	-	2
Fee income (recorded as Manufacturing overhead) (Note 2)	Subsidiary	253	-
Fee income (recorded as Manufacturing overhead) (Note 2)	QuanZhou Grand Pacific Chemical Co., Ltd.	8,261	377
Miscellaneous income (recorded as Manufacturing overhead)	Other related party	217	-
Disbursement of technical service fee (Note 3)	Subsidiary	4,164	3,048
Disbursement of technical service fee (Note 3)	QuanZhou Grand Pacific Chemical Co., Ltd.	32,801	21,423

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) Information of compensation for main management

Items	Year Ended December 31, 2022	Year Ended December 31, 2021
Salaries and other short-term employee benefits	$ 60,863	$ 191,107
Termination benefits	-	-
Post-employment benefits	5,251	5,144
Other long-term benefits	-	-
Shares-based payment	-	-
Total	$ 66,114	$ 196,251

8. Pledged assets

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

Items	Purposes of pledge (mortgage)	December 31, 2022	December 31, 2021
Land	Comprehensive facility of credit extension, security	$ 3,052,970	$ 3,052,970
Buildings & constructions	Comprehensive facility of credit extension, security	245,516	258,386
Machinery & equipment	Guarantee for comprehensive facility of credit extension	466,066	605,955
Total		$ 3,764,552	$ 3,917,311

(2) Pledges on investment properties

Items	Purposes of pledge (mortgage)	December 31, 2022	December 31, 2021
Land	Security for purchase	$ 132,247	$ 132,247
Buildings & constructions	Security for purchase	23,717	24,726
Total		$ 155,964	$ 156,973

9. Significant contingent liabilities and unrecognized contract commitments

(1) Endorsements/guarantees: Please refer to Note 7 (3)-8.

(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, 2022 and 2021, the guaranteed promissory notes were USD37,000 thousand, NT$8,950,000 thousand, CNY140,000 thousand and USD37,000 thousand, NT$7,950,000 thousand, respectively.

2) To apply for the government subsidies, the Company issued performance guarantee notes to subsidy management agencies for both NT$25,000 thousand as of December 30, 2022 and 2021.

(3) Deposited guarantee notes and collateral

The Company collected deposited guarantee notes and collateral as its performance guarantee. As of December 31, 2022 and 2021, the deposited guarantee notes were NTD140,728 thousand, SGD208 thousand, EUR730 thousand, USD2,909 thousand, JPY1,850 thousand and NTD130,787 thousand, SGD208 thousand, EUR730 thousand, USD2,909 thousand, JPY1,850 thousand, respectively.

(4) To apply for the government subsidies, the Company requested financial institutions to provide performance guarantees for NT$7,000 thousand and NT$10,000 thousand as of December 31, 2022 and 2021, respectively.

(5) The Company requested financial institutions to provide performance guarantees for the lease purposes amounting to NT$84,371 thousand and NT$0 for the years ended December 31, 2022 and 2021, respectively.

(6) The balance of L/C opened but not used by the Company as of December 31, 2022 and 2021 were USD6,382 thousand, NTD703,171 thousand and USD2,799 thousand, NTD895,000 thousand, respectively.

(7) 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, 2022 and 2021 were NT$72,462 thousand and NT$25,400 thousand, respectively.

(8) 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.

(9) 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.

(10) 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.

(11) The Company provided financing endorsement guarantees for the subsidiaries' syndicated loan contracts with 17 syndicate banks. The Company is committed to the following financial ratio limitation clauses during the life of the subsidiaries' syndicated loan contracts:

1) Current ratio: ratio of current assets to current liabilities, no less than 100%

2) Liability ratio: ratio of total liabilities to tangible book value, no more than 150%

3) Interest coverage ratio: ratio of EBITDA (earnings before interest, taxes, depreciation, and amortization) to interest expenses, to lower than 3x

The aforesaid financial ratios and requirements are based on International Financial Reporting Standards (IFRS) and the Company's consolidated financial statements audited by certified public accountants.

As of December 31, 2022 and 2021, the Company adhered to the above covenants on financial ratios. Please refer to the Company's 2022 consolidated financial statements.

10. Significant Disaster Loss: Nil

11. Significant Events after the Balance Sheet Date:

The Company applied for the outward remittance of CNY253,200 thousand (about NT$1,144,464 thousand) as the fourth 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 Jing-Shen-II-Zi No. 11100183310 dated November 25, 2022. The Company made the outward remittance on January 12, 2023 and completed the capital verification process on January 30, 2023.

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, 2022	December 31, 2021
Investment in equity instrument of financial assets at fair value through other comprehensive income	$ 363,605	$ 472,251
Select the designated equity instrument for investment		
Cash & cash equivalents	342,754	2,630,126
Notes and accounts receivable (including related parties)	1,069,909	1,449,971
Other receivables (including related parties)	43,257	58,057
Other financial assets - current	24,654	841,665
Refundable deposits	6,788	6,823

Financial liabilities		
Financial liabilities carried at amortized cost		
Short-term loans	1,747,000	1,124,846
Short-term notes payable	299,312	-
Accounts payable (including related parties)	869,663	1,372,311
Other payables (including related parties)	178,903	639,631
Long-term loans	1,900,000	-
Lease liabilities-Current and Noncurrent	330,373	350,898
Guarantee deposits received	2,897	3,331

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, 2022			December 31, 2021		
	Foreign currencies	Exchange rate foreign currencies vs. functional currency	New Taiwan Dollars	Foreign currencies	Exchange rate foreign currencies vs. functional currency	New Taiwan Dollars
Financial assets						
Monetary items						
USD:NTD	$ 26,029	30.71	$ 799,351	$ 51,416	27.68	$ 1,423,195
CNY:NTD	9,890	4.4080	43,595	193,845	4.3440	842,063
Non-monetary items						
USD:NTD	464,520	30.71	14,265,409	515,902	27.68	14,280,167
CNY:NTD	2,281,857	4.4080	10,058,426	1,533,143	4.3440	6,659,973
Financial liabilities						
Monetary items						
USD:NTD	9,162	30.71	281,365	19,688	27.68	544,964
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$4,493 thousand and NT$13,762 thousand change in profit and loss and NT$243,238 thousand and NT$209,401 thousand change in equity on December 31, 2022 and 2021, 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 net gain (loss) with unrealized exchange in foreign currency under the Company's monetary items for the years ended December 31, 2022 and 2021 was NT$5,881 thousand and (NT$6,332), thousand respectively, as affected by the fluctuation of USD and CNY exchange rate. Due to the wide variety of currencies in foreign currency transactions, it is not possible to clearly distinguish between the types of exchange gains and losses and to disclose them separately by each foreign currency. Therefore, the amounts are presented in aggregate.

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$1,902 thousand and NT$171 thousand change in the Company’s profit and loss on December 31, 2022 and 2021, respectively.

③ Price risks

The investments in equity instruments 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 equity instruments. In an effort to manage the pricing risks of equity 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 equity 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 equity instruments would result in NT$3,636 thousand and NT$4,723 thousand change in the Company's equity on December 31, 2022 and 2021, 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. The concentration of credit risk is limited because the Company's customer base is broad and unrelated. Accordingly, the management believes that the Company's credit risk has been significantly reduced. 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, 2022 and 2021, the ratios of the above-mentioned customers in the total amount of accounts receivable (including related parties) were 43.00% and 47.00%, 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.

	December 31, 2022		December 31, 2021	
Financial instruments	Carrying amount	Maximum credit exposure to risks	Carrying amount	Maximum credit exposure to risks
Cash & cash equivalents	$ 342,754	$ 342,754	$ 2,630,126	$ 2,630,126
Notes receivable	950	950	4,307	4,307
Accounts receivable (including related parties)	1,068,959	1,068,959	1,445,664	1,445,664
Other receivables (including related parties)	43,257	43,257	58,057	58,057
Other financial assets - current	24,654	24,654	841,665	841,665

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).

Items	December 31, 2022						
	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	$ 1,749,756	$ -	$ -	$ -	$ -	$ 1,749,756	$ 1,747,000
Short-term notes payable	300,000	-	-	-	-	300,000	299,312
Accounts payable (including related parties)	869,663	-	-	-	-	869,663	869,663
Other payables (including related parties)	178,903	-	-	-	-	178,903	178,903
Long-term loans	17,530	17,530	1,926,135	-	-	1,961,195	1,900,000

Items	December 31, 2021						
	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

(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, short-term notes payable, accounts payable (including related parties), 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, 2022 and 2021 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, 2022			
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	$ 268,348	$ -	$ -	$ 268,348
Unlisted stocks in Taiwan	-	-	95,257	95,257
Total	$ 268,348	$ -	$ 95,257	$ 363,605

	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

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.

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 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 and discount for lack of control. 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, 2022 and 2021: Nil

6) Change in the financial instruments of Level 3 for the years ended December 31, 2022 and 2021.

Items	Non-derivative equity instruments－Unlisted stocks Year Ended December 31, 2022	Year Ended December 31, 2021
Beginning balance	$ 99,546	$ 87,018
Acquisition this year	-	-
Disposal this year	-	-
Capital distribution this year	-	-
Inward (Outward) transfer of Level 3	-	-
Recognized in other comprehensive income	(4,289)	12,528
Ending balance	$ 95,257	$ 99,546

7) The Company had no outward transfer from Level 3 and inward transfer into Level 3 for the years ended December 31, 2022 and 2021.

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, 2022	Evaluation technology	Significant unobservable input value	Range (Weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Unlisted (OTC) stocks	$ 93,774	Market approach	Liquidity discount	20.73%～25.45%	The higher the Liquidity discount, the lower the fair value
Unlisted (OTC) stocks	1,483	Asset approach	Discount for lack of control	21.63%	The higher the discount for lack of the control, the lower the fair value
Total	$ 95,257				

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				

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, 2022			
			Recognized in profit or loss		Recognized in other comprehensive income	
Items	Input value	Change	Favorable change	Adverse change	Favorable change	Adverse change
Non-derivative financial instruments:						
Unlisted (OTC) stocks	Liquidity discount and Discount for lack of control	±1%	$ -	$ -	$ 1,196	($ 1,208)

			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 financial instruments:						
Unlisted (OTC) stocks	Liquidity discount and Discount for lack of control	±1%	$ -	$ -	$ 1,260	($ 1,268)

13. Additional disclosure in the notes

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

1) Funds loaned to others

2) Provision of endorsements and guarantees to others

The company lending the funds	The company borrowing the funds	Transaction item	Related party or not	Maximum balance for the period	Balance at the end of the period	Actual use amount	Interest rate range	Nature of loans	Transaction amount	Reasons for short-term financing	Allowance for losses	Collaterals		Limit on loans to individual party	Limit on the total amount of loans to others
												Type	Amount		
Land & Sea Capital Corp.	Grand Pacific Petrochemical Corporation	Other receivables - related parties	Yes	$617,120 (CNY140,000)	$617,120 (CNY140,000)	—	1.53%	For short-term financing needs	—	The working capital	—	Promissory Notes	$617,120 (CNY140,000)	For each company with short-term financing needs, the amount of the loan shall be limited to 10% of the Company's net worth. (NT$1,363,289)	The total amount of the Company's lending funds shall be limited to 20% of the Company's net worth. (NT$2,726,578)

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 ($22,926,561)	$15,428,000 (CNY3,500,000)	$15,428,000 (CNY3,500,000)	$13,885,200 (CNY3,150,000)	—	47.11%	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 ($26,201,784)	Yes	No	Yes
	GPPC Development Co., Ltd.	A subsidiary with direct and indirect shareholding in equity up to 78.26%		84,371	84,371	84,371		0.26%		Yes	No	No
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. ($229,035)	59,889 (RM8,940)	19,695 (RM2,940)	4,464 (RM666)	—	2.15%	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 ($458,071)	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	$ 1,483	2.85	$ 1,483
		YODN Lighting Corp.	_	Financial assets at fair values through other comprehensive income - noncurrent	165	412	0.93	412
		Bridgestone Taiwan Co., Ltd.	_	Financial assets at fair values through other comprehensive income - noncurrent	1,151	93,362	1.42	93,362
		China Development Financial Holding Corporation	Other related party	Financial assets at fair values through other comprehensive income - noncurrent	21,297	268,348	0.13	268,348
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	$ 1,984	3.80	$ 1,984
		YODN Lighting Corp.	_	Financial assets at fair values through other comprehensive income - noncurrent	64	161	0.36	161
		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	75,774	1.15	75,774
		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	48,130	8.88	48,130
		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	152,586	0.07	152,586
GPPC Investment Corp.	Stock	YODN Lighting Corp.	_	Financial assets at fair values through other comprehensive income - noncurrent	631	1,575	3.54	1,575
	Partnership	China Development Asset Management Corporation's advantageous venture capital limited partnership	_	Financial assets at fair values through other comprehensive income - noncurrent	-	202,138	-	202,138
	Fund	KGI Victory Money Market Fund	_	Financial assets at fair value through profit or loss - current	4,644	54,600	-	54,600
GPPC Hospitality And Leisure Inc.	Fund	KGI Victory Money Market Fund	_	Financial assets at fair value through profit or loss - current	1,425	16,755	-	16,755
GPPC Development Co., Ltd.	Fund	KGI Victory Money Market Fund	_	Financial assets at fair value through profit or loss - current	9,968	117,187	-	117,187
Perfect Meat Co., Ltd.	Fund	KGI Victory Money Market Fund	_	Financial assets at fair value through profit or loss - current	686	8,069	-	8,069

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
Goldenpacific Equities Ltd.	Partnership	CDIB Capital Asia Partners L.P.	—	Financial assets at fair values through other comprehensive income - noncurrent	-	157,124	-	157,124
		CDIB Capital Global Opportunities Fund L.P.	—	Financial assets at fair values through other comprehensive income - noncurrent	-	298,140	-	298,140
Videoland Inc.	Partnership	CDIB Capital Asia Partners L.P.	—	Financial assets at fair values through other comprehensive income - noncurrent	-	134,709	-	134,709
	Stock	China Development Financial Holding Corporation - common shares	Other related party	Financial assets at fair values through other comprehensive income - noncurrent	150,647	1,898,151	0.89	1,898,151
		China Development Financial Holding Corporation - preferred shares	Other related party	Financial assets at fair values through other comprehensive income - noncurrent	86,818	671,974	5.49	671,974
		Jeoutai Technology Co., Ltd.	—	Financial assets at fair values through other comprehensive income - noncurrent	2,007	66,186	5.96	66,186
		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	58	9.98	58
		Ruei-Guang Broadcasting Co., Ltd.	—	Financial assets at fair values through other comprehensive income - noncurrent	10	1,200	10.00	1,200
		21st Digital Technology Co., Ltd.	—	Financial assets at fair values through other comprehensive income - noncurrent	1,276	100,433	2.31	100,433
		Citiesocial Holding Cayman Co., Ltd.	—	Financial assets at fair values through other comprehensive income - noncurrent	1,769	16,143	12.82	16,143

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 purchase/sale	Type and Name of securities	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
Land & Sea Capital Corp.	Zhangzhou Chimei Chemical Co., Ltd.	Investments accounted for using the equity method	Rights issue	Associate	-	$3,114,827	-	$2,007,700	-	-	- 164,845 (Note)	-	-	$4,957,682
Grand Pacific Petrochemical Corporation	QuanZhou Grand Pacific Chemical Co., Ltd.	Investments accounted for using the equity method	Rights issue	Subsidiary	-	6,659,975	-	3,433,392	-	-	- 34,942 (Note)	-	-	10,058,425

Note: 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:

The company acquiring the property	Name of the property	Date of occurrence	Transaction amount	Payment status	Counterparty	Relationship	If the counterparty is a related party, the information of the previous transfer				Reference basis for price determination	Purpose of acquisition and use	Other contractual matters
							Ownership	Relationship with the issuer	Date of transfer	Amount			
Videoland Inc.	Land and building	6.23.2022.	NT$494,984 (tax included)	Fully paid	China Development Asset Management Corporation	Other related party	China Development Asset Management Corporation before the acquisition and elimination	Other related party	7.1. 2019 (Base date of the acquisition)	NT$201,532	The real estate valuation report issued by Cushman & Wakefield	Revitalization of the use of capital to acquire real estate	—

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	$1,245,281	8.46%	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.	$4,482	0.42%
GPPC Chemical Corporation	Grand Pacific Petrochemical Corporation	The Company's parent company	Purchase	1,245,281	82.21%	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.	(4,482)	(62.04%)

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		Holding status at end of year			Current profit/loss of the investee	Profit/loss recognized by the Company	Notes
				Ending balance of current year	Ending balance of prior period	Shares in thousands	Shareholding ratio (%)	Carrying amount			
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	$567,418	$51,727	$48,045	The investment profit/loss recognized includes the cash dividend of $4,617 received from parent company and the difference in the parent company only financial statements and the consolidated financial statements to increase by NT$935.
	GPPC Investment Corp.	8F, No.135, Dunhua N. Rd., Taipei City	Investment business	170,307	170,307	22,032	81.60	263,832	(10,544)	(8,604)	
	GPPC Development Co., Ltd.	10F, No.1, Sec. 4, Nanjing E. Rd., Taipei City	General hotel business	70,000	50,000	7,000	30.43	25,242	(137,939)	(52,141)	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	5,277,995	254,459	158,504	
	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	144,109	25,402	3,995	Comprehensive shareholding up to control force
	Goldenpacific Equities Ltd.	British Virgin Islands	Investment business	10,510	10,510	75	100.00	632,531	(106)	(106)	
	Land & Sea Capital Corp.	British Virgin Islands	Investment business	1,139,923	1,139,923	26,319	100.00	13,588,904	(209,267)	156,202	The recognized investment profit / loss including adjustment with difference in the parent company only financial statements and the consolidated financial statements to increase by NT$365,469
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	16,741	(10,584)	(10,584)	
GPPC Development Co., Ltd.	Perfect Meat Co., Ltd.	8F, No.135, Dunhua N. Rd., Taipei City	Meat import sales	10,000	10,000	1,000	100.00	9,393	(113)	(113)	
Videoland Inc.	Videoland International Limited	Hongkong	Engaged in the business of trading wine related alcohol products	97,800	97,800	25,000	100.00	96,556	(814)	(814)	
	ZW ENM Co., Ltd.	1F, No. 480, Ruiguang Rd., Neihu District, Taipei City	Film and program production and distribution	5,000	-	500	100.00	4,979	(21)	(21)	
	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	309,564	25,402	8,585	
	GPPC Investment Corp.	8F, No.135, Dunhua N. Rd., Taipei City	Investment business	35,372	35,372	4,968	18.40	59,492	(10,544)	(1,940)	Comprehensive shareholding with significant power of influence
	GPPC Development Co., Ltd.	10F, No.1, Sec. 4, Nanjing E. Rd., Taipei City	General hotel business	109,873	29,873	11,000	47.83	39,675	(137,939)	(34,643)	
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	4,048	(655)	(327)	With control force
	Dragon King Inc.	Samoa	Outward investment business	3,258	3,258	100	100.00	4,381	(313)	(313)	
	KK Enterprise (Malaysia) Sdn.Bhd.	Malaysia	Trademark paper, glue paper and such business	15,995	15,995	1,680	70.00	53,764	5,384	3,769	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	USD384,850	Note (2)	$1,652,206 (USD52,830)	-	-	$1,652,206 (USD52,830)	$1,144,728	30.40%	$347,998	$4,814,748	$473,318 (USD15,496)
	Zhangzhou Chimei Chemical Co., Ltd.	Primary form plastics and synthetic resin manufacturing	CNY3,760,000	Note (2)	716,901 (USD23,340)	-	-	716,901 (USD23,340)	(485,887)	30.40%	(147,710)	4,957,682	-
	QuanZhou Grand Pacific Chemical Co., Ltd.	Propane dehydrogenation to propylene, polypropylene and hydrogen products	CNY2,278,800	Note (1)	6,585,732 (CNY1,519,200)	$3,433,392 (CNY759,600)	-	10,019,124 (CNY2,278,800)	(47,640)	100.00%	(47,640)	10,058,425	-
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)	(38,972)	50.00%	(19,391) Note (6)	39,511	51,688
	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)	(4,476)	100.00%	(4,398) Note (6)	197,413	41,010

Name of investor	Amount of accumulated investment remitted from Taiwan to the Mainland China at the 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	$12,388,231(USD76,170, CNY2,278,800)	$13,934,448 (USD453,743) (Note 8)	$21,664,705
KK Enterprise Co., Ltd.	$228,467(USD5,168, HKD6,150 and Machine USD827)	$228,467 (USD5,995, HKD6,150)	$596,932

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, 2022, the amount of accumulated investment by the Company toward Mainland China as approved by the Investment Commission, Ministry of Economic Affairs totaled at USD671,090 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 USD201,851 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, 2022 & December 31, 2022

Company name of sales	Name of transaction object	Sales revenues		Accounts receivable	
		Amount	Percentage of net sales	Amount	Percentage of total accounts receivable
Grand Pacific Petrochemical Corporation	Zhenjiang Chimei Chemical Co., Ltd.	$ 30,124	0.20%	$ -	-
KK Enterprise Co., Ltd.	KK Enterprise (Kunshan) Co., Ltd.	5,193	0.69%	-	-

② For the Year Ended December 31, 2021 & December 31, 2021

Company name of sales	Name of transaction object	Sales revenues		Accounts receivable	
		Amount	Percentage of net sales	Amount	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%	-	-

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, 2022 and 2021, the Company endorsed and guaranteed for QuanZhou Grand Pacific Chemical Co., Ltd. at NTD15,428,000 thousand and NTD15,204,000 thousand, respectively. The amounts utilized were NTD13,885,200 thousand and NTD2,541,240, 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, 2022 and 2021, the Company charged NT$8,261 thousand and NT$377 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, 2022 and 2021, a total of NT$8,261 thousand and NT$377 thousand was outstanding, respectively, was recognized as other receivables - related parties and was fully collected after the balance sheet date. 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$32,801 thousand and NT$21,423 thousand, respectively, for the years ended December 31, 2022 and 2021. There were recorded as the reduction of various reimbursements.

③ Acquisition of financial assets (capital increase in cash)

A. January 1 to December 31, 2022

		Increase in investment		Percentage of shareholding	
Type of related party/Target of transaction	Item	Number of shares (in thousands)	Amount	Before capital increase	After capital increase
QuanZhou Grand Pacific Chemical Co., Ltd.	Investment under the equity method	-	$ 3,433,392	100.00%	100.00%

B. January 1 to December 31, 2021

		Increase in investment		Percentage of shareholding	
Type of related party/Target of transaction	Item	Number of shares (in thousands)	Amount	Before capital increase	After capital increase
QuanZhou Grand Pacific Chemical Co., Ltd.	Investment under the equity method	-	$ 3,334,644	100.00%	100.00%

(4) Information of major shareholders:

December 31, 2022

Shares / Name of major shareholders	Number of shares held	Percentage of shareholding
KGI Securities Co., Ltd.	85,091,000	9.18%

Note: 1. The information on major shareholders in this table is based on the total number of common shares and preferred shares held by the shareholders of the Company that have been delivered by book-entry operation (including treasury shares) of at least 5% on the last business day of each quarter, as indicated by Taiwan Depositary and Clearing Corporation. The number of shares recorded in the Company's financial statements and the actual number of shares delivered by book-entry operation may differ due to different bases of calculation.

2. The above information is shown by the trustor's individual sub-account of the trustee's trust account if the shareholding is delivered to the trust by the shareholder. As for the shareholder's shareholding of more than 10% of insider shares reported under the Securities and Exchange Act, the shareholding includes his or her own shares plus the shares delivered to the trust for which he or she has the right to decide the use of the trust property, etc. Please refer to the Market Observation Post System for information on insider shareholding reporting.

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.

VI. The financial problems of the Company and its affiliates found in the most recent year and as of the publication date of the Annual Report issuance and the impact of such problems upon the Company's financial position

In 2022 and as of the publication date of the Annual Report, both the Company and its affiliated enterprises had not incurred any financial difficulty at all. The key financial and performance over the past two years are as enumerated below for reference:

I. Financial target

Financial structure	2022	2021
Ratio of liabilities to assets	16.80%	12.83%
Current ratio	83.88%	179.16%
Quick ratio	44.43%	130.12%
Interest coverage ratio	-7.85	1499.38

II. Performance target

Profitability	2022	2021
Return rate on assets	-1.17%	16.25%
Return rate on shareholders' equity	-1.45%	18.48%
Net margin	-3.35%	32.38%
Earnings per share (EPS) after tax	-0.56	6.47
Average cashing days	31	30
Average selling days	37	31

Note: In terms of financial target and performance target, the Company adopted International Financial Reporting Standards (IFRS) and parent company only financial statements of the parent company certified by the CPAs.

Seven. Review of Financial Position, Financial Performance, and Risks Related Issues

I. Financial Position: Major reasons that led to significant changes in assets, liabilities and shareholders' equity over the past two years and the impact thereof. Elaborate on the countermeasures in the future in case of a significant impact.

(I) Consolidated Financial Statement

Expressed in Thousands of New Taiwan Dollars

Year / Accounting Item	2022	2021	Discrepancy		Descriptions
			Amount	%	
Current Assets	17,409,343	16,548,501	860,842	5.20%	
Property, plant and equipment	23,141,037	10,537,098	12,603,939	119.61%	Note 1
Intangible assets	1,062,228	1,056,747	5,481	0.52%	
Other assets	18,758,937	20,770,633	-2,011,696	-9.69%	
Total assets	60,371,545	48,912,979	11,458,566	23.43%	
Current liabilities	4,735,298	4,831,291	-95,993	-1.99%	
Non-current liabilities	19,528,406	4,851,148	14,677,258	302.55%	Note 2
Total liabilities	24,263,704	9,682,439	14,581,265	150.59%	
Capital stock	9,266,203	9,266,203	0	0.00%	
Capital surplus	201,866	186,459	15,407	8.26%	
Retained earnings (loss)	23,976,823	26,282,842	-2,306,019	-8.77%	
Other equity	-642,804	-219,391	-423,413	192.99%	Note 3
Treasury stock	-49,858	-49,858	0	0.00%	
The Equity contributed to the owners of Parent Company	32,752,230	35,466,255	-2,714,025	-7.65%	
Non-controlled Equity	3,355,611	3,764,285	-408,674	-10.86%	
Total equity	36,107,841	39,230,540	-3,122,699	-7.96%	

Reasons that led to changes with increase/decrease up to 20% over the past two years (2022 & 2021):

Note 1: Property, plant, and equipment increased by 119.61% as compared with the previous period, which was mainly due to an addition of NT$10.1 billion in "Property, plant, and equipment", an addition of NT$2 billion in right-of-use asset, and an addition of NT$500 million of investment property.

Note 2: Change in non-current liability items increased by 302.55% as compared with the prior period, which was mainly due to that the long-term borrowings had increased by NT$13.2 billion (QuanZhou Grand Pacific Chemical Co., Ltd.) and the lease obligations had increased by NT$1.9 billion.

Note 3: Change in other equity item increased by 192.99% as compared with the prior period, which was mainly due to that the exchange differences resulting from translating the financial statements in foreign operations had increased by NT$500 million, and that the unrealized valuation profit or loss of financial assets measured at fair value through other comprehensive income had reduced by NT$900 million.

Countermeasures to be taken in the future: Not applicable.

(II) Parent company only financial statement

Expressed in Thousands of New Taiwan Dollars

Accounting Item \ Year	2022	2021	Discrepancy		Descriptions
			Amount	%	
Current Assets	2,830,990	6,897,635	(4,066,645)	-58.96%	Note 1
Property, plant and equipment	5,499,172	5,690,688	(191,516)	-3.37%	
Intangible assets	0	0	0	-	
Other assets	31,033,506	28,098,293	2,935,213	10.45%	
Total assets	39,363,668	40,686,616	(1,322,948)	-3.25%	
Current liabilities	3,375,182	3,850,060	(474,878)	-12.33%	
Non-current liabilities	3,236,256	1,370,301	1,865,955	136.17%	Note 2
Total liabilities	6,611,438	5,220,361	1,391,077	26.65%	
Capital stock	9,266,203	9,266,203	0	-	
Capital surplus	201,866	186,459	15,407	8.26%	
Retained earnings (loss)	23,976,823	26,282,842	(2,306,019)	-8.77%	
Other equity	(642,804)	(219,391)	(423,413)	192.99%	Note 3
Treasury stock	(49,858)	(49,858)	0	0.00%	
Total equity	32,752,230	35,466,255	(2,714,025)	-7.65%	

Reasons that led to changes with increase/decrease up to 20% over the past two years (2022 & 2021):

Note 1. Change in current assets reduced by 58.96% as compared with the prior period, which was mainly due to that cash and cash equivalents had reduced by NT2.3 billion, other financial assets – current had reduced by NT$800 million, and the inventory had reduced by NT$600 million.

Note 2. Non-current liabilities increased 136.17% from the previous period, primarily due to long-term borrowings up by NT$1900 million.

Note 3. Other equity increased by 192.99% from the previous period, primarily due to an increase by NT$500 million in exchange differences on translation of foreign financial statements and a reduction by NT$900 million in the unrealized profit or loss of the financial assets measured at fair value through other comprehensive income.

Countermeasures to be taken in the future: Not applicable.

II. **Financial Performance:** Major reasons leading to significant changes in operating revenues, net operating profit and net income before tax over the past two years and the very grounds to forecast the sales volume and the grounds thereof, their potential impact upon the finance and business operation and the countermeasures:

(I) Comparative analysis on the operating results:

1. Consolidated Financial Statement

Expressed in Thousands of New Taiwan Dollars

Item	2022	2021	Amount in increase (decrease)	Ratio (%) of change	Remarks
Operating revenues	18,176,626	22,547,353	(4,370,727)	-19.38%	
Operating costs	(17,305,359)	(17,904,677)	599,318	-3.35%	
Gross profits	871,267	4,642,676	(3,771,409)	-81.23%	Note 1
Operating expenses	(1,658,353)	(1,729,872)	71,519	-4.13%	
Net operating income	(787,086)	2,912,804	(3,699,890)	-127.02%	
Non-Operating revenues and expenditures	771,476	4,444,495	(3,673,019)	-82.64%	Note 2
Net profit before tax	(15,610)	7,357,299	(7,372,909)	-100.21%	
Income Tax Benefits (expenses)	(438,778)	(1,280,711)	841,933	-65.74%	
Net profit after tax	(454,388)	6,076,588	(6,530,976)	-107.48%	

Note 1: Consolidated operating revenues decreased by NT$4.4 billion or c. 19.38% from last year, primarily due to an decrease by NT$4.1 billion in the sales of the parent company Grand Pacific Petrochemical Corporation and the subsidiary GPPC Chemical Corporation. The consolidated operating cost decreased by NT$0.6 billion or c. 3.35% from last year, primarily due to a reduction by NT$0.5 billion in the operating costs of the parent company Grand Pacific Petrochemical Corporation and the subsidiary GPPC Chemical Corporation. As a result, gross profits decreased by 81.23%.

Note 2: Non-operating revenues and expenditures decreased by NT$3.7 billion or c. 82.64% from last year, primarily due to the decrease by NT$4 billion in the profit or loss of subsidiaries under the equity method (mainly with Land & Sea Capital Corp. recognized by Grand Pacific Petrochemical Corporation).

2. Parent company only financial statement

Expressed in Thousands of New Taiwan Dollars

Item	2022	2021	Amount in increase (decrease)	Ratio (%) of change	Remark
Operating revenues	14,723,385	18,163,272	(3,439,887)	-18.94%	
Operating costs	(15,018,771)	(15,216,125)	197,354	-1.30%	
Gross profits	(295,386)	2,947,147	(3,242,533)	-110.02%	Note 1
Realized (Unrealized) Gross Profits	(4,676)	10,301	(14,977)	-145.39%	
Net gross profits	(300,062)	2,957,448	(3,257,510)	-110.15%	
Operating expenses	(404,882)	(745,432)	340,550	-45.68%	Note 2
Net operating income	(704,944)	2,212,016	(2,916,960)	-131.87%	
Non-Operating revenues and expenditures	409,179	4,304,458	(3,895,279)	-90.49%	Note 3
Net profit before tax	(295,765)	6,516,474	(6,812,239)	-104.54%	
Income Tax Benefits (expense)	(198,047)	(635,313)	437,266	-68.83%	
Net profit after tax	(493,812)	5,881,161	(6,374,973)	-108.40%	

Note 1: It was mainly due to change in net operating revenue reduced by NT$3.5 billion as compared with the previous reporting year, which was approximately a reduction of 18.94%; amongst the decrease, ABS operating revenue reduced by NT$2.1 billion and SM operating revenue reduced by NT$800 million. Operating cost reduced by NT$200 million as compared with the previous reporting year, which was approximately a decrease of 1.30% and was mainly due to an increase of cost of raw materials as compared with the prior period; average raw material unit price for hexamethylenediamine and hexanedioic acid had increased by 16.7% / 95% respectively. Gross profit reduced by NT$3.2 billion as compared with last year, which was a decrease of 110.02%; gross margin of the reporting year was -2% and showed a decrease of 18% as compared with the 16% from last reporting year.

Note 2: Operating expenses decreased by NT$340 million or decreased by 45.68% from last year, primarily due to a decrease in administrative expenses by NT$280 million and a decrease in selling expenses by NT$500 million.

Note 3: Non-operating revenues and expenditures decreased by NT$3.9 billion or c. 90.49% from last year, primarily due to the decrease by NT$4 billion in the profit or loss of subsidiaries under the equity method (mainly with Land & Sea Capital Corp. recognized by Grand Pacific Petrochemical Corporation).

(II) Reasons leading to change in the contents of major business operation: Not applicable.

(III) Analyses into changes in the gross operating profits.

1. Consolidated Financial Statement

Expressed in Thousands of New Taiwan Dollars

	2022	2021	Amount in increase (decrease)
Gross profit	871,267	4,642,676	(3,771,409)
Gross margin	4.79%	20.59%	(76.74%)

Change in gross margin of the current reporting period reduced by 76.74% as compared with the prior period. 2022 consolidated operating gross margin reduced by NT$3.8 billion as compared with the consolidated operating gross margin in 2021, which was due to the approximately NT$3.6 billion reduction in operating gross margin for Grand Pacific Petrochemical Corporation and GPPC Chemical Corporation.

Gross margin for Grand Pacific Petrochemical Corporation reduced by 110.02% as compared with the prior period, which was due to that products' prime cost had increased as compared with the prior period, producing an approximately NT$3.38 billion of unfavorable cost variance.

GPPC Chemical Corporation gross margin reduced by 85.91% as compared with the prior period, which was due to that products' prime cost had increased as compared with the prior period, producing an approximately NT$270 million of unfavorable cost variance.

2. Parent company only financial statement

Expressed in Thousands of New Taiwan Dollars

Gross profit	increase/decrease between the current and proceeding terms	Causes leading to difference				
		Unfavorable selling prices	Difference in costs	Difference in selling portfolio	Difference in quantities	Adjustment for unrealized sales profit/loss
	(3,257,510)	11,838	(3,382,000)	668,048	(540,418)	(14,978)
Descriptions	Descriptions on changes in gross margin: Gross margin decreased by 110.15% from the previous period, primarily due to the decrease by NT$3.4 billion or c. 18.94% in the 2022 operating revenues. Operating costs decreased by NT$0.2 billion or c. 1.30% from last year. Difference in costs reduced by approximately NT$3.4 billion, leading to the change in the reporting year's gross profit between the current and proceeding terms being a decrease of NT$3.3 billion.					

III. Cash flow: Analytical descriptions of changes in cash flow, corrective action plans for inadequate liquidity in the most recent fiscal year and analyses into the liquidity in the upcoming year

(I) Analysis into changes in c ash flow in the most recent year:

1. Consolidated Financial Statement

Item \ Year	2022	2021	Ratio (%) of Increase (decrease)
Cash flow ratio	45.49%	92.03%	-50.57%
Cash flow adequacy ratio	89.07%	225.09%	-60.43%
Ratio of reinvestment in cash	0.24%	7.97%	-96.97

Cash flow ratio reduced by 50.57% as compared with the prior period, which was mainly due to that the net cash flow from operating activities reduced by 51.58% as compared with the prior period.

Cash flow adequacy ratio decreased by 60.43% from the previous year due to the average five-year sum of capital expenditures, increase in inventory and cash dividends increased by 127.91%.

Cash reinvestment ratio decreased by 96.97% from the previous period, primarily due to the net cash inflow from operating activities less cash dividends decreased by 96.29% and the gross property, plant and equipment, long-term investments, other non-current assets and working capital increased by 22.54%.

2. Parent company only financial statement

Item \ Year	2022	2021	Ratio (%) of Increase (decrease)
Cash flow ratio	-6.38%	63.55%	-110.04%
Cash flow adequacy ratio	168.78%	235.93%	-28.46%
Ratio of reinvestment in cash	-3.83%	4.82%	-178.55%

Analytical descriptions of the increase/decrease ratio:

1. Cash flow ratio reduced by 110.04% as compared with the prior period, which was mainly due to that the net cash flow from operating activities had reduced by 108.80% as compared with the prior period.
2. Cash flow adequacy ratio reduced by 28.46% as compared with the prior period, which was mainly to the net cash flow from operating activities in most recent five years had reduced by 20.19% as compared with the prior period.
3. Ratio of reinvestment in cash reduced by 179.55% as compared with the prior period, which was mainly due to that “net cash flow from operating activities – cash dividends” had reduced by 178.72% as compared with the prior period.

(II) Analysis into cash liquidity in 2022

1. Consolidated Financial Statement

Expressed in Thousands of New Taiwan Dollars

Beginning cash	Net cash flow from operating activities in the entire year	Cash outflow of the entire year	Cash balance (shortfall)	Countermeasures of inadequate cash	
				Investment plan	Wealth management plan
7,038,195	2,154,072	2,912,790	6,279,477	—	—

1. Analyses into changes in cash flow in the current year:
   (1) Operating activities: The prime cash inflow in operating activities came from the cash inflow yielded by the profits.
   (2) Investment activities: The net cash outflow in investment activities is primarily the procurement of fixed assets and investment in other financial assets.
   (3) Financing activities: The net cash outflow in financing activities is distribution of cash dividend.
2. Countermeasures and liquidity analysis for cash shortfall: Nil
3. Liquidity analyses on the cash flow in the upcoming year:

Ending cash	Net cash flow from operating activities anticipated for the entire year	Anticipated cash outflow of the entire year	Anticipated cash balance (shortfall)	Countermeasures of anticipated cash shortfall	
				Investment plan	Wealth management plan
6,279,477	2,100,000	3,000,000	5,379,477	—	—

2. Parent company only financial statement

Expressed in Thousands of New Taiwan Dollars

Ending cash	Net cash flow from operating activities anticipated for the entire year	Anticipated cash outflow of the entire year	Anticipated cash balance (shortfall)	Countermeasures of anticipated cash shortfall	
				Investment plan	Wealth management plan
2,630,126	(215,400)	2,071,972	342,754	—	—

1. Analyses into changes in cash flow in the current year:
   (1) Operating activities: The prime cash inflow in operating activities came from the cash inflow yielded by the profits.
   (2) Investment activities: The net cash outflow in investment activities is primarily the procurement of fixed assets and investment under equity method.
   (3) Financing activities: The net cash outflow in financing activities is distribution of cash dividend.
2. Countermeasures and liquidity analysis for cash shortfall: Nil
3. Liquidity analyses on the cash flow in the upcoming year:

Ending cash	Net cash flow from operating activities anticipated for the entire year	Anticipated cash outflow of the entire year	Anticipated cash balance (shortfall)	Countermeasures of anticipated cash shortfall	
				Investment plan	Wealth management plan
342,754	(488,488)	245,226	(390,960)	—	—

IV. Impact of major capital expenditure in the most recent year on financial operation:

Nil.

V. The outward investment policies in the most recent year, the major causes leading to the profit or loss and the plans for corrective action and investment plan in the coming fiscal year.

Contents /Descriptions	Share capital	Policies	Major reasons leading to profit/loss	Corrective action	Future investment plans
Land & Sea Capital Corp.	USD 26,318,976	Investment in China according to the operating policies of the board of directors	In 2022, the investment gain recognized came to NT$156,202 thousand. Through that company, investment in Zhenjiang Chi Mei Co., Ltd. to acquire 30.4% equity.	Nil	Nil
GPPC Chemical Corporation	NT$342,000,000	Manufacture, processing and sales of impact-resistant polystyrene.	In 2022, the investment gain recognized came to NT$48,045 thousand, primarily as dividend from investment in that company.	Nil	Nil
Videoland Inc.	NT$1,141,324,000	General import and export trade, production of broadcasting & television programs, production, issuance, buys, sales of domestic movie films.	In 2022, the investment gain recognized came to NT$158,504 thousand, primarily as a result of sound profitability	Nil	Nil

VI. Analytical evaluation over risk affairs:

(I) The impact of inflation and change in interest rate and exchange rate upon the Company's profit and loss and the future response measures

1. Changes in interest rates, exchange rates and inflation

Expressed in Thousands of New Taiwan Dollars

Year / Item	2022 (On the grounds of Consolidated Financial Statement)
Operating revenues	18,176,626
Net profit (loss) before tax	(15,610)
Net profit/loss in foreign exchange	170,265
Ratio of net profit/loss in foreign exchange to net operating revenues	0.94%
Ratio of net profit/loss in foreign exchange to net profit before tax	N/A
Interest revenues	161,715
Ratio of interest income to net operating revenues	0.89%
Ratio of interest income to net profit before tax	N/A
Interest expense	75,829
Ratio of interest expense to net operating revenues	0.42%
Ratio of interest expense to net profit before tax	N/A

(1) Changes in exchange rate

In 2022, the profit in foreign exchange by Grand Pacific and its subsidiaries accounted for 0.94% of the net operating revenues, primarily due to depreciation of New Taiwan Dollars in 2022. Overall in the Group, the revenues and expenditures in foreign exchange were balanced. The Group would, nevertheless, still continually evaluate potential risks in foreign exchange and execute contracts for forward foreign exchanges as the actual requirements may justify so as to evade potential risks in foreign currencies.

(2) Changes in interest rates:

As of December 31, 2022, Grand Pacific and its subsidiaries raised additional bank loans and dealt with banks within the credit facilities for the plant construction of QuanZhou Grand Pacific Chemical Co., Ltd. The Group maintains close communication with banks in case of funding requirements. Besides, the Group has set up multiple channels to raise working capitals to minimize the averaged capital costs. In 2022, the total interest expense came to NT$75,829 thousand, accounting for merely 0.42% of the net operating revenues.

(3) Currency inflation:

The statistics from the Directorate General of Budget, Accounting and Statistics (DGBAS), Executive Yuan, indicates that compared to the base year of 2021 (100), the consumer price index was 102.95 in 2022, up from 100 in 2021. This annual inflation of 2.95% was the highest. Inflation pressure remained and the Company’s business was affected by inflation.

2. Countermeasures in the future

(1) Here in the Company, the Financial Dept. has maintained very sound and close ties with the foreign exchange departments in all banks and collected updates linked up with changes in foreign exchanges all the time to firmly dominate the trends and updates of foreign exchanges in domestic markets with continued efforts to evaluate foreign exchange related risks. As necessary, the Financial Dept. would execute forward foreign exchange contracts in an attempt to evade potential risks in exchange rates.

(2) Other than close ties and efforts maintained with banks to obtain most optimal possible interest rates, further through multiple channels, the Company has tried to raise working capitals to minimize average operating costs.

(3) Slow inflation is a sign of healthy economic growth. At the present time, the Company is in easy transfer for operating costs and the Company's products is relatively profitable as quite beneficial to the Company. On the other hand, nevertheless, in case of a rapid inflation, the consumers tend to be discouraged from consumption with difficulty to pass on the costs as unfavorable to the Company. At the present time, the company does not need at all to formulate measures to cope with inflation.

(II) The policies on high-risk, highly leveraged investments, fund lending with others, endorsement guarantees and derivatives trading, the main reasons for profit or loss and the future response measures

1. In 2022, the Company did not at all engage in derivative financial instruments and such high risk, high leverage transactions.

2. In 2022 in the Company, KK Enterprise Co., Ltd. rendered endorsement/guarantee toward its subsidiary KK Enterprise (Malaysia) Co., Ltd. with facts as enumerated below:

The highest balance of endorsement/guarantee	Ending endorsement/ guarantee balance	Amount of actual expenditures
MYR8,940,000	MYR2,940,000	MYR666,322

3. In 2022, the Company rendered endorsement/guarantee toward its subsidiary QuanZhou Grand Pacific Chemical Co., Ltd. with facts as enumerated below:

The highest balance of	Ending endorsement/	Amount of actual

endorsement/guarantee	guarantee balance	expenditures
CNY3,500,000,000	CNY3,500,000,000	CNY3,150,000,000

4. In 2022, the Company rendered endorsement/guarantee toward its subsidiary GPPC Development Co., Ltd. with facts as enumerated below:

The highest balance of endorsement/guarantee	Ending endorsement/ guarantee balance	Amount of actual expenditures
NTD84,371,000	NTD84,371,000	NTD84,371,000

5. The Company's 2022 fund lending status for Land & Sea Capital Corp. is shown below:

Lending Company	Fund Borrower	Highest Fund Lending Balance	Fund Lending Balance at End of Period	Amount of actual expenditures
Land & Sea Capital Corp.	Grand Pacific Petrochemical Corporation	CNY140,000,000	CNY140,000,000	0

(III) The R&D plans and estimated investment in R&D expenses in the future

Research & development plan in the most recent year	Current progress	R&D fee to be further invested	Time scheduled to be completed	Major factors of impact leading to future successful research & development
1. PBL small particle latex development technology	During development	NT$1 million	Jul. 2023	1. Successful technology breakthrough of the bottleneck 2. Successful market development 3. Competitive in market with the volume economic scale 4. High value, unit attribute 5. Free of negative impact upon environment
2. Expansion-resistant battery material development	During sampling	NT$1 million	Oct. 2023	
3. Development of heat-resistant tough Nylon 66 (PA66)	During sampling	NT$2 million	Aug. 2023	
4. Nylon 66 (PA66) plus glass fiber composite development	During sampling	NT$3 million	Sept. 2023	
5. Improvement of ABS background color and dyeing quality	Being optimized	NT$1 million	Dec. 2023	
6. Planning Nylon 66 (PA66) compound material blending plant	Being planned	NT$3 million	Aug. 2023	
7. R&D for trial production and mass production of high-performance polyamide Nylon 612 and validation for use cases	Being planned	NT$90 million	Aug. 2023	
8. Optimization of ABS grafting formula	Being planned	NT$1 million	Dec. 2023	

(IV) The potential impact from a change in important domestic and international policies and laws upon the Company's financial business and the countermeasures thereof:

As always, the Company is closely watchful of political & economic updates, enactment of major policies and changes in laws. As the actual requirements may justify, the Company assigns dedicated personnel to accept educational & training programs both in-house and outsourced ones. In entire 2022, there was not significant change in at home and abroad policies or legal affairs that might have a significant impact upon the Company.

(V) The impact of technological changes (including cyber security risks) and industrial changes upon the Company's financial business and the countermeasures

The Company has been closely watching the changes and updates of relevant business lines and assigned dedicated personnel into evaluation and study to look into the potential impact upon the Company's in future development, financial conditions and business operation, and the relevant countermeasures which should be taken: In most recent year, there has not been significant technical changes that might have unfavorable impact upon the Company in financial conditions and business operation.

(VI) The impact of a change in corporate image upon the corporate crisis management and the countermeasures thereof: Nil

(VII) The benefit anticipated from merger/acquisition (M&A), the potential risks and countermeasures thereof: N/A

(VIII) The benefit anticipated from plant expansion, the potential risks and countermeasures thereof: Nil

(IX) Risks and countermeasures for the concentration of incoming goods or sales: N/A

(X) The impact, risks upon the Company and countermeasures thereof to be incurred by significant transfer or change in equity by directors and supervisors or major shareholders holding more than 10% of the shares: N/A

(XI) Impact of changes in management rights upon the Company, potential risks and countermeasures thereof: N/A

(XII) Litigious, non-litigious affairs: Should expressly enumerate the litigious, non-litigious or administrative litigation affairs whose judgment are final or making in a pending action involving the Company, its directors and supervisors, president, substantial responsible persons, major shareholders with shareholding ratio over 10% and the auxiliary companies in the most recent year and as of the publication date of the Annual Report, where the results might have a significant impact upon the Company's shareholders' equity or stock prices: Nil

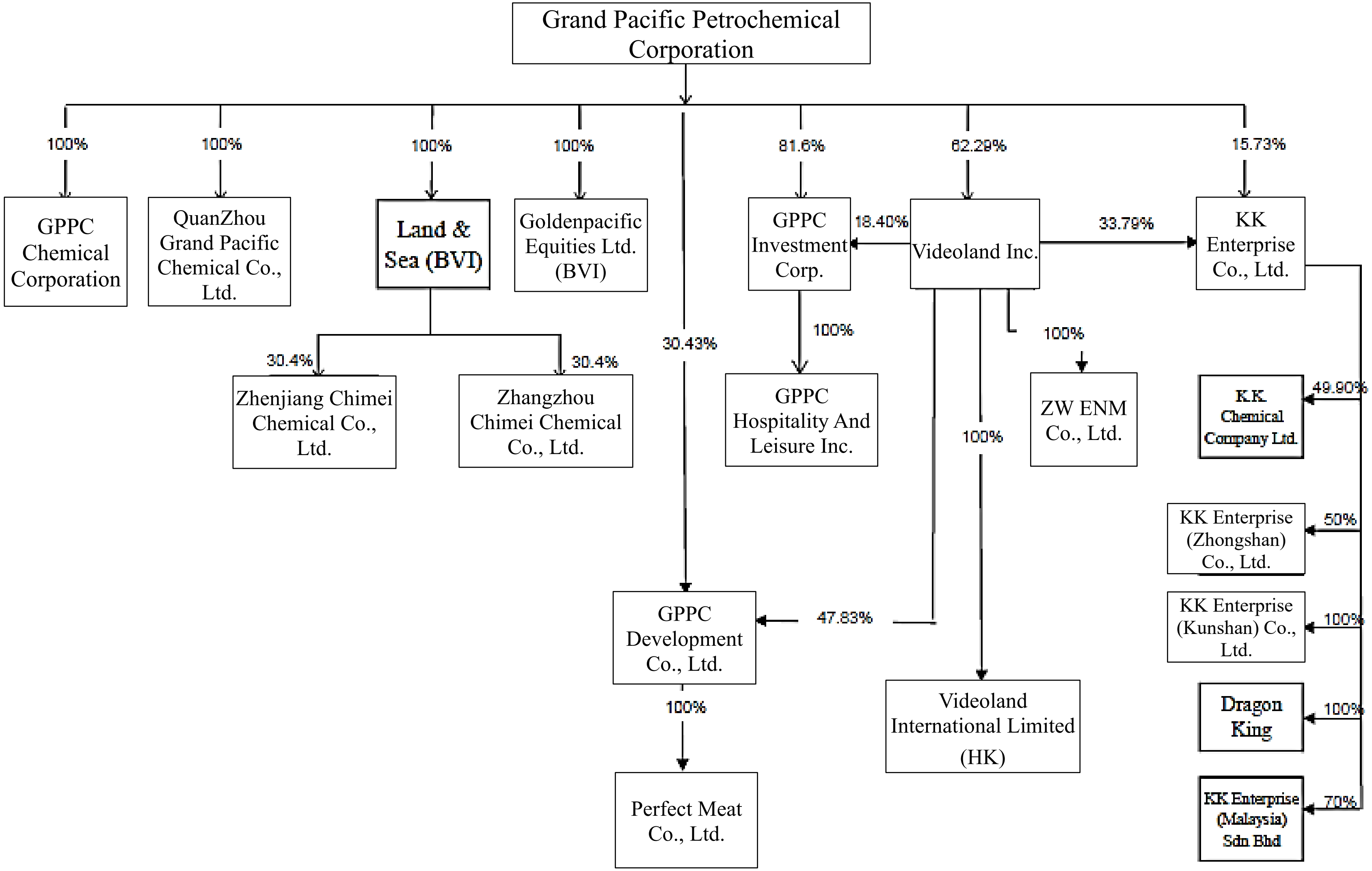
(XIII) Other major risks and countermeasures: N/A

VII. Other significant events: N/A

Eight. Special Disclosure

I. Related information of affiliates

(I) Itemized illustration of shareholding facts in long-term investment (12/31/2022)



(II) Names of affiliated enterprises, dates of incorporations, addresses, paid-in capital and major business lines

Unit: NT$ / US$ / HK$ /CNY thousand

Names of enterprises	Date of incorporation	Address	Paid-in capital	Major business or production lines
GPPC Chemical Corporation	July 20, 1987	No. 66, Changxing Rd., Luzhu Dist., Kaohsiung City	342,000	1. Manufacture of synthetic resin and plastics. 2. International trade. 3. All business items that are not prohibited or restricted by law, except those that are subject to special approval.
GPPC Investment Corp.	January 3, 1997	8F, No. 135, Duhua N. Rd., Songshan Dist., Taipei City	270,000	1. Venture capital investment toward investees. 2. Planning, consultation, participation in business operation & management toward investees. 3. Business management, administration and consultation services to other venture capital investment businesses. 4. Other businesses concerned as approved by the government.
GPPC Hospitality And Leisure Inc.	October 12, 2018	1F, No. 26, Lane 295, Sec. 1, Dunhua S. Rd., Taipei City	40,000	1. Beverages 2. Wines & liquors 3. Restaurants 4. All business items that are not prohibited or restricted by law, except those that are subject to special approval.
GPPC Development Co., Ltd.	August 30, 2018	10F, No. 1, Sec. 4, Nanjing E. Rd., Taipei City	230,000	1. Beverages 2. Wines & liquors 3. Restaurants 4. General hotel business 5. All business items that are not prohibited or restricted by law, except those that are subject to special approval.
QuanZhou Grand Pacific Chemical Co., Ltd.	April 10, 2021	No.5, Tianfeng Rd., Quangang District, Quanzhou City, Fujian Province	CNY$2,278,800	Production and sale of petrochemical products
Perfect Meat Co., Ltd.	June 8, 2021	8F, No. 135, Duhua N. Rd., Songshan Dist., Taipei City	10,000	Wholesale and retail of animal farming and aquatic products
Goldenpacific Equities Ltd.	May 5, 1995	Wickhams Cay II, Road Town, Tortola, VG1110 BVI	US$75	Reinvestment toward a variety of businesses beyond Taiwan territories as instructed by the parent company based on its business policies.
Land & Sea Capital Corp.	December 4, 2002	Wickhams Cay II, Road Town, Tortola, VG1110 BVI	US$26,319	Reinvestment toward a variety of businesses beyond Taiwan territories as instructed by the parent company based on its business policies.
Videoland Inc.	February 2, 1982	3F, No. 480, Juiguang Rd., Neihu Dist., Taipei City	1,141,324	Production of radio & television programs
Videoland International Ltd.	January 24, 2021	Room 2103, Futura Plaza, 111 How Ming Street, Kwun Tong, HK	HKD25,000	Trading of alcohol products
ZW ENM Co., Ltd.	November 23, 2022	1F, No, 480, Ruigong Rd., Neihu Dist., Taipei City	5,000	Mainly for producing and publishing TV series / programs
KK Enterprise Co., Ltd.	April 15, 1975	No.1, Ziqiang 3rd Rd., Nantou City	504,425	Manufacture, wholesale, retail of label paper, release paper and adhesive tapes and synthetic resins.
Zhenjiang Chimei	March 12,	No. 88, Hanqiao Road,	US$384,850	Manufacture, sale and processing of series

Chemical Co., Ltd.	1996	Zhenjiang New District, Jiangsu Province		products using styrene as raw materials: manufacturing and sales of ABS, AN, PS, etc., storage and transportation of raw materials and finished products
Zhangzhou Chimei Chemical Co., Ltd.	August 9, 2018	No. 516, South Shugang Avenue, Gulei Town, Gulei Port Economic Development Zone, Zhangzhou, Fujian Province	CNY$3,760,000	Manufacture of primary plastics and synthetic resins
KK Chemical Co. Ltd.	March 5, 1991	ROOM 1608-1609 City Plaza , 1-17 Sai Lau Kok Road,Tsuen Wan,N.T.	HKD2,500	Reinvestment business
KK Enterprise (Zhongshan) Co., Ltd.	November 2, 1991	No.81, Jucheng Avenue East, Xiaolan Town, Zhongshan City, Guangdong Province	HKD12,300	Label paper, release paper and adhesive tape business
KK Enterprise (Kunshan) Co., Ltd.	December 3, 2001	No. 568, Gucheng Road, Bacheng Town, Kunshan City, Jiangsu Province	USD6,100	Label paper, release paper and adhesive tape business
KK Enterprise (Malaysia) Co., Ltd.	November 9, 2007	2576LRG. PERUSAHAAN 10, PRAI IND. EST., 13600, PRAI PENANG, MALAYSIA.	RM2,400	Label paper, release paper and adhesive tape business
Dragon King Inc.	February 9, 2006	PORTCULLIS TRUSTNET CHAMBERS, P.O.BOX 1225, APIA, SAMOA	USD100	Reinvestment business

(III) Presumed into control or auxiliary relationship.

The Company proves free of control or auxiliary relationship presumed under Article 369-3 of the Company Act.

(IV) Business lines covered under the overall affiliated enterprises

Affiliated enterprises	Business lines	Division of labor in business transaction
GPPC Chemical Corporation	Manufacture of synthetic resin and plastics, international trade; All business items that are not prohibited or restricted by law, except those that are subject to special approval.	Nil
GPPC Investment Corp.	Reinvestment toward a variety of businesses beyond Taiwan territories as instructed by the parent company based on its business policies.	Nil
GPPC Hospitality And Leisure Inc.	Catering business	Nil
GPPC Development Co., Ltd.	Catering business, hotel business	Nil
QuanZhou Grand Pacific Chemical Co., Ltd.	Production and sale of petrochemical products	Nil
Perfect Meat Co., Ltd.	Wholesale and retail of animal farming and aquatic products	Nil
Goldenpacific Equities Ltd.	Reinvestment toward a variety of businesses beyond Taiwan territories as instructed by the parent company based on its business policies.	Nil
Land & Sea Capital Corp.	Reinvested in Zhenjiang Chimei Chemical Co., Ltd. and Zhangzhou Chimei Chemical Co., Ltd.	Nil
Videoland Inc.	Production of radio & television programs	Nil
Videoland International Ltd.	Trading of alcohol products	Nil
ZW ENM Co., Ltd.	Mainly for producing and publishing TV series / programs	Nil
KK Enterprise Co., Ltd.	Manufacture, wholesale, retail of label paper, release paper and adhesive tapes and synthetic resins.	Nil
Zhenjiang Chimei Chemical Co., Ltd.	Manufacture, sale and processing of series products using styrene as raw materials: manufacturing and sales of ABS, SAN, PS, etc., storage and transportation of raw materials and finished products	Nil

Zhangzhou Chimei Chemical Co., Ltd.	Manufacture of primary plastics and synthetic resins	Nil
KK Chemical Co. Ltd.	Investment business	Nil
KK Enterprise (Zhongshan) Co., Ltd.	Manufacture of label paper, release paper and adhesive tapes and synthetic resins.	Nil
KK Enterprise (Kunshan) Co., Ltd.	Manufacture of label paper, release paper and adhesive tapes and synthetic resins.	Nil
KK Enterprise (Malaysia) Co., Ltd.	Manufacture of label paper, release paper and adhesive tapes and synthetic resins.	Nil
Dragon King Inc.	Investment business	Nil

(V) Information of directors, supervisors, and President of affiliates

Expressed in Shares; %

Company Name	Title	Name or Representative	Number of shares held	Shareholding ratio	Remark
GPPC Chemical Corporation	Chairman	Pin Cheng Yang	34,200,000 shares	100%	Legal Representative of Grand Pacific Petrochemical Corporation
	Director	Chia Hsiung Tseng	34,200,000 shares	100%	
	Director	Wen Hui Lin	34,200,000 shares	100%	
	Supervisor	Ching Fu Chen	34,200,000 shares	100%	
	President	Wen Hui Lin	—	—	—
GPPC Investment Corp.	Chairman	Hsi Hui Huang	22,032,000 shares	81.6%	Legal Representative of Grand Pacific Petrochemical Corporation
	Director	Pin Cheng Yang	22,032,000 shares	81.6%	
	Director	Chen Ming Chou	22,032,000 shares	81.6%	
	Supervisor	Ching Fu Chen	—	—	—
	President	Hsi Hui Huang	—	—	—
GPPC Hospitality And Leisure Inc.	Chairman	Mei Yu Shen	4,000,000 shares	100%	Legal Representative of GPPC Investment Corp
	Director	Ling Chu Chen	4,000,000 shares	100%	
	Director	Pei Hsuan Lin	4,000,000 shares	100%	
	Supervisor	Ching Fu Chen	4,000,000 shares	100%	
GPPC Development Co., Ltd.	Chairman	Pin Cheng Yang	7,000,000 shares	30.43%	Legal Representative of Grand Pacific Petrochemical Corporation
	Vice Chairman	Tzu Yi Cheng	11,000,000 shares	47.83%	Legal Representative of Videoland Inc.
	Director	Hsi Hui Huang	7,000,000 shares	30.43%	Legal Representative of Grand Pacific Petrochemical Corporation
	Director	Shan Jung Yu	5,000,000 shares	21.74%	Legal Representative of CDIB Venture Capital Corporation
	Director	Yu Shan Lin	5,000,000 shares	21.74%	
	Supervisor	Ching Fu Chen	—	—	—
	Supervisor	Yu Ching Ku	—	—	—
QuanZhou Grand Pacific Chemical Co., Ltd.	Chairman	Pin Cheng Yang	—	100%	Legal Representative of Grand Pacific Petrochemical Corporation
	Director	Chia Hsiung Tseng			
	Director	Ching Fu Chen			
	Supervisor	Ling Chu Chen			
Perfect Meat Co., Ltd.	Chairman	Hsi Hui Huang	1,000,000 shares	100%	Legal Representative of GPPC Development Co., Ltd.
	Director	Mei Yu Shen	1,000,000 shares		
	Director	Pei Hsuan Lin	1,000,000 shares		
	Supervisor	Ling Chu Chen	1,000,000 shares		
Goldenpacific Equities Ltd.	Chairman	Hsi Hui Huang		100%	Legal Representative of Grand Pacific Petrochemical Corporation
	Director	Pin Cheng Yang		100%	
	Director	Chen Ming Chou		100%	
Land & Sea Capital Corp.	Director	Chung Ying Ku		100%	Legal Representative of Grand Pacific Petrochemical Corporation
	Director	Pin Cheng Yang		100%	
	Director	Teh Hsin Chiu		100%	
Videoland Inc.	Chairman	Chung Pei Lee	3,955,000 shares	3.47%	Legal Representative of

Company Name	Title	Name or Representative	Number of shares held	Shareholding ratio	Remark
	Director	Tzu Yi Cheng	3,955,000 shares	3.47%	Chen Ho Co., Ltd.
	Director	Pin Cheng Yang	71,093,494 shares	62.29%	Legal Representative of Grand Pacific Petrochemical Corporation
	Director	Hsi Hui Huang	71,093,494 shares	62.29%	
	Director	Ching Fu Chen	71,093,494 shares	62.29%	
	Supervisor	Teh Hsin Chiu	1,130,197 shares	0.99%	Legal Representative of Hong Fu Co., Ltd.
	Supervisor	Sung Tung Chen	1,130,197 shares	0.99%	
	President	Tzu Yi Cheng	—	—	—
Videoland International Limited	Director	Yu Ching Ku	25,000,000 shares	100%	Legal Representative of Videoland Inc.
ZW ENM Co., Ltd.	Chairman	Chung Pei Lee	5,000,000 shares	100%	Legal Representative of Videoland Inc.
Zhenjiang Chimei Chemical Co., Ltd.	Chairman	Ling Yu Chao	US$267,854	69.6%	Legal Representative of Jentra Investment Limited Liability Company
	Executive Director	Chien Jen Chao	US$267,854		
	Director & President	Liang Yi Hung	US$267,854		
	Director	Yao Chung Su	US$267,854		
	Director	Yao Ching Wang	US$267,854	69.6%	Legal Representative of Jentra Investment Limited Liability Company
	Director	Pin Cheng Yang	US$116,996	30.4%	Legal Representative of Land & Sea Capital Corp.
	Director	Chen Ming Chou	US$116,996		
	Supervisor	Pi Chi Lin	US$267,854	69.6%	Legal Representative of Jentra Investment Limited Liability Company
	Supervisor	Ching Fu Chen	US$116,996	30.4%	Legal Representative of Land & Sea Capital Corp.
Zhangzhou Chimei Chemical Co., Ltd.	Chairman	Chien Jen Chao	CNY$2,616,960	69.6%	Jumping Holding Co. Ltd. (Samoa)
	Director	Yu Chuan Wang	CNY$2,616,960		
	Director & President	Yao Chung Su	CNY$2,616,960		
	Director	Liang Yi Hung	CNY$2,616,960		
	Director	Kuei Kuan Ma	CNY$2,616,960		
	Director	Chia Hsiung Tseng	CNY$1,143,040	30.4%	Legal Representative of Land & Sea Capital Corp.
	Director	Wen Hui Lin	CNY$1,143,040		
	Supervisor	Pi Chi Lin	CNY$2,616,960	69.6%	Jumping Holding Co. Ltd.(Samoa)
	Supervisor	Ching Fu Chen	CNY$1,143,040	30.4%	Legal Representative of Land & Sea Capital Corp.
KK Enterprise Co., Ltd.	Chairman	Po Ying Yen	7,934,363 shares	15.73%	Legal Representative of Grand Pacific Petrochemical Corporation
	Director	Pin Cheng Yang	7,934,363 shares	15.73%	
	Director	Hsi Hui Huang	17,045,682 shares	33.79%	Legal Representative of Videoland Inc.
	Director	Peng Wen Chen	17,045,682 shares	33.79%	
	Director	Fu Mei Lee	967,128 shares	1.92%	
	Director	Chin Hua Lee Chen	2,198,913 shares	4.36%	
	Director	Su Hua Chen	376,959 shares	0.75%	
	Supervisor	Sung Chou Wang	27,681 shares	0.05%	Legal Representative of Chung Kwan Investment Co., Ltd.
	Supervisor	Ying Hung Lee	371,720 shares	0.74%	
	President	Peng Wen Chen	—	—	—
KK Chemical Co. Ltd.	Chairman	Po Ying Yen	HK$1,247	49.9%	Legal Representative of KK Enterprise Co., Ltd.
	Director	Jui Fa Wang	HK$1,247		
KK Enterprise (Zhongshan) Co.,	Chairman	Po Ying Yen	HK$6,150	50%	Legal Representative of KK Enterprise Co., Ltd.
	Director	Peng Wen Chen	HK$6,150		

Company Name	Title	Name or Representative	Number of shares held	Shareholding ratio	Remark
Ltd.	Director	Yung Nan Chou	HK$6,150		
	Director	Jui Fa Wang	HK$6,150		
	Director	Tsung Min Chen	HK$6,150		
	Supervisor	Mei Li Lan	HK$6,150		
KK Enterprise (Kunshan) Co., Ltd.	Chairman	Po Ying Yen	US$6,100	100%	Legal Representative of KK Enterprise Co., Ltd.
	Director	Peng Wen Chen	US$6,100		
	Director	Yung Nan Chou	US$6,100		
	Director	Jui Fa Wang	US$6,100		
	Director	Wei Chung Yang	US$6,100		
	Supervisor	Mei Li Lan	US$6,100		
KK Enterprise (Malaysia) Co., Ltd.	Chairman	Po Ying Yen	MYR$1,680	70%	Legal Representative of KK Enterprise Co., Ltd.
	Director	Peng Wen Chen	MYR$1,680		
	Director	Mei Li Lan	MYR$1,680		
	Director	Ya Ping Lee	MYR$1,680		
	Director	Min Hua Hua	MYR$720	30%	Legal Representative of Chailease Resources Technology Co., Ltd.
	Director	Jui Hsing Chen	MYR$720		
	Director	Chia Cheng Liu	MYR$720		
Dragon King Inc.	Chairman	Po Ying Yen	US$100	100%	Legal Representative of KK Enterprise Co., Ltd.

(VI) Affiliates' Business Operating Highlights

Expressed in Thousands of New Taiwan Dollars

Company name	Paid-in capital	Total assets	Total liabilities	Net worth	Operating revenues	Operating income	Current profit (loss) (After-tax)	EPS (NT$) (After-tax)
Grand Pacific Petrochemical Corporation	9,266,203	39,363,668	6,611,438	32,752,230	14,723,385	(704,944)	(493,812)	(0.56)
GPPC Chemical Corporation	342,000	777,611	163,149	614,462	1,681,795	(49,987)	51,727	1.51
GPPC Investment Corp.	270,000	323,445	121	323,324	455	(149)	(10,544)	(0.39)
Goldenpacific Equities Ltd.	2,311	632,700	169	632,531	4,385	(107)	(106)	-
Videoland Inc.	1,141,324	8,195,479	780,035	7,415,444	1,858,764	303,929	254,459	2.23
KK Enterprise Co., Ltd.	504,425	1,214,430	298,287	916,143	755,266	53,514	25,402	0.50
Land & Sea Capital Corp.	808,256	13,645,295	12,403	13,632,891	41,813	1,459	(209,267)	-
KK Chemical Co. Ltd.	9,845	8,485	372	8,113	0	(107)	(655)	-
KK Enterprise (Zhongshan) Co., Ltd.	48,437	159,879	52,902	106,977	206,292	(45,979)	(38,972)	-
KK Enterprise (Kunshan) Co., Ltd.	187,331	221,176	23,808	197,368	128,171	(7,808)	(4,476)	-
KK Enterprise (Malaysia) Co., Ltd.	16,078	113,117	37,370	75,747	93,476	6,089	5,384	-
Dragon King Inc.	3,071	4,381	0	4,381	0	(32)	(313)	-
Zhenjiang Chimei Chemical Co., Ltd.	11,818,744	29,902,066	11,403,042	18,499,024	62,423,170	1,424,082	1,144,728	-
GPPC Hospitality And Leisure Inc.	40,000	18,801	2,060	16,741	9,824	(10,648)	(10,584)	(2.65)
Zhangzhou Chimei Chemical Co., Ltd.	16,574,080	34,532,526	18,224,361	16,308,165	19,143,746	(194,033)	(485,887)	-
GPPC Development Co., Ltd.	230,000	3,268,833	3,185,883	82,950	0	(101,795)	(137,939)	(9.97)
QuanZhou Grand Pacific Chemical Co., Ltd.	10,044,950	24,113,135	14,054,710	10,058,425	0	(186,061)	(47,640)	-
Perfect Meat Co., Ltd.	10,000	9,453	60	9,393	0	(198)	(113)	-
Videoland International Limited	98,450	97,404	848	96,556	0	(815)	(814)	-
ZW ENM Co., Ltd.	5,000	4,996	17	4,979	0	(31)	(21)	(0.40)

Note: Where an affiliate is a foreign firm, the relevant amounts should be converted into New Taiwan Dollars at exchange rate quoted on the date of updating forms.

II. Facts of securities in private placement conducted in the most recent year and as of the publication date of Annual Report: Nil

III. Facts of Company's share certificates held and disposed by the subsidiaries in the most recent fiscal year and as of the publication date of the Annual Report:

Expressed in thousand NT Dollars; thousand shares, %

<table>
<tr><th>Name of Subsidiary (Note 1)</th><th>Paid-in capital</th><th>Capital source</th><th>Shareholding ratio by the Company</th><th>Date of acquisition or disposal</th><th>Shares & amount acquired (Note 2)</th><th>Number of shares & amount disposed (Note 2)</th><th>Profit/loss in investment</th><th>Shares & amount held as of April 30, 2023 (Note 3)</th><th>Pledge</th><th>Amount of endorsement/ guarantee by the Company to subsidiary</th><th>Loan by the Company to subsidiary</th></tr>
<tr><td rowspan="4">GPPC Chemical Corporation</td><td rowspan="4">342,000</td><td rowspan="4">Own capital</td><td rowspan="4">100.00</td><td></td><td></td><td></td><td></td><td></td><td>-</td><td>-</td><td>-</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td>-</td><td>-</td><td>-</td></tr>
<tr><td></td><td></td><td></td><td></td><td></td><td>-</td><td>-</td><td>-</td></tr>
<tr><td>For the current year ending on the date of publication of the annual report</td><td></td><td></td><td></td><td>Grand Pacific common share: 0 share,
Grand Pacific preferred shares: 1,776 thousand shares
NT$50,261 thousand</td><td>Note 4</td><td>-</td><td>-</td></tr>
</table>

IV. As supplementation as necessary: Nil

Nine. In the most recent year and as of the publication date of the Annual Report, events with significant impact upon shareholders' equity or stock prices: Nil