Stock Code: 1305

China General Plastics Corporation

2021 Annual Report

Check the Annual Report at:

CGPC Company Website: https://www.cgpc.com.tw

Open Information Observation Website: https://mops.twse.com.tw

Publication date: March 31, 2022

I. Spokesperson:

Name: Hu, Chi-Hong
Title: Executive Deputy General Manager
Telephone: (02) 2650-3708
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Acting spokesperson:

Name: Liu, Chuan-Yuan
Title: Special Assistant, General Manager's Office
Telephone: (02) 2650-3716
Email: DavidLiu@cgpc.com.tw

II. Contact Information of Head Office and Plant:

with the Issuer	Address	Telephone
Head Office	12F, No.37, JiHu Road, NeiHu Dist., Taipei City 114	(02)8751-6888 (main line)
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III. Name, Address, Website and Telephone of The Share Transfer Agency:

Name: Stock Affairs Department, China General Plastics Corporation
Address: 6F, No. 17, Lane 120, Section 1, Neihu Road, Neihu District, Taipei City 114
Joint Stock Affairs Website: https://www.usig.com/USIGStockHome.aspx
Telephone: (02) 2650-3773 (main line)

IV. Name of the CPA Auditing the Financial Statements in the Most Recent Year:

Name of CPA: Huang, Hsiu-chun and Chiu, Cheng-chun
Name of accounting firm: Deloitte Taiwan
Address: 20th Floor, No.100, Songren Road, Shinyi District, Taipei City 110
Website: https://www2.deloitte.com/tw/tc.html
Tel:(02)2725-9988

V. Name of the Stock Exchange for Trading Securities Overseas and the Method of Inquiry on the Overseas Securities: None.

VI. Company Website: https://www.cgpc.com.tw

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I. Letter to Shareholders

Dear Shareholders,

Thank you for your support to our company over the years. The business report is provided here for your reference.

1. Business Report of 2021

The Company's consolidated net revenue in 2021 was NT$20.222 billion, a budget achievement rate of 141% and an increase of NT$6.488 billion from the same period of the previous year. The consolidated net operating income was NT$3.317 billion, a budget achievement rate of 267% and an increase of NT$1.173 billion and a growth of 55% from the same period of the previous year. The consolidated net income after tax was NT$2.631 billion, a budget achievement rate of 260% and an increase of NT$840 million from the same period of the previous year. The consolidated net income after tax attributable to the owners of the Company was NT$2.469 billion, an increase of NT$834 million from the same period of the previous year.

Review of operations in 2021:

In terms of raw materials:

Ethylene: In 2021, global production capacity increased by approximately 10 million tons, mainly from Asian countries. The supply-side was gradually relaxed. However, extreme weather in the United States damaged petrochemical plants on a large scale; crackers could not stabilize production, thus the supply of ethylene was greatly reduced. Oil prices collapsed during the pandemic, bankrupting small-scale shale oil plants. This led to the tightening of the supply of ethylene raw materials such as shale gas in the United States. Domestic demand increased post-pandemic, skyrocketing ethylene export prices, which Asian buyers found hard to bear. Prices dropped in Q3 due to new production capacity in Asia. Prices rose again in Q4 due to China’s energy policies, which caused prices in Asia to fluctuate per metric ton CFR US$900-1,200.

EDC: The United States, the largest exporter, experienced frequent issues with production since the end of 2020. In 2021, extreme weather caused a sharp drop in production. As life gradually returned to normal in the United States in the post-pandemic era, overall domestic demand increased. EDC exports dropped by 33% and was consumed by Europe and India. There was nearly no stock for Asia. Only some Asian manufacturers had spot tenders from time to time, resulting in high prices.

VCM: In 2021, as the demand for PVCincreased and the price of PVC reached a record high, the price of VCM was simultaneously boosted. Under active trading, the price of VCM also reached a record high. Although the price of VCM was slightly revised down due to the decrease in the price of PVC at the end of the second quarter, demand remained stable. VCM skyrocketed to more than US$1,400 per ton in the beginning of the fourth quarter but was then unbearable for downstream companies. The price of VCM was once again revised down, but raw materials were not, compressing the spread.

With regard to products: The beginning of 2021 continued the explosive post-pandemic demand of 2020. Rising prices and the overall low PVC inventory, coupled with the suspension of factories caused by the winter storm in Central Texas in the U.S. in February and annual overhauls of many factories in Asia from March, the supply-demand imbalance of PVC continued to grow. In April, a renewed COVID-19 wave caused lockdowns, bringing economic activity to a standstill, and demand in South America and India plummeted. By the end of August, The U.S. was hit by hurricane Ida, India's urgent demand, and the lack of cabins, containers, and port congestion caused shipping rates to surge. In October, China's dual control policies drove prices up further. The annual production of VCM was 448,000 metric tons. After supplying VCM for our own production of PVC powder, we exported 28,000 metric tons of VCM, which was a increase of 130% and 16% from 2020 and the budget. The annual production of PVC powder was 433,000 metric tons. After supplying PVC for our own production of downstream processed products, we exported 359,000 metric tons of PVC, which was an increase of 2% from 2020 and a decrease of 8%

from the budget. With regard to chemical products, due to the continued increase of sodium hydroxide and hydrochloric acid prices and the electronics industry's booming, we produced 66,000 metric tons of chemical products (on 100% concentration) and sold 60,000 metric tons, representing an increase of 3% and 2% from 2020 and the budget. With regard to processing products, the annual production of building materials was 20,000 metric tons. Due to the government's policy in capping rising housing prices, we sold 19,000 metric tons, which was a decrease of 3% and 7% from 2020 and the budget, respectively. The annual production of rubber cloth was 30,000 metric tons. Affected by the contraction of the end consumer market, the declined orders from downstream customers, and the tariff barrier, we sold 29,000 metric tons, which was a decrease of 4% and 10% from 2020 and the budget, respectively. The annual production of rubber sheets was 8.49 million yards. Benefiting from the recovery of the U.S. auto market, we sold 8.37 million yards, which was an increase of 25% and 27% from 2020 and the budget, respectively.

2. Outline of 2022 Business Plan

Operations in 2022:

In terms of raw materials:

Ethylene: High oil prices increase ethylene production costs, causing losses, and therefore causing crackers to reduce production. Downstream demand for ethylene is muted due to production cuts due to compressed profits. With high oil prices and weak demand, ethylene prices are stuck in a fixed range. When the production capacity of the United States recovers and more sources of goods can be exported to Asia, ethylene prices might decrease.

EDC: It is estimated that EDC will maintain a regional balance. Although production in the United States is gradually recovering, its domestic demand will continue to be strong, so export volume may not be high. Production lines in the Middle East have been suspended for a long time and prices in Europe and India are relatively high, affecting EDC spot supply in Asia and making it hard for EDC spot prices to fall. However, current demand for sodium hydroxide has grown and alkali prices are firm, which should push up the opening rate of alkali-chlorine plants, which will help increase the output of EDC. In addition, the maintenance of production lines in the Middle East is projected to be completed earlier. The supply of EDC this year should increase compared with last year, especially in the second half of the year.

VCM: In the first half of the year, the annual overhaul of VCM plants and many suspensions that were not due to accidents tightened supply. Since PVC prices plummeted due to China's dual control policies, plants are unwilling to stock up on raw materials due to insufficient profits. This resulted in weak VCM buying interest and weak prices, and thus low inventory levels of buyers and trading companies. Before the Lunar New Year, Asian VCM buyers began to look for sources. After the holiday, VCM purchasing was more active. This year, we are optimistic about VCM prices.

With regard to products: Looking forward to 2022, due to the growth of new production capacity lower than demand, sustained high PVC demand from the emerging market, and China's reduction of production in PVC by the calcium carbide method for environmental protection will help promote the positive development of PVC/VCM prices. As the material supply side is estimated to be superior to levels in 2021, we expect to attain a certain amount of profits. The falling PVC prices since Q4 have bottomed out in the South Asia in early February this year. The outlook for the global market in the first half of the year is expected to be good, but we must pay attention to the post-pandemic impact on the global economy, as well as the impact of the recent tensions between Russia and Ukraine on oil prices and raw material supply chains. The Company will continue carefully observe the situation and adopt response measures.

Carbon reduction is currently a material global issue; net zero and circular economy are important global development trends. The Company follows the Corporate Governance 3.0-Blueprint of Sustainable Development, ESG topics, and government regulations. We actively invest in environmental protection: we plan to build a 10% voluntary renewable energy capacity, introduce ISO-46001 water efficiency management systems, and build new natural gas boilers to replace the coal-fired boilers and activated carbon fluidized beds in in 2023 to prevent VOC emissions. We obtained Global Recycling Standard (GRS) certification, combined the circular economy concept, and implemented the ISO-50001 energy management system to promote various energy conservation and emission reduction projects to reduce carbon emissions and ensure the sustainable use of water resources. We also seek to improve VCM/PVC production capacity, continue to carry out equipment automation and energy saving improvement, replace the old with the new, and establish intelligent manufacturing management systems. CGPC’s Toufen Plant 3D constructed automatic warehouse storage systems that will be enabled in the second half of the year to enhance overall operation efficiency. We have implemented process safety management (PSM) to ensure safety in operations and actively develop new products with high added value and niches.

Our management team will take overall planning of the vinyl industry chain to get the largest profit space, and make good use of vertical integration mechanism and effective management, implement the improvement and fulfillment of corporate social responsibility associated with work safety environmental protection, and build and expand niche in creating maximize operational performance to achieve the target of sale of 550,000 metric tons during the whole year.

Chairman Wu, Yi-Gui

General Manager Lin, Han-Fu

II. Company Profile

1. Date of Founding: April 29, 1964

2. Company History

The Company was founded in February 1964. The headquarters were established in Taipei City and a plant was built in Tianliao Village in Toufen City, Miaoli County to produce polyvinyl chloride (PVC resin) and derived products such as hard tubes, rubber cloths, rubber sheets, etc.

In May 1968, Panama Gulf Oil Company invested in the Company and introduced new production technologies and management systems.

In January 1970, the Ministry of Economic Affairs united six public and private companies including the Company, CPC, CPDC, Formosa Plastics, Cathay, and Yeefong to jointly found Taiwan VCM Corporation which began producing vinyl chloride monomer (VCM) at is plants in Kaohsiung and Toufen to supply materials necessary for the domestic production of PVC resin and processing industries.

In March 1973, the Company's stock is listed on the Taiwan Stock Exchange Market.

In May 1982, Panama Gulf Oil Company, due to changes in its business strategy, transferred its shares to the Panamanian Company Asia Private Investment Company.

In November 1986, the Australian Company, BTR Nylex Limited acquired 31% of the Company's shares and transferred all shares to its wholly-owned subsidiary Company, BTRN Asia in December.

In June 1988, the Company established CGPC America Corporation in the United States to strengthen business development in the Americas and promote products across the world.

In December 1991, the Company established C G Europe Limited in the United Kingdom to strengthen business development in Europe and promote products across the world. However, to reduce operating cost, the Company reverted to direct sales to the European market and completed the settlement, dissolution, and registration cancellation procedures on December 17, 2013.

In July 1992, the Company established China General Plastics(Hong Kong) Co., Ltd. in Hong Kong to strengthen business development in Hong Kong and China and to increase export performance. CGPC (Hong Kong) was later dissolved as it no longer provided intermediary trade functions and the procedures were completed on March 17, 2017.

In October 1993, the Company increased investment in Taiwan VCM Corporation and increased the shareholding percentage to 79.71%.

In 1994, the Company passed the ISO 9002 International Quality Assurance certification to effectively increase the quality of products.

In March 1997, BTRN Asia transferred 31% of its shares in the Company to the Bermuda Merchant Figuay Ltd., an overseas holding Company with joint investment from USI Corporation and UPC Technology Corporation.

In April 1997, the Company established CGPC (BVI) Holding Co., Ltd. in the British Virgin Islands for foreign investments.

In June 1997, the Investment Commission of the Ministry of Economic Affairs approved the Company's establishment of Continental General Plastics (ZhongShan) Co., Ltd. in Zhongshan City, Guangdong Province, China through a third region. The Board of Directors passed resolution for dissolution of the Company on October 24, 2011. The dissolution procedures have not been completed as of the publication date of the Annual Report in 2022.

In September 1997, the Company increased investment in Taiwan VCM Corporation and increased the shareholding percentage to 87.22%.

In March 1998, the Company established Krystal Star International Corporation in the British Virgin Islands for international trade businesses. As there were no operating activities in recent years, Krystal Star International Corporation was dissolved and the procedures were completed on December 2, 2019.

In June 1998, the Company passed the ISO 14001 Environmental Management System certification to improve the quality of environmental protection and waste reduction.

In June 1998, the major shareholder Bermuda Merchant Figuay Ltd. transferred it shares 31％ of total shares to Taiwan Union International Investment Co., Ltd. which received 4.65% of shares and Union Polymer Int'l Investment Corp. which received 26.35％.

In November 1998, the Investment Commission of the Ministry of Economic Affairs approved the Company's establishment of Beijing China General Plastics Corp. in Beijing, China through a third region. The Company moved to Langfang District in Beijing in 2005 and was renamed Langfang China General Plastics Corp. As the Company did not achieve expected investment benefits, it completed settlement and dissolution procedures in the first quarter of 2009 and the registration was canceled.

In December 1998, the Company issued 80,000 thousand shares for cash capital increase with a value of NT$13 per share. A total of NT$1.04 billion was raised.

In April 1999, the Investment Commission of the Ministry of Economic Affairs approved the Company's establishment of Continental General Plastics (Sanhe) Co.Ltd. in Beijing, China through a third region. As the Company did not achieve expected investment benefits, it was disposed in the fourth quarter of 2011.

In August 2003, the Investment Commission of the Ministry of Economic Affairs approved the Company's establishment of Quanzhou Continental General Plastics Co., Ltd. in Nanan City, Quanzhou, Fujian Province, China through a third region. As the Company faced difficulties in developing customers and poor business environment, it completed settlement and dissolution procedures by the end of 2009 and canceled the registration.

In March 2004, the Investment Commission of the Ministry of Economic Affairs approved the Company's establishment of Continental General Plastics (Zhuhai) Co., Ltd. in Zhuhai, China through a third region.

The Company completed settlement and dissolution and canceled its registration on November 22, 2007.

In September 2006, the Investment Commission of the Ministry of Economic Affairs approved the Company's establishment of CGPC Consumer Products Corporation in Zhongshan, China through a third region. The Board of Directors passed resolution for dissolution of the Company on October 24, 2011. The dissolution procedures have not been completed as of the publication date of the Annual Report in 2022.

In May 2009, the Company established CGPC Polymer Corporation as a 100%-owned subsidiary, and built the PVC resin plant in the Linyuan Petrochemicals Area in Kaohsiung City. Official operations started in February 2012. PVC resin annual production capacity was increased from 180,000 tons to 350,000 tons.

In November 2015, VCM annual production capacity increased from 420,000 tons to 450,000 tons; PVC resin annual production capacity increased from 350,000 tons to 400,000 tons.

In February 2018, rubber cloths new production line began its operation and the annual production capacity was raised to 72,000 tons from 68,000 tons.

In August 2018, PVC resin annual production capacity was raised to 410,000 tons from 400,000 tons.

In June 2019, VCM annual production capacity was raised to 485,000 tons from 450,000 tons.

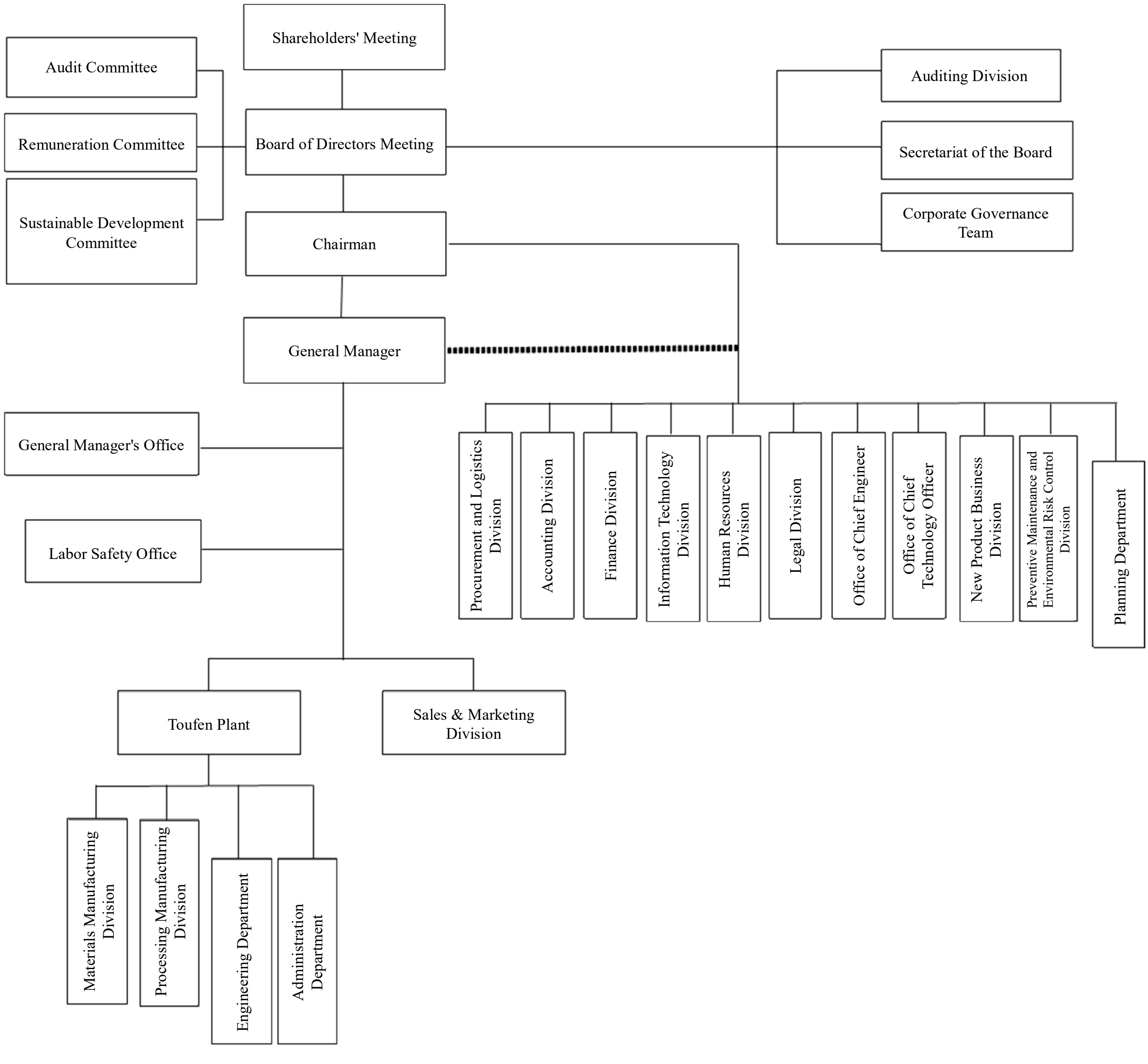
In September 2019, PVC resin annual production capacity was raised to 430,000 tons from 410,000 tons.

In January 2020, PVC resin annual production capacity was raised to 450,000 tons from 430,000 tons.

III. Corporate Governance Report

1. Organization System

(1) Organization System Chart as of March 31, 2022



(2) Responsibilities and Functions of Major Divisions

Department	Main Responsibilities and Functions
General Manager	Management of the Company's operations.
General Manager's Office	1.Assist the General Manager in Implementing Its business strategies and management policies. 2.The Office is responsible for the integration of the Company's regulations, systems, window systems, and procedures to ensure the effective operations of the management system. It establishes the cost of all products of the Company, the performance evaluation system, operations and management control system, and integration of the enterprise resource planning (ERP) system to ensure the prompt and effective operations of accounting system, production and business operations management. 3.The Office is responsible for the promotion of the quality management system, procedures planning, and continuous improvement activities of the entire Company and effective management of all related documents.
Labor Safety Office	The Office establishes safety, health and environmental protection systems, assists units in implementing such systems and controlling hazardous risks, and to ensure the safety, health, and environmental protection measures for personnel, properties, and the community.
Materials Manufacturing Division	The Division supervises all its units in achieving production targets for products (hydrochloric acid, sodium hydroxide, bleach, PVC powder, and plastic pellets) with economic and effective management strategies in accordance with the Company's annual plans to satisfy customer demands and create reasonable profits for the Company.
Processing Manufacturing Division	The Division supervises all its units in achieving production targets for products (building materials, rubber clothes, and rubber sheets) with effective use of existing resources and economic and effective management strategies in accordance with the Company's operations policies to satisfy customer demands and create reasonable profits for the Company.
Sales & Marketing Division	The Division plans and executes marketing strategies for various products of the Company in accordance with the Company's business objectives to meet customers' needs and maximize profits for the Company.
Engineering Department	The Department is responsible for plans and evaluation of overseas investment and equipment improvement projects and it is also responsible for capital expenditures for construction and improvement projects.
Administration Department	Establish and improve the Company's human resources system to implement talent recruitment, cultivation, use, and development as well as promoting employee relations so that tasks can be completed by the right employees and employees can perform their talents to increase work efficiency and accomplish the Company's goals. The Department is also responsible for the food, clothing, accommodations, transportation, and other general services for each unit. It performs security protection tasks to ensure the safety of the plants. It performs procurement and management of raw materials and it is responsible for the warehouse management, shipping, and transportation of finished products.
Remuneration Committee	1.The Committee evaluates the remuneration policy and system of the Directors and managers objectively and make suggestions to the Board of Directors accordingly for policy-making reference. 2.The Committee adopts a comprehensive remuneration management system to encourage managerial officers to perform their duties for business operations, improve management performance, core competitiveness, and short, mid, and long-term profitability and create value for shareholders.

Department	Main Responsibilities and Functions
Audit Committee	1.Establishment, amendment, and evaluation of the effectiveness of internal control systems. 2.Stipulate or amend procedures for acquiring or disposing of assets, derivatives trading, provision of capital loans to other parties, the provision of endorsements or guarantees to other parties, and other major financial activities. 3.Major assets or derivative trading 4.Major loaning of funds, making of endorsements or guarantees. 5.Appointment, dismissal, and compensation of CPAs. 6.Review the annual financial reports. 7.Other important items required by other companies or the competent authority
Sustainable Development Committee	1.Determine the sustainable development policy. 2.Supervising sustainable development strategies, the implementation of the annual plan and project plans, and evaluating the implementation. 3.Reviewing and approving the sustainable development report. 4.Reporting the implementation of sustainable development activities to the Board of Directors each year.
Secretariat of the Board	1.Plan and handle matters related to Board of Directors' meetings 2.Handle matters related to Shareholders' meetings such as convening Shareholders' meetings, dealing with various announcements and reporting associated with Shareholders' meetings, preparing agenda handbooks, and keeping information regarding shareholders present at Shareholders' meetings in accordance with the law. 3.Assist in promoting and handling decrees issued by the competent authority
Auditing Division	1.Implement internal audit and improve workflows in the Company. 2.Evaluate the soundness and reasonableness of the Company's internal control systems, as well as the effectiveness of their implementations at all departments and divisions.
Planning Department	1.Develop and propose product trees, according to markets for current products and products to be invested in in the future, as well as the technical strengths and weaknesses of such products, for future planning and development. 2.Analyze and follow macroeconomic conditions. 3.Follow and analyze upstream industries and future competitors. 4.Project coordination and follow up.
Procurement and Logistics Division	1.Purchase and audit major capital expenditures including bulk raw materials, machinery and equipment. 2.Plan the supervision and execution of trading and transportation, warehousing, and customs-related operations
Accounting Division	1.Preparation and analysis of financial statements and budgets to be used by decision-making units for the management and formulation of strategies. 2.Establishment, evaluation, and implementation of accounting systems 3.Planning and reporting of various taxes. 4.Regular announcement or reporting of financial performance.
Finance Division	1.Fund management, and planning and scheduling of fundraising activities. 2.Fundraising planning and financial management and investments. 3.Property insurance and filing claims. 4.Monitor customer credit and risks. 5.Shareholder matters and regulatory compliance. 6.Planning and execution of financial projects.
Information Technology Division	Plan, build, develop, and manage various information systems and facilities at the Company.

Department	Main Responsibilities and Functions
Human Resources Division	1.Plan human resources strategies and systems. 2.Plan training and organizational development strategies. 3.Plan and handle salary and benefits. 4.Provide employee services and handle general affairs. 5.Assist overseas branches in organizational planning and personnel dispatch and training.
Legal Division	1.Review contracts and legal documents. 2.Handle legal cases. 3.Research legal issues of projects. 4.Provide legal advice. 5.Other relevant legal matters.
Office of Chief Engineer	1.Assist and participate in the construction of new plants, or deal with such constructions entirely. 2.Assist and participate in the improvement of equipment and local manufacturing processes in operation, or deal with such cases entirely. 3.Integration of engineering personnel and engineering specifications.
Office of Chief Technology Officer	Responsible for integrating product R&D and innovation at each affiliated company.
New Product Business Division	1.Assist in formulating marketing strategies for new businesses, and establish appropriate business models. 2.Responsible for developing new products or acquiring new customers to increase revenue. 3.Integrate company resources and generate synergy so as to enhance the successful development of new businesses.
Preventive Maintenance and Environmental Risk Control Division	1.Assist the plants in establishing preventive maintenance systems. 2.Improvement and enhancement of existing equipment. 3.Equipment fault management and prevention. 4.Regular/periodic audits, coaching, and training. 5.Environment risk management planning and technical supervision. 6.Plan and promote compliance with laws related to energy conservation and carbon reduction and establish related systems.
Corporate Governance Team	1.Assist Directors in performing their duties, provide the necessary information, arrange continuing education for Directors, and process liability insurance policies. 2.Organize matters related to the proceedings of Board of Directors' meetings and shareholders' meetings and confirm compliance matters of resolutions. 3.Maintain relations with investors: The Company’s website is updated from time to time to keep investors abreast of the Company’s financial, business, and corporate governance information in order to protect shareholders' rights and interests.

2. Information of Directors, General Managers, Deputy General Managers, Senior Managers, and Heads of Departments and Branches

(1) Members of the Board (1)

March 31, 2022 Unit: Shares

Job Title (Note 1)	Nationality or Place of Registration	Name	Gender Age (Note 2)	Date of Election (Appointment)	Term	Date First Elected (Note 3)	Shares Held when Elected		Shares Currently Held		Shares Held by Spouse and Minors		Shares Held in the Name of Other Persons		Education and Work Experiences (Note 4)	Titles Also Held in the Company and Other Companies	Managerial Officers, Directors or Supervisors Who Are Spouses or Relatives within the Second Degree of Kinship			Remark
							Shares	Shares holding %	Shares	Shares holding %	Shares	Shares holding	Shares	Shares Holding %			Title	Name	with the Issuer	
Chairman and Chief Executive Officer	Taiwan (R.O.C.)	Union Polymer International Investment Corporation Representative: Wu, Yi-Gui	Male 71 to 75 years old	108. 6.21	3 years	90.6.12	126,529,947	24.97%	145,079,236	24.97%	—	—	0	0%	Chairman, USI	(Note 6)	None			Note 5
						86.2.27	—	—	0	0%	—	—	0	0%						
Vice Chairman and General Manager	Taiwan (R.O.C.)	Union Polymer International Investment Corporation Representative: Lin, Han-Fu	Male 76 to 80 years old	108. 6.21	3 years	90.6.12	126,529,947	24.97%	145,079,236	24.97%	—	—	0	0%	Graduated from Dept. of Chemical Engineering of Chung Yuan Christian University. Chairman of Taiwan VCM Corporation; Deputy Manager of the Plastics Division of Formosa Plastics; Manager and Consultant of the Polypropylene Division of Formosa Plastics; Chairman of the Plastics Industry Development Center	(Note 7)	None			
						99.6.18	—	—	0	0%	134,077	0.02%	0	0%						

Job Title (Note 1)	Nationality or Place of Registration	Name	Gender Age (Note 2)	Date of Election (Appointment)	Term	Date First Elected (Note 3)	Shares Held when Elected		Shares Currently Held		Shares Held by Spouse and Minors		Shares Held in the Name of Other Persons		Education and Work Experiences (Note 4)	Titles Also Held in the Company and Other Companies	Managerial Officers, Directors or Supervisors Who Are Spouses or Relatives within the Second Degree of Kinship			Remark
							Shares	Shares holding %	Shares	Shares holding %	Shares	Shares holding	Shares	Shares Holding %			Title	Name	with the Issuer	
Director	Taiwan (R.O.C.)	Union Polymer International Investment Corporation Representative: Wang, Ke-Shun	Male 56 to 60 years old	108. 6.21	3 years	90.6.12	126,529,947	24.97%	145,079,236	24.97%	—	—	0	0%	Master of Business Administration, Andrews University, Michigan (U.S.A.); Bachelor of Chemistry, National Tsing Hua University (Taiwan); and General Manager, China Petrochemical Development Corporation	(Note 8)	None			
						108.6.21	—	—	0	0%	0	0%	0	0%						
Director	Taiwan (R.O.C.)	Union Polymer International Investment Corporation Representative: Liu, Han-Tai	Male 71 to 75 years old	108. 6.21	3 years	90.6.12	126,529,947	24.97%	145,079,236	24.97%	—	—	0	0%	PhD in Chemical Engineering, Pennsylvania State University (U.S.A.)	(Note 9)	None			
						99.6.18	—	—	0	0%	0	0%	0	0%						
Director	Taiwan (R.O.C.)	Union Polymer International Investment Corporation Representative: Liu, Zhen-Tu	Male 66 to 70 years old	108. 6.21	3 years	90.6.12	126,529,947	24.97%	145,079,236	24.97%	—	—	0	0%	PhD in Business Administration, Nova Southeastern University (U.S.A.)	(Note 10)	None			
						90.6.12	—	—	0	0%	0	0%	0	0%						

Job Title (Note 1)	Nationality or Place of Registration	Name	Gender Age (Note 2)	Date of Election (Appointment)	Term	Date First Elected (Note 3)	Shares Held when Elected		Shares Currently Held		Shares Held by Spouse and Minors		Shares Held in the Name of Other Persons		Education and Work Experiences (Note 4)	Titles Also Held in the Company and Other Companies	Managerial Officers, Directors or Supervisors Who Are Spouses or Relatives within the Second Degree of Kinship			Remark
							Shares	Shares holding %	Shares	Shares holding %	Shares	Shares holding	Shares	Shares Holding %			Title	Name	with the Issuer	
Director	Taiwan (R.O.C.)	Union Polymer International Investment Corporation Representative: Wu, Hung-To	Male 36 to 40 years old	108. 6.21	3 years	90.6.12	126,529,947	24.97%	145,079,236	24.97%	—	—	0	0%	Graduated from the International Technological University (U.S.A.) and Maine Central Institute (U.S.A.). President and Chief Executive Officer of Yiding Co., Ltd. and Er-Er Technology Co., Ltd.	(Note 11)	None			
						108.6.21	—	—	0	0%	—	—	0	0%						
Independent Director	Taiwan (R.O.C.)	Li, Zu-De	Male 71 to 75 years old	108. 6.21	3 years	105.6.13	0	0%	0	0%	0	0%	0	0%	Bachelor,School of Dentistry Bachelor's degree, Taipei Medical University; experience provided in (Note 12)	(Note 13)	None			
Independent Directors	Taiwan (R.O.C.)	Zheng, Ying-Bin	Male 55 to 60 years old	108. 6.21	3 years	105.6.13	0	0%	0	0%	0	0%	0	0%	MBA, National Taiwan University. Chairman of Long Chen Paper Co., Ltd.	(Note 14)	None			
Independent Directors	Taiwan (R.O.C.)	Li, Liang-Xian	Male 71 to 75 years old	108. 6.21	3 years	105.6.13	0	0%	0	0%	0	0%	0	0%	Department of Chemistry, Fu Jen Catholic University; experience provided in (Note 15)	None	None			

Note 1: In the case of institutional shareholders, their names and representatives should be stated (for representatives, the names of institutional shareholders they represent should be indicated respectively) and filled in Table 1.

Note 2: Please indicate the actual age and express it in a range, for example 41 to 50 years old or 51 to 60 years old.

Note 3: Any disruption of duty as a director or supervisor after the date he/she is elected shall be included in a separate note.

Note 4: Work experiences of anyone in the table above that are related to their current roles, such as previous employment at CPA firms or employment in affiliated companies, shall be disclosed along with job titles and responsibilities.

Note 5: Where the Chairman, General Manager, or individual with equivalent roles are the same individual, spouses, or relatives within the first degree of kinship, the Company shall specify related information regarding the reason, reasonableness, necessity, and response measures (e.g., appointment of additional Independent Directors and requiring the appointment of more than half of the Directors from individuals who are not employees or managers):

The Company appoints the same person to serve as the Chairman and CEO of the Company due to overall business operations. We rely on the Chairman's insight for business operations to manage business decisions and improve operational efficiency.

More than half of the members of the Company's current Board of Directors do not serve concurrently as employees or managerial officers. The Company also appoints a major CPA firm to perform audits and established the Audit Committee, Remuneration Committee, and Sustainable Development Committee to strengthen corporate governance and continues to implement rigorous internal control mechanisms to reduce operational risks.

Note 6: Chairman: USI, APC, TTC, Acme Electronics Corporation, United Polymers Corporation, USI Optronics Corporation, Swanson Plastics Corporation, Swanson Advancement, Chong Loong Trading Co., Ltd., USI Investment Co., Ltd., CGPC Polymer Corporation, Asia Polymer Investment Corporation, Taiwan United Venture Capital Corporation, USI Management Consulting Corporation, Taiwan United Venture Management Corporation, Acme (Cayman), USI Education Foundation, and Fujian Gulei Petrochemical

Director: Taiwan VCM Corporation, USI (Hong Kong), Swanlake, USI International, Acme Components (Malaysia), Forever Young, Swanson (Singapore), Swanson (Malaysia), Swanson International, Swanson (India), Swanson Plastics Corporation (Kunshan), Golden Amber Enterprises, Acme Electronics Corporation (Kunshan), Acme Electronics Corporation (Guangzhou), Taita (BVI), APC (BVI), CGPC (BVI), CGPC America, AS Holdings (UK), ASK-Swanson, Acme Ferrite, Swanson Plastics Corporation (Tianjin), Ever Conquest Global, Ever Victory Global, Dynamic Ever Investments, CIS (Shanghai), PT. Swanson Plastics Indonesia, USI Green Energy, Zhangzhou USI, Yutao Investment, Dasheng Ventures, Dasheng Yiyi Ventures, and CTCI Group

General Manager United Polymers Corporation, USI Management Consulting Corporation, Dynamic Ever Investments Ltd. and Ever Victory Global Ltd.

Chief Executive Officer: USI, APC, CGPC, TTC, Acme Electronics Corporation and USI Optronics Corporation

Executive Director: Chinese National Federation of Industries

Note 7: Chairman: CGPC Consumer Products Corporation, Continental General Plastics (Zhongshan) Co., Ltd. and Taiwan VCM Corporation

Director: CGPC (BVI), CGPC America, CGPC Polymer Corporation, CGTD, China General Terminal and Distribution Corporation, and Global Green Technology Corporation

General Manager: CGPC, Taiwan VCM Corporation, CGPC Polymer Corporation, CGPC Consumer Products Corporation, and Continental General Plastics (ZhongShan) Co., Ltd.

Note 8: Chairman: USIG (Shanghai), USI Green Energy Corporation, Zhangzhou USI

Director: Dynamic Ever Investments Limited, Ever Victory Global Limited, Swanlake Traders Ltd., olden Amber Enterprises, USI (Hong Kong), USI Management Consulting Corporation, USI, Chong Loong Trading Co., Ltd., Taiwan United Venture Capital Corp., INOMA Corporation, USI Trading (Shanghai) Co., Ltd., United Polymers Corporation, Swanson Technologies Corporation, USI Education Foundation, Ever Conquest Global Ltd., USI Investment Co., Ltd., APC (BVI), Acme Electronics Corporation (Kunshan), and Fujian Gulei Petrochemical

General Manager: USI, USIG (Shanghai) Co., Ltd. and Chong Loong Trading Co., Ltd.

Note 9: Director: Ever Victory Global Ltd., Dynamic Ever Investments Ltd., USI International Corporation, Continental General Plastics (Zhongshan) Co., Ltd., Taiwan VCM Corporation, Swanson Plastics Corporation, INOMA Corporation, USI Green Energy Corporation, Zhangzhou USI, and USI Education

Foundation
Supervisor: China General Terminal & Distribution Co. and Fujian Gulei Petrochemical
Deputy General Manager: USI Corporation

Note 10: Director: China General Terminal and Distribution Corporation and Wafer Works Corporation (Note)
Note: Served as Director of Wafer Works Corporation whose main business operations include the research and development, design, manufacturing, import/export, agency, and distribution of semiconductors and materials thereof

Note 11: Chairman: Yiding Co., Ltd. and Er-Er Technology Co., Ltd.

Note 12: Chairman: Chairman: Taipei Medical University, Beijing Starbucks Coffee Co. Ltd., Shandong Kexing Bioproducts Co., Ltd.
Director: Beijing Yansha Department Store
Independent Director: Hsu Fu Chi International Limited (Singapore)
General Manager: H&Q Asia Pacific (China) and Hong Kong China Dynamic Growth Fund Management

Note 13: Member of the ITRI Performance Target Setting Team
Chairman: Handing Medical Electronics Biotechnology Management Consultancy Co., Ltd.
Director: Taipei Medical University, Diamond Capital, Diamond Biotechnology, ONYX Healthcare Inc., Scripps International Co., Ltd., Sun BioFund Inc., iHELPER Inc., and Microbio (Shanghai) Co., Ltd.
Independent Director: Machvision Inc.

Note 14: Chairman: Long Chen Paper Co., Ltd., Qianjiang Investment, Long Chen Investment, Fuchun Resort Limited
Director: Long Chen Paper (China) Holding, Jiangsu Long Chen Environmental Protection, Wuxi Long Chen Environmental Protection, Pinghu Long Chen Environmental Protection, Suzhou Long Chen Paper, Zhejiang Xiasha Long Chen, Shanghai Minhang Long Chen, Long Chen Paper Hong Kong Co., Ltd., Hubei Long Chen Renewable, Xiantao Long Chen Environmental Protection, Jingzhou Long Chen Environmental Protection, Wuhan Long Chen Environmental Protection, Hunan Long Chen Environmental Packaging, Long Chen Paper Japan Co., Ltd., L&C Co., Ltd. (BVI), and Metis International, Inc.

Note 15: President: Asia Region, Styron
General Manager: Chemicals and Special Chemicals Department in Greater China of Dow Chemical (U.S.A.)
Marketing Manager: Pacific Region Chemicals Department of Dow Chemical (U.S.A.)

Table 1: Major Shareholders of Institutional Shareholders April 2, 2022

Name of Juristic Person Shareholder (Note 1)	Major shareholders of institutional shareholders (Note 2)	Shareholding ratio
Union Polymer International Investment Corporation	USI Corporation	100%

Note 1: For legal person directors and supervisors, the names of the institutional shareholders shall be disclosed.

Note 2: Names of the major shareholders of these institutional shareholders (include top 10 major shareholders by shareholding percentage) and their shareholding percentages shall be filled in. If the major shareholder is an institution, the information shall be filled in Table 2 below.

Note 3: Where an institutional shareholder is not organized as a company, the name of the shareholders and shareholding ratio that must be disclosed in accordance with the above shall be the name of the funder or donor (refer to the public announcements of the Judicial Yuan) and the funding or donation ratio; for donors who have passed away, note as “deceased”.

Table 2: Major Shareholders of Institutional Shareholders with Corporations as Their Major Shareholders April 2, 2022

Name of Corporate Shareholder (Note 1)	Major shareholders of institutional shareholders (Note 2)	Shareholding ratio
USI Corporation	Shing Li Enterprises (Hong Kong) Limited	14.62%
	Wholegainer Company Limited' investment account is under custody of Fubon Securities Co., Ltd.	9.25%
	Asia Polymer Corporation	8.53%
	Fubon Life Insurance Co., Ltd.	4.00%
	Yueh Hsing Hua Investment Co., Ltd.	1.73%
	Shan-Shan Lin Su	1.67%
	Taixing Investment Co., Ltd.	1.50%
	Yu,Wen-Hsuan	1.41%
	Yu,Wen-Tsung	1.41%
	Yu,Wen-Yu	1.41%

Note 1: If the major shareholder as shown in Table 1 is a juristic person, the name of the juristic person should be filled.

Note 2: Please specify names of the major shareholders of the given shareholder (top ten shareholders) and the ratio of shareholding.

Note 3: Where an institutional shareholder is not organized as a company, the name of the shareholders and shareholding ratio that must be disclosed in accordance with the above shall be the name of the funder or donor (refer to the public announcements of the Judicial Yuan) and the funding or donation ratio; for donors who have passed away, note as “deceased”.

Note 4: The data of Table 1 and Table 2 were updated to the latest book closure date.

(1) Disclosure of Information on the Professional Qualifications of Directors and the Independence of Independent Directors:

Qualifications / Name	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of other public companies in which the director also serves concurrently as an independent director
Wu, Yi-Gui	Wu, Yi-Gui serves as the Chairman and Chief Executive Officer of USI and many of its affiliated companies, and has experience in business operation management and directly supervising financial managers and accounting managers. (1) Not having any of the situations set forth in Article 30 of the Company Act.	Not applicable	Not applicable
Lin, Han-Fu	(1) Lin, Han-Fu is currently the Vice Chairman and General Manager of the Company and the Chairman of Taiwan VCM Corporation, and has experience in business operation management and directly supervising financial managers and accounting managers. (2) Not having any of the situations set forth in Article 30 of the Company Act.		
Wang, Ke-Shun	(1) Wang, Ke-Shun serves as the General Manager of USI and has experience in business operation management. (2) Not having any of the situations set forth in Article 30 of the Company Act.		
Liu, Han-Tai	(1) Liu, Han-Tai obtained a PhD in Chemical Engineering from an American university, is currently the Deputy General Manager of USI, and has experience in directly supervising R&D. (2) Not having any of the situations set forth in Article 30 of the Company Act.		
Liu, Zhen-Tu	(1) Liu, Zhen-Tu serves as the Director of several companies in the USI Group. (2) Not having any of the situations set forth in Article 30 of the Company Act.		
Wu, Hung-To	(1) Wu, Hung-To is currently the Chairman of Yiding Co., Ltd. and Er-Er Technology Co., Ltd., and has experience in business operation management. (2) Not having any of the situations set forth in Article 30 of the Company Act.		

Qualifications Name	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of other public companies in which the director also serves concurrently as an independent director
Li, Zu-De	(1) Li, Zu-De serves as the Chairman of the Taipei Medical University and is currently the Chairman of Handing Medical Electronics Biotechnology Management Consultancy Co., Ltd.. He has experience in business operation management and directly supervising financial managers and accounting managers. (2) Not having any of the situations set forth in Article 30 of the Company Act.	Not having any of the situations set forth in Article 3, Paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies two years before being elected or during the term of office.	1
Zheng, Ying-Bin	(1) Zheng, Ying-Bin is currently the Chairman of Longchen Paper & Packaging Co., Ltd and has experience in business operation management and directly supervising financial managers and accounting managers. (2) Not having any of the situations set forth in Article 30 of the Company Act.		0
Li, Liang-Xian	(1) Li, Liang-Xian once served as the General Manager of the Chemicals and Special Chemicals Department in Greater China of Dow Chemical (U.S.A.) and has extensive relevant experience and professional qualifications. (2) Not having any of the situations set forth in Article 30 of the Company Act.		0

Note 1: Professional qualifications and experience: State the professional qualifications and experience of directors and supervisors. If they are members of the Audit Committee and have accounting or financial expertise, disclose their accounting and financial background and experience. Also state whether they have any of the situations set forth in Article 30 of the Company Act.

Note 2: State the status of independence of Independent Directors, including but not limited to whether they, their spouses, and relatives within second degree of kinship are serving as Directors, Supervisors, or Employees of the Company or its affiliated companies; the number of shares held and shareholding percentage by the independent directors, spouses, and relatives within second degree of kinship (or held in the names of other persons); whether the independent director is a director, supervisor, or employee of a company that has a specific relationship with the Company (refer to the provisions of Article 3, Paragraph 1, Subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and the amount of remuneration received for providing business, legal, financial, accounting, and other services to the Company or its affiliates in the last two years.

(2) Board Diversity and Independence:

(1) Board diversity:

According to Article 20 of the Company's Corporate Governance Best Practice Principles, diversity shall be considered in the composition of the Company's Board of Directors, and members of the Board of Directors shall possess the knowledge, skills and qualities required to perform their duties. To achieve the ideal goals of corporate governance, the Board of Directors shall possess the following abilities:

(1.1) Ability to make sound business judgments.
(1.2) Ability to conduct accounting and financial analysis.
(1.3) Business management ability.
(1.4) Crisis management ability.
(1.5) Knowledge of the industry.
(1.6) An understanding of international markets.
(1.7) Leadership skills.
(1.8) Decision-making ability.

In addition to the eight competencies above, the Company has also added two professional abilities, namely legal capability and environmental protection for the diversification of the board members by taking into consideration the growing importance of global issues concerning corporate governance and environmental protection at present. At present, existing members of the Board of Directors possess the knowledge, skills, and qualities required to perform their duties, and specialize in professional areas including accounting and finance, international markets, law and environmental protection. The Company proposed the inclusion of a director with professional legal experience for its board diversity goals. The role should be filled by an individual with an attorney's license who specializes in technology laws and practices to strengthen the protection of the Company's future patent rights. The Company also plans to include a director who specializes in risk management to increase the Company's sustainability. Director members with legal, risk management, and other professional skills is the goal of diversity so that the functions of the Board of Directors can be more complete.

(2) Board Independence:

The term of office of the Company’s independent directors is 6 years and the term of office of all independent directors shall not be more than 3 consecutive terms. All Board members are of of R.O.C. nationality. The composition and structure of the Board is three independent directors, accounting for 33%, and two directors with employee status, accounting for 22%. The age distribution of directors includes one director under 40, two directors 51-60 years old, one director 61-70 years old, and five directors 71-80 years old. The Company’s directors do not have a spouse or relative of second degree or closer to any other directors.

(2) General Manager, Deputy General Managers, senior managers, and managers of departments or branches

March 31, 2022 Unit: Shares

Title (Note 1)	Nationality	Name	Gender	Date of election (appointment)	Shareholding		Spouse & Minor Shareholding		Shares Held in the Name of Other Persons		Major Work Experience and Academic Qualifications (Note 2)	Concurrent Positions in Other Companies	Managerial Officers who are Spouses or Within Second Degrees of Kinship			Remark
					Shares	Shares holding %	Shares	Shares holding %	Shares	Shares holding %			Title	Name	with the Issuer	
Chief Executive Officer	Taiwan (R.O.C.)	Wu, Yi-Gui	Male	98.09.01	0	0%	—	—	0	0%	Chairman, USI	(Note 4)	None			Note 3
General Manager	Taiwan (R.O.C.)	Lin, Han-Fu	Male	102.02.27	0	0%	134,077	0.02%	0	0%	Graduated from Dept. of Chemical Engineering of Chung Yuan Christian University. Chairman of Taiwan VCM Corporation; Deputy Manager of the Plastics Division of Formosa Plastics; Manager and Consultant of the Polypropylene Division of Formosa Plastics; Chairman of the Plastics Industry Development Center	(Note 5)	None			
Executive Deputy General Manager	Taiwan (R.O.C.)	Hu, Chi-Hong	Male	105.08.19	0	0%	0	0%	0	0%	Department of Business Administration, Fu Jen Catholic University	(Note 6)	None			
Senior Manager	Taiwan (R.O.C.)	Chen, Wan-Ta	Male	106.03.16	0	0%	0	0%	0	0%	Department of Chemistry, Fu Jen Catholic University	Director: CGPC Consumer Products Corporation	None			
Corporate Governance Officer.	Taiwan (R.O.C.)	Chen, Yung-Chih	Male	108.05.09	0	0%	0	0%	0	0%	PhD in Law, Ludwig Maximilian University of Munich; experience provided in (Note 7)	(Note 8)	None			

Title (Note 1)	Nationality	Name	Gender	Date of election (appointment)	Shareholding		Spouse & Minor Shareholding		Shares Held in the Name of Other Persons		Major Work Experience and Academic Qualifications (Note 2)	Concurrent Positions in Other Companies	Managerial Officers who are Spouses or Within Second Degrees of Kinship			Remark
					Shares	Shares holding %	Shares	Shares holding %	Shares	Shares holding %			Title	Name	with the Issuer	
Director, Materials Manufacturing Division	Taiwan (R.O.C.)	Tsai, Pei-Hong	Male	107.07.01	0	0%	0	0%	0	0%	Department of Chemical Engineering, Tatung University	None	None			
Director, Processing Manufacturing Division	Taiwan (R.O.C.)	Cheng, Yung-bing	Male	108.06.01	0	0%	0	0%	0	0%	Department of Mechanical Engineering, Feng Chia University	None	None			
Director, Sales & Marketing Division	Taiwan (R.O.C.)	Chen, Wan-Yu	Male	108.01.01	0	0%	0	0%	0	0%	Graduated from Dept. of Chemical Engineering, Tamkang University	None	None			
Manager, Accounting Department	Taiwan (R.O.C.)	Kuo, Chien-Chou	Male	88.11.01	817	0%	0	0%	0	0%	Department of Accounting, Tunghai University	Accounting Manager: CGPC Polymer Corporation	None			
Manager, Finance Department	Taiwan (R.O.C.)	Chan, Chin-Ho	Male	103.06.23	0	0%	0	0%	0	0%	EMBA, National Chengchi University		None			Note 9
Section Manager, Finance Department	Taiwan (R.O.C.)	Wu, Hui-Hsueh	Female	111.03.09	0	0%	0	0%	0	0%	EMBA, National Taiwan Normal University	None	None			Note 9

Note 1: Information regarding General Manager, Deputy General Manager, senior managers, managerial officers of departments and branches shall be included, whereas information regarding positions equivalent to General Manager, Deputy General Manager or senior managers shall be disclosed regardless of job title.

Note 2: Work experiences of anyone in the table above that are related to their current roles, such as previous employment at CPA firms or employment in affiliated companies, shall be disclosed along with job titles and responsibilities.

Note 3: In case that the President or his/her equivalent (top manager) is assumed concurrently by the Chairman, or his/her spouse or a relative within one degree of kinship, the reason, rationality, necessity and corresponding measures (such as increasing the number of Independent Directors, and more than half of the Directors not concurrently serving as employees or managers) should be described：

The Company appoints the same person to serve as the Chairman and CEO of the Company due to overall business operations. We rely on the Chairman's insight for business operations to manage business decisions and improve operational efficiency.

More than half of the members of the Company's current Board of Directors do not serve concurrently as employees or managerial officers. The Company also appoints a major CPA firm to perform audits and established the Audit Committee, Remuneration Committee, Sustainable Development Committee, and corporate governance team to strengthen corporate governance and continues to implement rigorous internal control mechanisms to reduce operational risks.

Note 4: Chairman: USI, APC, TTC, Acme Electronics Corporation, United Polymers Corporation, USI Optronics Corporation, Swanson Plastics Corporation, Swanson Advancement, Chong Loong Trading Co., Ltd., USI Investment Co., Ltd., CGPC Polymer Corporation, Asia Polymer Investment Corporation, Taiwan United Venture Capital Corporation, USI Management Consulting Corporation, Taiwan United Venture Management Corporation, Acme (Cayman), USI Education Foundation and Fujian Gulei Petrochemical.

Director: Taiwan VCM Corporation, USI (Hong Kong), Swanlake, USI International, Acme Components (Malaysia), Forever Young, Swanson (Singapore), Swanson (Malaysia), Swanson International, Swanson (India), Swanson Plastics Corporation (Kunshan), Golden Amber Enterprises, Acme Electronics Corporation (Kunshan), Acme Electronics Corporation (Guangzhou), Taita (BVI), APC (BVI), CGPC (BVI), CGPC America, AS Holdings (UK), ASK-Swanson, Acme Ferrite, Swanson Plastics Corporation (Tianjin), Ever Conquest Global, Ever Victory Global, Dynamic Ever Investments, CIS (Shanghai), PT. Swanson Plastics Indonesia, USI Green Energy, Zhangzhou USI, Yutao Investment, Dasheng Ventures, Dasheng Yiyi Ventures, and CTCI Group

General Manager United Polymers Corporation, USI Management Consulting Corporation, Dynamic Ever Investments Ltd. and Ever Victory Global Ltd.

Chief Executive Officer: USI, APC, CGPC, TTC, Acme Electronics Corporation and USI Optronics Corporation

Executive Director: Chinese National Federation of Industries

Note 5: Chairman: CGPC Consumer Products Corporation, Continental General Plastics (Zhongshan) Co., Ltd. and Taiwan VCM Corporation

Director: CGPC (BVI), CGPC America, CGPC Polymer Corporation, CGTD, China General Terminal and Distribution Corporation, and Global Green Technology Corporation

General Manager: CGPC, Taiwan VCM Corporation, CGPC Polymer Corporation, CGPC Consumer Products Corporation, and Continental General Plastics (ZhongShan) Co., Ltd.

Note 6: Director: Taiwan VCM Corporation, CGPC Consumer Products Corporation, Continental General Plastics (Zhongshan) Co., Ltd., CGPC (BVI), CGPC America, and CGTD

General Manager: CGPC America

Note 7: Winkler Partners Attorney and Arbitrator, Chinese Arbitration Association

Note 8: Independent Director: Man Zai Industrial Co., Ltd.

Director: Continental General Plastics (Zhongshan) Co., Ltd., Acme Electronics (Kunshan) Co., Ltd., Acme Electronics (Guang-Zhou) Co., Ltd., and RD&D Cold Logistics Co., Ltd.

Supervisor: CGPC Consumer Products Corporation, CIS (Shanghai) Trading Co., Ltd., USI Investment Corporation, Asia Polymer Investment Corporation, Chong Loong Trading Co., Ltd., USI Green Energy Corporation, ASK-Swanson (Kunshan) Co., Ltd., Swanson Plastics (Tianjin) Co., Ltd., Swanson Plastics (Kunshan) Co., Ltd., Swanson Plastics Corp., Zhangzhou USI Trading Co., Ltd., Taiwan United Venture Capital Corporation, Taiwan United Venture Management Corporation, INOMA Corporation, Global Green Technology Corporation, USI International Investment Corporation, Hongnao Technology Corporation, and Bianxinlian Technology Corporation

Supervisor of corporate governance: USI Corporation, APC Corporation, TTC Corporation, and Acme Electronics Corporation

Note 9: Mr. Chan, Chin-Ho, Manager of the Finance Department was dismissed on March 9, 2022 and Ms. Wu, Hui-Hsueh, Section Manager of the Finance Department was appointed.

3. Remuneration paid to Directors, Supervisors, General Manager, and Deputy General Manager during the most recent fiscal year

1. If any of the following applies to a Company, the name of the Director or Supervisor involved and the remuneration paid to him/her shall be disclosed. For the remaining Directors or Supervisors, the Company may opt to either disclose information in aggregate remuneration with their names indicated in each numerical range or disclose their names and method of remuneration individually (If the latter is chosen, please fill their positions, names and remuneration amounts individually. The Company shall not need to fill the table for ranges of remuneration):

   (I) Where it was a loss after tax in the parent company only or individual financial statements in the last three years, the name and remuneration of individual "Directors and Supervisors" shall be disclosed; provided that it is net income after tax in the parent company only or individual financial statements in the most recent year, and the said net income is sufficient to make up for the accumulated losses [Note 1].

   (II) A company with Directors whose shareholding percentages have been insufficient for three (3) or more consecutive months during the most recent fiscal year shall disclose the remuneration of individual Directors. A Company with Supervisors whose shareholding percentages have been insufficient for three (3) or more consecutive months during the most recent fiscal year shall disclose the remuneration of individual Supervisors. [Note 2]

   (III) A company with an average ratio of shares pledged by Directors or Supervisors that exceeds 50 percent in any three (3) months during the most recent fiscal year shall disclose the remuneration paid to each individual Director or Supervisor who owns a ratio of shares pledged that exceeds 50 percent for each of these three months. [Note 3]

   (IV) If the total amount of remuneration received by all the Directors and Supervisors of a company from all the companies listed in its financial statements exceeds two (2) percent of its net income after taxes, and the amount of remuneration received by any individual Director or Supervisor exceeds NT$15 million, the company shall disclose the amount of remuneration paid to individual Directors or Supervisors. (Description: The remuneration of Directors and Supervisors is calculated based on "Remuneration of Directors" plus "Remuneration of Supervisors" as in the Appendix without including the relevant remuneration received as concurrent employees.)

(V) Any result of evaluation made on corporate governance in the most recent year is in the last level, or any trading method changes, any trading or marketing stops, or any evaluation is rejected by the Corporate Governance Evaluation Committee in the most recent year as of the publication date of this Annual Report as a listed company. [Note 4]

(VI) The average annual salary of the full-time non-supervisory employees in a TWSE or TPEx listed company is less than NT$500,000. [Note 5]

2. If the circumstance in sub-item (I) or in sub-item (V) of the preceding item applies to a company listed on the TWSE or the TPEx, it shall disclose the individual remuneration paid to each of its top five management personnel (e.g., General Manager, Deputy General Managers, Chief Executive Officer, or Chief Financial Officer).

[Note 1] Examples: Suppose the 2020 Annual Report was prepared by the Shareholders' Meeting in 2019. The Company should opt for individual disclosure of remuneration information if post-tax loss was recorded in its parent company-only or individual financial statements in any year from 2017 to 2019. However, although post-tax loss was recorded in the Company's parent company-only or individual financial statements in 2017 and/or 2018, its parent company-only or individual financial statements in 2019 recorded a net income after taxes which was sufficient to cover cumulative losses; therefore, the Company may choose not to disclose individual remuneration information.

[Note 2] Examples: Suppose the 2010 Annual Report was prepared by the Shareholders' Meeting in 2009. The Company should opt for individual disclosure of remuneration information if its Directors or Supervisors were found to have insufficient shareholding percentages for three (3) or more consecutive months between January 2009 and December 2009. In another example, if the Company's Directors or Supervisors were found to have insufficient shareholding percentages in January 2009 for three (3) or more consecutive months (i.e. three consecutive months including November 2008, December 2008, and January 2009), the Company should opt for individual disclosure of remuneration information.

[Note 3] Examples: Suppose the 2010 Annual Report was prepared by the Shareholders' Meeting in 2009. If the average ratio of shares pledged by all the Directors of a Company exceeded 50 percent in three separate months within 2009 (e.g. February, May, and August 2009), the Company should disclose the amount of remuneration paid to each Director for the months when the ratio of shares pledged exceeded 50 percent, namely February, May, and August 2009. In another example, if the average ratio of shares pledged by the Supervisors of a Company exceeded 50 percent in any three months, the Company should disclose the amount of remuneration paid to each Supervisor for the months when the ratio of shares pledged exceeded 50 percent.

※ The average ratio of share pledging by all Directors per month: Share pledging by all Directors/shares held by all Directors (including retained decision-making trust shares). The average ratio of share pledging by all Supervisors per month: Share pledging by all Supervisors/shares held by all Supervisors (including retained decision-making trust shares).

[Note 4] Examples: Suppose the 2022 Annual Report was prepared by the Shareholders' Meeting in 2021 and the results of the corporate governance evaluation are published by April each year. If the corporate governance evaluation results of the most recent year (e.g., 2021) have not yet been published by the publication date of the annual report of TWSE/TPEx listed companies, the Company may use the most recent corporate governance evaluation results (e.g., 2020). Once the corporate governance evaluation results of the most recent year have been published, if any result is in the last level and the remuneration was disclosed in aggregate form with names indicated in each numerical range, the Company should revise the annual report immediately and upload it to the Market Observation Post System to ensure the integrity of information disclosure.

[Note 5] Examples: Suppose the 2022 Annual Report was prepared by the Shareholders' Meeting in 2021. If a TWSE/TPEx listed company prepares the annual report after the end of the most recent year (e.g. 2021), the Company should be able to complete the collection of information on the average annual salary of full-time non-supervisory employees. Thus, the Company should assess whether the average is less than NT$500,000 for the most recent year (2021) and disclose the remuneration paid to the Directors and Supervisors individually.

(1) Distribution of the remuneration of Directors, Supervisors, General Manager, and Deputy General Managers and remuneration for employees and managers:

1. Remuneration paid to regular Directors and Independent Directors (aggregate remuneration with name(s) indicated for each remuneration range)

Unit: NT$ thousand

Title	Name (Note 1)	Remuneration of Directors								Total compensation (A+B+C+D) and ratio to net income (%) (Note 10)		Relevant Remuneration Received by Directors Who are Also Employees										Total compensation (A+B+C+D+E+F+G) and ratio to net income (%) (Note 10)		Remuneration received from investee companies other than subsidiaries or the parent company (Note 11)
		Remuneration (A) (Note 2)		Severance Pay and Pension (B)		Directors' remuneration (C) (Note 3)		Business Execution Allowances (D) (Note 4)				Salary, Bonuses, and Special Allowances (E) (Note 5)		Severance Pay and Pension (F)		Employee remuneration (G) (Note 6)						
		All Companies in the	Company's Financial Statements (Note 7)	All Companies in the	Company's Financial Statements (Note 7)	All Companies in the	Company's Financial Statements (Note 7)	All Companies in the	Company's Financial Statements (Note 7)	All Companies in the	Company's Financial Statements (Note 7)	All Companies in the	Company's Financial Statements (Note 7)	All Companies in the	Company's Financial Statements (Note 7)	All Companies		In the Company's Financial Statements (Note 7)		All Companies in the	Company's Financial Statements (Note 7)	
																Cash Amount	Share Amount	Cash Amount	Share Amount			
Chairman	Wu, Yi-Gui Representative of Union Polymer Int'l Investment Corp.	1,850	1,850	0	0	0	0	368	386	0.09	0.09	11,523	20,540	0	108 (Note 13)	38	0	519	0	0.56	0.95	40,834
Director	Lin, Han-Fu (Note 12) Representative of Union Polymer Int'l Investment Corp.																					
Director	Wang, Ke-Shun Representative of Union Polymer Int'l Investment Corp.																					
Director	Liu, Han-Tai Representative of Union Polymer Int'l Investment Corp.																					
Director	Liu, Zhen-Tu Representative of Union Polymer Int'l Investment Corp.																					
Director	Wu, Hung-To Representative of Union Polymer Int'l Investment Corp.																					

Title	Name (Note 1)	Remuneration of Directors								Total compensation (A+B+C+D) and ratio to net income (%) (Note 10)		Relevant Remuneration Received by Directors Who are Also Employees								Total compensation (A+B+C+D+E+F+G) and ratio to net income (%) (Note 10)		Remuneration received from investee companies other than subsidiaries or the parent company (Note 11)
		Remuneration (A) (Note 2)		Severance Pay and Pension (B)		Directors' remuneration (C) (Note 3)		Business Execution Allowances (D) (Note 4)				Salary, Bonuses, and Special Allowances (E) (Note 5)		Severance Pay and Pension (F)		Employee remuneration (G) (Note 6)						
		All Companies in the	Company's Financial Statements (Note 7)	All Companies in the	Company's Financial Statements (Note 7)	All Companies in the	Company's Financial Statements (Note 7)	All Companies in the	Company's Financial Statements (Note 7)	All Companies in the	Company's Financial Statements (Note 7)	All Companies in the	Company's Financial Statements (Note 7)	All Companies in the	Company's Financial Statements (Note 7)	All Companies		In the Company's Financial Statements (Note 7)		All Companies in the	Company's Financial Statements (Note 7)	
																Cash Amount	Share Amount	Cash Amount	Share Amount			
Independent Director	Li, Zu-De	3,600	3,600	0	0	0	0	522	522	0.17	0.17	0	0	0	0	0	0	0	0	0.17	0.17	0
Independent Directors	Zheng, Ying-Bin																					
Independent Directors	Li, Liang-Xian																					

Note:

1. Please state the policies, systems, standards, and structure of independent directors ’remuneration payment, and describe the relevance to the amount of remuneration according to their responsibilities, risks, and time of investment:

   The remuneration of Independent Directors is paid based on the Company's Articles of Incorporation and the remuneration policies and measures and depends on the degree of participation and the value of their contribution to the Company's operations, with reference to the median level in the industry, and it shall be distributed after submitted to and approved by the Remuneration Committee and adopted by the Board of Directors. Independent Directors do not receive other remuneration except for the fixed remuneration.
2. In addition to the information disclosed in the table above, remuneration paid to any Director who has provided his/her services (such as consulting services in a non-employee capacity for the parent company/all companies listed in the financial statements/investees) in the most recent fiscal year: Not applicable.

＊ Please list the relevant information of the Directors (non-independent general directors) and Independent Directors, respectively.

Range of remuneration

Remuneration Range Paid to Directors of the Company	Names of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company (Note 8)	All the Companies Included in the Financial Statements (Note 9) H	The Company (Note 8)	The parent company and all investees (Note 9) I
Under NT$1,000,000	Wu, Yi-Gui, Lin, Han-Fu, Wang, Ke-Shun, Liu, Han-Tai, Liu, Zhen-Tu, and Wu, Hung-To	Wu, Yi-Gui, Lin, Han-Fu, Wang, Ke-Shun, Liu, Han-Tai, Liu, Zhen-Tu, and Wu, Hung-To	Wang, Ke-Shun, Liu, Han-Tai, Liu, Zhen-Tu, and Wu, Hung-To	Liu, Zhen-Tu, and Wu, Hung-To
NT$1,000,000 (inclusive) to NT$2,000,000 (exclusive)	Li, Zu-De, Zheng, Ying-Bin, Li, Liang-Xian	Li, Zu-De, Zheng, Ying-Bin, Li, Liang-Xian	Li, Zu-De, Zheng, Ying-Bin, Li, Liang-Xian	Li, Zu-De,Zheng, Ying-Bin, Li, Liang-Xian
NT$2,000,000 (inclusive) to NT$3,500,000 (exclusive)				
NT$3,500,000 (inclusive) to NT$5,000,000 (exclusive)				
NT$5,000,000 (inclusive) to NT$10,000,000 (exclusive)			Wu, Yi-Gui and Lin, Han-Fu	
NT$10,000,000 (inclusive) to NT$15,000,000 (exclusive)				Wang, Ke-Shun and Liu, Han-Tai
NT$15,000,000 (inclusive) to NT$30,000,000 (exclusive)				Wu, Yi-Gui and Lin, Han-Fu
NT$30,000,000 (inclusive) to NT$50,000,000 (exclusive)				
NT$50,000,000 (inclusive) to NT$100,000,000 (exclusive)				
Over NT$100,000,000				
Total	NT$6,340 thousand	NT$6,358 thousand	NT$17,901 thousand	NT$68,359 thousand

Note 1: The names of Directors shall be listed separately (for institutional shareholders, their names and the name of their representatives shall be listed separately) and the amount of remuneration paid to them shall be disclosed collectively. Director(s), who is also the General Manager or Deputy General Managers, is/are already listed in this table and the Table below.

Note 2: Remuneration received by Directors in the most recent year (including salaries, job-related allowances, severance, bonuses, and rewards).

Note 3: The amount of compensation approved by the Board of Directors and distributed to the Directors in the most recent fiscal year.

Note 4: Business expenses paid to the directors in the most recent fiscal year (including services and goods provided such as transportation, special allowances, various allowances and accommodation). If housing, vehicle or other means of transportation, or personal expense is provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company, excluding remuneration, in a separate note.

Note 5: Salary, job-related allowances, severance pay, various bonuses, incentives, transportation allowances, special allowance, various allowances, accommodation allowance and vehicle received by Directors who concurrently serve as employees (including General Manager, Deputy General Manager, other managerial officers, and employees) in the most recent fiscal year. If housing, vehicle or other means of transportation, or personal expense is provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company, excluding remuneration, in a separate note. Furthermore, any salary expenses recognized in the IFRS 2 “Share-Based Payment” section, including issuance of employee stock options, new restricted employee shares and capital increase by stock subscription, shall be included in the calculation of remuneration.

Note 6: For Directors concurrently serving as employees (including the General Manager, Deputy General Manager, other managerial officers and employees) who receive employee rewards (including shares and cash), the amount of employee rewards that have been approved by the Board of Directors and are distributed to them in the most recent fiscal year shall be disclosed. If the amount of rewards cannot be estimated, the amount of rewards in the current fiscal year shall be calculated based on the ratio of the amount of rewards distributed in the previous fiscal year, and this amount shall also be filled in Table 1-3.

Note 7: Total remuneration in the various items paid out to the Company's Directors by all companies (including this Company) listed in the consolidated statement shall be disclosed.

Note 8: The name of each director should be disclosed in the range of remuneration corresponding to the amount of all the remuneration paid to the director by the company.

Note 9: Total remuneration in various items paid to every Director of this Company by all companies (including this Company) listed in the consolidated statement shall be disclosed. The name of the Director shall also be disclosed in the respective remuneration range.

Note 10: Net profit after tax means the net profit after tax in the most recent year. for companies that have adopted IFRSs, the after-tax net profit refers to the after-tax net profit in the parent company only or individual financial report in the most recent year.

Note 11: a) This field should clearly indicate the amount of remuneration received by the Company's Directors from a reinvestment business other than a subsidiary or the parent company (if not, please fill in “none”).

b) If a Director of the Company receives remuneration from investee companies other than subsidiaries or the parent company, the amount of remuneration received by the Director from investee companies other than subsidiaries or the parent company shall be combined into Column I of the table for ranges of remuneration, and this column shall be renamed as "Parent Company and All Investee Companies".

c) Remuneration refers to the compensation, rewards (including rewards distributed to employees, Directors, and supervisors) and remuneration related to business expenses that are received by the Company's Directors who serve as Directors, supervisors or managerial officers at investees other than subsidiaries or the parent company.

Note 12: The remuneration received as Vice Chairman and General Manager (including salary and bonuses). The Vice Chairman and General Manager is provided with a car with an original cost of NT$2,145 thousand and a nominal value of NT$0 as of December 31, 2021. The fuel expenses in 2021 amounted to NT$40 thousand. He is also provided with a driver and the remuneration paid to the driver totaled NT$660 thousand.

Note 13: The cost of the pension appropriated in 2021 in accordance with laws.

＊The content of compensation disclosed in this table is derived based on a concept different from the concept of income stipulated in the Income Tax Act. The purpose of the table is for the disclosure of information, instead of taxation.

2. Remuneration Paid to Supervisors: Not applicable

3. Remuneration paid to General Manager and Deputy General Managers (range of remuneration with name disclosed)

Unit: NT$ thousand

Title	Name (Note 1)	Salary (A) (Note 2)		Severance Pay and Pension (B)		Bonuses and Allowances, etc. (C) (Note 3)		Employees' Remuneration (D) (Note 4)				Total compensation (A+B+C+D) and ratio to net income (%) (Note 8)		Remuneration received from investee companies other than subsidiaries or the parent company (Note 9)
		All Companies	in the Company's Financial Statements (Note 5)	All Companies	in the Company's Financial Statements (Note 5)	All Companies	in the Company's Financial Statements (Note 5)	All Companies		in the Company's Financial Statements (Note 5)		All Companies	in the Company's Financial Statements	
								Cash Amount	Share Amount	Cash Amount	Share Amount			
Chief Executive Officer	Wu, Yi-Gui	8,528	11,106	108 (Note 11)	216 (Note 11)	7,900 (Note 10)	14,236 (Note 10)	76	0	557	0	0.67	1.06	17,458
General Manager	Lin, Han-Fu													
Executive Deputy General Manager	Hu, Chi-Hong													

＊Regardless of job titles, positions that are equivalent to General Manager or Deputy General Manager (such as President, Chief Executive Office, and Director) shall be disclosed.

Range of remuneration

Range of remuneration paid to the General Manager and Deputy General Managers of the Company	Names of General Manager or Deputy General Manager	
	The Company (Note 6)	The parent company and all investees (Note 7) E
Under NT$1,000,000		
NT$1,000,000 (inclusive) to NT$2,000,000 (exclusive)		
NT$2,000,000 (inclusive) to NT$3,500,000 (exclusive)		
NT$3,500,000 (inclusive) to NT$5,000,000 (exclusive)		
NT$5,000,000 (inclusive) to NT$10,000,000 (exclusive)	Wu, Yi-Gui, Lin, Han-Fu, and Hu, Chi-Hong	Hu, Chi-Hong
NT$10,000,000 (inclusive) to NT$15,000,000 (exclusive)		
NT$15,000,000 (inclusive) to NT$30,000,000 (exclusive)		Wu, Yi-Gui and Lin, Han-Fu
NT$30,000,000 (inclusive) to NT$50,000,000 (exclusive)		
NT$50,000,000 (inclusive) to NT$100,000,000 (exclusive)		
Over NT$100,000,000		
Total	NT$16,612 thousand	NT$43,573 thousand

Note 1: The names of the General Manager and Deputy General Manager shall be listed separately, and the amount of remuneration paid to them shall be disclosed collectively.

Note 2: Fill the salary, job-related allowances and severance pay received by the General Manager and Deputy General Managers in the most recent fiscal year.

Note 3: Fill the amount of various bonuses, incentives, transportation allowances, special allowance, various allowances, accommodation, and vehicle received by the General Manager and Deputy General Managers in the most recent fiscal year. If housing, vehicle or other means of transportation, or personal expense is provided, the nature and cost of the asset provided, the rental calculated based on the actual cost or the fair market value, fuel, and other payments shall be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company, excluding remuneration, in a separate note. Furthermore, any salary expenses recognized in the IFRS 2 “Share-Based Payment” section, including issuance of employee stock options, new restricted employee shares and capital increase by stock subscription, shall be included in the calculation of remuneration.

Note 4: Fill the amount of employee rewards (including shares and cash) that have been approved by the Board of Directors and are distributed to the General Manager and Deputy General Manager in the most recent fiscal year. If the amount of rewards cannot be estimated, the amount of rewards in the current fiscal year shall be calculated based on the ratio of the amount of rewards distributed in the previous fiscal year, and this amount shall also be filled in Table 1-3. Net income after taxes refers to net income after taxes in the most recent fiscal year. Where IFRS is adopted, net income after taxes refers to net income after taxes recorded in the parent company only or individual financial statements in the most recent fiscal year.

Note 5: The total amount of the remuneration of all the companies (including the Company) in the consolidated report to the General Manager and Deputy General Managers of the Company shall be disclosed.

Note 6: The name of each General Manager and Deputy General Manager should be disclosed in the range of remuneration corresponding to the amount paid to the General Manager and Deputy General Manager by the Company.

Note 7: The total amount of all the remuneration paid to each general manager and deputy general manager of the company by all the companies (including the company) listed in its consolidated financial statements should be disclosed. The name of each general manager and deputy general manager should be disclosed in the range of remuneration corresponding to the total amount mentioned in the preceding sentence.

Note 8: Net income after taxes refers to net income after taxes in the most recent fiscal year. for those that have already adopted the IFRS principles, net profit refers to the after-tax net income in individual or consolidated financial reports for the most recent fiscal year.

Note 9: a) This field should clearly indicate the amount of remuneration received by the Company's General Manager or Deputy General Managers from a reinvestment business other than a subsidiary or the parent company (if not, please fill in “none”).

b) If a General Manager or Deputy General Manager of the Company received remuneration from investees other than subsidiaries of the Company or the parent company, the remuneration received by the General Manager or Deputy General Manager of the Company from investees other than subsidiaries of the Company or the parent company shall be included in column E of the Remuneration Range Table and the name of the field shall be changed to "Parent Company and All Investee Companies".

c) Remuneration means pay, compensation (including compensation of employees, Directors, and Supervisors) and business expenses received by the General Managers and Deputy General Managers serving as a Director, Supervisor, or manager of an investee company or parent company of the Company other than subsidiaries.

Note 10: The remuneration received as Vice Chairman and General Manager and Executive Deputy General Manager (including salary and bonuses). The Vice Chairman and General Manager is provided with a car with an original cost of NT$2,145 thousand and a nominal value of NT$0 as of December 31, 2021. The fuel expenses in 2021 amounted to NT$40 thousand. He is also provided with a driver and the remuneration paid to the driver totaled NT$660 thousand. The rent of the Executive Deputy General Manager's car totaled NT$300 thousand.

Note 11: The cost of the pension appropriated in 2021 in accordance with laws.

＊The content of compensation disclosed in this table is derived based on a concept different from the concept of income stipulated in the Income Tax Act. The purpose of the table is for the disclosure of information, instead of taxation.

4. Remuneration paid to the five officers with the highest remuneration (disclosure of the names and remuneration method of individual officers): Not applicable

5. Name of managerial officers to which employee rewards are distributed and the status of distribution:

Unit: NT$ thousand

	Job Title (Note 1)	Name (Note 1)	Dollar Amount of Shares	Amount of Cash	Total	Percentage of total remuneration on NIAT (%)
Managerial Officer	Chief Executive Officer	Wu, Yi-Gui	0	381	381	0.01
	General Manager	Lin, Han-Fu				
	Executive Deputy General Manager	Hu, Chi-Hong				
	Senior Manager	Chen, Wan-Ta				
	Corporate Governance Officer	Chen, Yung-Chih				
	Director, Materials Manufacturing Division	Tsai, Pei-Hung				
	Director, Processing Manufacturing Division	Cheng, Yung-ping				
	Director, Sales & Marketing Division	Chen, Wan-Yu				
	Manager, Accounting Department	Kuo, Chien-Chou				
	Manager, Finance Department	Chan, Chin-Ho				

Note 1: Names and positions should be listed individually, and the amount of profit distributed should be disclosed collectively.

Note 2: Refers to compensations paid to the managerial officers (including stock and cash) approved by the Board of Directors in the most recent year; If such compensations cannot be estimated, an estimation for this year shall be calculated in proportion of the compensations paid last year. Net income after taxes refers to net income after taxes in the most recent fiscal year. for those that have already adopted the IFRS principles, net profit refers to the after-tax net income in individual or consolidated financial reports for the most recent fiscal year.

Note 3: The scope of application for the term "managerial officer" shall follow the official document with reference number 0920001301 dated March 27, 2003. Its scope of application shall be as follows: (1) General Manager and equivalent roles. (2) Deputy General Manager and equivalent roles. (3) Senior Managers and equivalent roles. (4) Head of the Finance Department and equivalent roles. (5) Head of the Accounting Department and equivalent roles. (6) Other personnel authorized to manage the Company's affairs and sign for approval.

Note 4: Directors, General Manager, and Deputy General Manager who receive employee compensation (including shares and cash) shall be listed not only in Table 1-2, but also in this table.

(2) Remuneration paid by the Company and by all companies included in the consolidated financial statements to Directors, Supervisors, Presidents and Vice Presidents in the Most Recent Two Fiscal Years to after-tax net profit ratio; and Remuneration Policy, Standards, Portfolios for The Payment of The Remuneration, and Procedure for Determining Remuneration, and their Connection with Business Performance and Future Risks.

1.Analysis of total remuneration paid to this Company's Directors, General Manager, and Deputy General Managers as a percentage of NIAT:

Year / Category	2020		2021	
	All Companies	in the Company's Financial Statements	All Companies	in the Company's Financial Statements
General Directors' remuneration as a percentage of NIAT (excluding those who concurrently serve as employees and receive related remuneration)	0.06	0.07	0.09	0.09
Independent Directors' remuneration as a percentage of NIAT (excluding those who concurrently serve as employees and receive related remuneration)	0.25	0.25	0.17	0.7
General Directors' remuneration as a percentage of NIAT (including those who concurrently serve as employees and receive related remuneration)	0.60	1.19	0.56	0.95
Independent Directors' remuneration as a percentage of NIAT (including those who concurrently serve as employees and receive related remuneration)	0.25	0.25	0.17	0.17
General Manager and Deputy General Manager's remuneration as a percentage of NIAT (%)	0.82	1.39	0.67	1.06

Note 1: If the total amount of remuneration received by all the Directors of a Company from all the companies listed in its financial statements exceeds two (2) percent of its net income after taxes, and the amount of remuneration

received by any individual Director exceeds NT$15 million, the Company shall disclose the amount of remuneration paid to individual Directors.

2. Remuneration policies, standards and packages, the procedures for determining remuneration and their correlations with the Company's business performance and future risk exposure:

(1) Remuneration policies, standards and packages:

(1.1) The remuneration of Directors shall be in accordance with the Article 30 of the Articles of Incorporation of the Company: Regardless of operating profit or loss, the directors shall be remunerated according to the degree of their participation in the operation of the Company and the value of their contributions to the Company, with reference to the domestic industry level. The remuneration shall not exceed 1% of the profit of the current year according to Article 33of the Articles of Incorporation of the Company. The aforesaid remuneration was determined with reference to the Company's operations performance and the performance evaluation results of the Directors. In addition, the transportation allowances shall be paid according to the resolution of the shareholders' meeting, except that Managerial Officers who concurrently serves as a Director of the Company shall not receive the transportation allowance. The aspects of performance evaluation for the Directors: Including alignment of the goals and missions of the Company, awareness of the duties of a director, participation in the operation of the Company, management of internal relationship and communication, the director's professionalism and continuing education, and internal control.

(1.2) The remuneration for Presidents shall be handled in accordance with the relevant human resources regulations of the Company, and shall be determined in consideration of the business performance. The business performance includes evaluation of the achievement rate in terms of finance aspect (operating income, operating profit and net profit before tax), customer aspect, product aspect, talent aspect, safety aspect, and project aspect.

(1.3) The combination of remuneration paid by the company is determined in accordance with the Remuneration Committee Charter, including cash compensation, stock options, dividends, retirement benefits or resignation payments, various allowances and other measures with substantial incentives. The remuneration of directors and managers is consistent with that in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

(2) The procedures for determining remuneration:

In order to regularly evaluate the salaries and remuneration of directors and managers, the evaluation results of the Company's "Rules Governing the Performance Evaluation of the Board of Directors" and the "Rules Governing the Performance Evaluation" applicable to managers and employees are used as the basis respectively.

The performance appraisal and remuneration rationality of directors and managers are regularly evaluated and reviewed by the Remuneration Committee and the Board of Directors every year, in addition to the performance achievement rate and contribution to the company, as well as the company's overall business performance, outlook of the industry, business risks, and development trends , and review the remuneration system at any time in accordance with the actual operating conditions and relevant laws and regulations, and provide reasonable remuneration to achieve a balance between the company's sustainable operation and risk control.

(3) The correlation with the Company's business performance and future risk exposure:

The Remuneration Committee references the Company's overall business performance, outlook of the industry, business risks, and development trends and evaluates the performance targets of the Company's Directors and managerial officers to establish the content and amount of their remuneration individually. The Committee forms recommendations and submits them to the Board of Directors for passage. The Committee reviews the remuneration system for the Company's Directors and managerial officers any time in light of the actual operating conditions and relevant laws and regulations and should not guide the Company's Directors and managerial officers to pursue compensation and engage in behaviors beyond the Company's risk appetite.

4. The State of the Company's Implementation of Corporate Governance

(1) Operation of the Board of Directors:

1. Information on Directors' attendance:

A total of 5 (A) meetings were held in the most recent fiscal year (2021). The attendance of Directors was as follows:

Title	Name	1st meeting March 5, 2021	2nd meeting May 5, 2021	3rd meeting July 9, 2021	Fourth meeting August 4, 2021	Fifth meeting November 3, 2021	Attendance in person B	Number of attendance by proxy	Attendance rate (%) [B/A]	Remark
Chairman of the Board	Wu, Yi-Gui (representative of Union Polymer Int'l Investment Corp.)	◎	◎	◎	◎	◎	5	0	100	Reelected
Vice Chairman and General Manager	Lin, Han-Fu (representative of Union Polymer Int'l Investment Corp.)	◎	◎	◎	◎	◎	5	0	100	Reelected
Director	Wang, Ke-Shun (representative of Union Polymer Int'l Investment Corp.)	◎	◎	◎	◎	◎	5	0	100	Reelected
Director	Liu, Han-Tai (representative of Union Polymer Int'l Investment Corp.)	◎	◎	◎	◎	◎	5	0	100	Reelected
Director	Liu, Zhen-Tu (representative of Union Polymer Int'l Investment Corp.)	◎	◎	◎	◎	◎	5	0	100	Reelected

Title	Name	1st meeting March 5, 2021	2nd meeting May 5, 2021	3rd meeting July 9, 2021	Fourth meeting August 4, 2021	Fifth meeting November 3, 2021	Attendance in person B	Number of attendance by proxy	Attendance rate (%) [B/A]	Remark
Director	Wu, Hung-To (representative of Union Polymer Int'l Investment Corp.)	◎	☆	◎	◎	◎	4	1	80	Reelected
Independent Directors	Li, Zu-De	◎	◎	◎	◎	◎	5	0	100	Reelected
Independent Directors	Zheng, Ying-Bin	◎	◎	◎	◎	◎	5	0	100	Reelected
Independent Directors	Li, Liang-Xian	◎	◎	◎	◎	◎	5	0	100	Reelected

Note 1: Attendance in person: ◎; attendance by proxy: ☆; absent: ✻.

2. If any of the following applies to the operations of the Board of Directors, the date and session of the Board of Directors' Meeting, as well as the resolutions, opinions of Independent Directors and the Company's actions in response to the opinions of Independent Directors shall be stated:

2.1 Items listed in Article 14-3 of the Securities and Exchange Act:

Term of the Board meeting Start Date	Resolution and Subsequent Actions	Items specified in Article 14-3 of the Securities and Exchange Act	Objections or expressed reservations expressed by Independent Directors
2021 1st meeting March 5, 2021	1. Ratify the endorsement guarantee for the subsidiary Company CGPC Polymer Corporation.	Yes	None
	2. Agreed on the 2020 distribution of remuneration to Directors and employees of the Company	Yes	None
	3. Approved capital increase by retained earnings and issuance of new shares.	Yes	None
	4. Approved the appointment of CPAs for 2021.	Yes	None
	Opinions of independent directors: None.		
	The Company's actions in response to the opinions of independent directors: None.		
	Resolution: All the directors present voted in favor of the resolution without any dissenting opinion.		
	5. Approved the recommendation to lift the non-compete clause for Directors.	Yes	None
	Opinions of independent directors: None.		
	The Company's actions in response to the opinions of independent directors: None.		
	Resolution: The Chair consulted all Directors present, except for Director Wang, Ke-Shun and Independent Director Liu, Han-Tai who had to recuse himself/herself from voting due to conflict of interest.		
2021 2nd meeting May 5, 2021	Passed the amendments to the Company's internal control system.	Yes	None
	Opinions of independent directors: None.		
	The Company's actions in response to the opinions of independent directors: None.		
	Resolution: All the directors present voted in favor of the resolution without any dissenting opinion.		
2021 3rd meeting July 9, 2021	Ratify the endorsement guarantee for the subsidiary Company CGPC Polymer Corporation.	Yes	None
	Opinions of independent directors: None.		
	The Company's actions in response to the opinions of independent directors: None.		
	Resolution: All the directors present voted in favor of the resolution without any dissenting opinion.		
2021 4th meeting August 4, 2021	1. Approved the issuance of new shares.	Yes	None
	Opinions of independent directors: None.		
	The Company's actions in response to the opinions of independent directors: None.		
	Resolution: All the directors present voted in favor of the resolution without any dissenting opinion.		
	2. Approved the recommendation to lift the non-compete clause for Directors.	Yes	None
	Opinions of independent directors: None.		
	The Company's actions in response to the opinions of independent directors: None.		
	Resolution: The Chair consulted all Directors present, except for Director Liu, Zhen-Tu who had to recuse himself/herself from voting due to conflict of interest.		

Term of the Board meeting Start Date	Resolution and Subsequent Actions	Items specified in Article 14-3 of the Securities and Exchange Act	Objections or expressed reservations expressed by Independent Directors
2021 5th meeting November 3, 2021	1. Ratify the endorsement guarantee for the subsidiary Company CGPC Polymer Corporation.	Yes	None
	2. Approved remuneration of CPAs for 2021.	Yes	None
	Opinions of independent directors: None.		
	The Company's actions in response to the opinions of independent directors: None.		
	Resolution: All the directors present voted in favor of the resolution without any dissenting opinion.		

1.2 Other than the matters mentioned above, other resolutions that are objected and reserved by the Independent Directors and are documented or stated: None.

3. In regards the recusal of Independent Directors from voting due to conflict of interests, the name of the Independent Directors, the resolutions, reasons for recusal due to conflict of interests and voting outcomes shall be stated:

Names of Directors	Resolutions	Reason for Refusal	Voting Participation	Note
Wang, Ke-Shun Liu, Han-Tai	Approved the recommendation to lift competition restrictions against Directors.	Recused from voting as the Director is the subject of the recommendation to lift competition restrictions	Did not participate in voting	2021 1st meeting
Wu, Yi-Gui Wang, Ke-Shun Liu, Han-Tai	Donations to the USI Education Foundation	They recused themselves due to conflict of interest as they serve as Directors of the foundation.		
Liu, Zhen-Tu	Approved the recommendation to lift competition restrictions against Directors.	Recused from voting as the Director is the subject of the recommendation to lift competition restrictions	Did not participate in voting	2021 4th meeting

4. The company listed on TWSE/TPEx shall disclose the evaluation cycle and duration, scope of evaluation, methodology, and evaluation contents of the evaluation of the Board of Directors.

Evaluation of the performance for the Board of Directors:

Evaluation cycle (Note 1)	Period of Evaluation (Note 2)	Scope (Note 3)	Method (Note 4)	Evaluation Content (Note 5)
Once every year	January 1, 2021 to December 31, 2021	Board of Directors Meeting Performance Evaluation	Board of Directors Meeting Self-evaluation	I. Performance Evaluation of the Board of Directors 1. Participation in Company operations 2. Improvement of the quality of the Board of Directors' decision making 3. Composition and structure of the Board of Directors 4. Election and continuous education of Directors 5. Internal control
		Performance evaluation of individual director member	Board of Directors Meeting Self-evaluation of the members	II. Self-Evaluation by the Members of the Board of Directors 1. Understanding of the Company's goals and tasks 2. Understanding of the Director's responsibilities 3. Participation in Company operations 4. Management of internal relations and communication 5. Expertise and continuing education of the Directors 6. Internal control
		Performance evaluation of functional committees	Self-evaluation of the members of functional committees	III. Performance Evaluation of the Audit Committee 1. Participation in Company operations 2. Understanding of the duties of the Audit Committee. 3. Improvement of the quality of the Audit Committee' decision making. 4. Composition of the Audit Committee and selection of committee members. 5. Internal control
				IV. Performance Evaluation of the Remuneration Committee 1. Participation in Company operations 2. Understanding of the Remuneration Committee's roles and responsibilities 3. Improvement in the Remuneration Committee's decision-making quality 4. Composition and member selection of the Remuneration Committee

*The results of the performance evaluation of the Board of Directors and the functional committees in 2021 were reported to the first meeting of the Board of Directors in 2022 (March 9, 2022) and were disclosed on the Company's website after the meeting.

Note 1: Fill out the evaluation cycle for the evaluation of the Board of Directors such as once every year.

Note 2: Fill out the period for the evaluation of the Board of Directors such as the period for the evaluation of the performance of the Board of Directors is from January 1, 2019 to December 31, 2019.

Note 3: The scope of evaluation covers the evaluation of the performance of the Board of Directors, individual Directors, and functional committees.

Note 4: Methods of evaluations include the self-evaluation of the board, self-evaluation by individual board members, peer evaluation, and evaluation by appointed external professional institutions, experts, or other appropriate methods.

Note 5: The contents of the evaluation shall include at least the following items:

(1) Performance evaluation of the Board of Directors: The evaluation shall include at least the "participation in the operations of the Company", "improvement of the quality of the Board of Directors' decision making", "composition and structure of the Board of Directors", "election and continuing education of the Directors", "and "internal control".

(2) Evaluation of individual Directors' performance: It shall at least include the knowledge about the Company's objectives and tasks, the understanding of Director duties, the participation in the Company's operations, the internal relationship management and communication, Directors' specialties and continuous learning, and internal control.

(3) Performance evaluation of functional committees: It shall include the degree of participation in the Company's operations, the understanding of the functional committee's responsibilities, the quality of decision-making of the functional committee, the composition and selection of members of the functional committee, and internal control.

5. The targets for strengthening the functions of the Board of Directors in the current year and recent years (such as the establishment of the Audit Committee and enhancement of information transparency) and the assessment of implementation:

5.1. The operations of the Board of Directors of the Company are exercised in accordance with the provisions of the laws and regulations, the Articles of Incorporation, and the resolutions of the shareholders' meetings. All Directors, in addition to the professional knowledge and skills necessary to perform their duties, should strive for the best shareholder interests based on the principles of loyalty and integrity.

5.2. The Company constantly pays attention to changes in laws and regulations of the competent authority, reviews its "Rules of Procedure for Board of Directors' Meetings" and "Rules Governing the Scope of Powers of Independent Directors", and evaluates its "Audit Committee Charter" in due course. The Company really seeks to improve information transparency in accordance with the amended laws, and the implementation of these regulations has been favorable.

5.3. The Company implements corporate governance, safeguards the interests of the shareholders, and strengthens the functions of the Board. The Board appointed a Corporate Governance Officer on May 9, 2019 to assist the Board of Directors in its operations.

5.4. The Company has formed functional committees such as the Remuneration Committee and Audit Committee in 2011 and 2016 to improve their effectiveness.

5.5. The Company’s website and the Market Observation Post System disclose relevant information on the Company’s compliance with related regulations and major resolutions of the Board of Directors to help shareholders understand the Company’s development and enhance the transparency of the Company’s information.

5.6. The Company organizes 6-hour training courses for Directors per year and encourages Directors to attend corporate governance-related courses. The status of continuing education for the Directors of the Company in 2021 is as follows:

Title	Name	Date of Training	Organizer	Course Title	Number of Hours
Chairman	Wu, Yi-Gui	September 1, 2021	Securities and Futures Institute	The Value of Cybersecurity in the Post-Pandemic Era and During the US-China Trade War	3
		October 7, 2021	Securities and Futures Institute	Case Studies on Insider Trading	3
Vice Chairman and General Manager	Lin, Han-Fu	September 1, 2021	Securities and Futures Institute	The Value of Cybersecurity in the Post-Pandemic Era and During the US-China Trade War	3
		October 7, 2021	Securities and Futures Institute	Case Studies on Insider Trading	3
Director	Wang, Ke-Shun	September 1, 2021	Securities and Futures Institute	The Value of Cybersecurity in the Post-Pandemic Era and During the US-China Trade War	3
		October 7, 2021	Securities and Futures Institute	Case Studies on Insider Trading	3
Director	Liu, Han-Tai	September 1, 2021	Securities and Futures Institute	The Value of Cybersecurity in the Post-Pandemic Era and During the US-China Trade War	3
		November 12, 2021	Taiwan Corporate Governance Association	Corporate Management and Crisis Management Strategies for Public Opinion and News	3
Director	Liu, Zhen-Tu	February 25, 2021	Taiwan Corporate Governance Association	Strategic Turning Points of Century-Old Companies, Learn About Sustainable Development By Studying Century-Old Companies	1
		April 28, 2021	Taiwan Corporate Governance Association	How Issuers Really Realize ESG, From a Foreign Shareholder Perspective and Voting Behaviors	1
		September 1, 2021	Securities and Futures Institute	The Value of Cybersecurity in the Post-Pandemic Era and During the US-China Trade War	3
		October 7, 2021	Securities and Futures Institute	Case Studies on Insider Trading	3
		October 26, 2021	Taiwan Corporate Governance Association	The Distance Between Directors and Their Responsibilities for Misrepresentation in Financial Reports	1
		December 22, 2021	Taiwan Corporate Governance Association	The 17th (2021) Corporate Governance Summit Forum - ESG Practices and Implementation of Governance and Sustainable Development	6
Director	Wu, Hung-To	September 1, 2021	Securities and Futures Institute	The Value of Cybersecurity in the Post-Pandemic Era and During the US-China Trade War	3
		October 7, 2021	Securities and Futures Institute	Case Studies on Insider Trading	3
Independent Director	Li, Zu-De	September 1, 2021	Securities and Futures Institute	The Value of Cybersecurity in the Post-Pandemic Era and During the US-China Trade War	3
		October 7, 2021	Securities and Futures Institute	Case Studies on Insider Trading	3

Title	Name	Date of Training	Organizer	Course Title	Number of Hours
Independent Director	Zheng, Ying-Bin	April 14, 2021	Taiwan Institute of Directors	Radical Change, Learn How To Reform and Transform From Century-Old Companies	3
		May 12, 2021	Taiwan Institute of Directors	Radical Change, Learn How To Reform and Transform From Century-Old Companies	3
Independent Director	Li, Liang-Xian	September 1, 2021	Securities and Futures Institute	The Value of Cybersecurity in the Post-Pandemic Era and During the US-China Trade War	3
		October 7, 2021	Securities and Futures Institute	Case Studies on Insider Trading	3
Corporate Governance Officer	Chen, Yung-Chih	September 1, 2021	Securities and Futures Institute	The Value of Cybersecurity in the Post-Pandemic Era and During the US-China Trade War	3
		September 1, 2021	FSC	The 13th Taipei Corporate Governance Forum	6
		October 7, 2021	Securities and Futures Institute	Case Studies on Insider Trading	3
		October 27, 2021	Securities and Futures Institute	2021 Seminar on Legal Compliance of Equity Transfer by Insiders	3
		November 8, 2021	Taiwan Corporate Governance Association	How Boards Review Sustainability Reports: ESG Disclosure Regulations	3
		November 12, 2021	Securities and Futures Institute	2021 Annual Promotional Conference on Prevention of Insider Trading	3
		December 7, 2021	Taiwan Stock Exchange	2021 Cathay Sustainable Finance and Climate Change Summit	6
		December 20, 2021	Taiwan Corporate Governance Association	How the Board of Directors Interpret the Hong Kong Government's Tax Revisions and Face Taiwan's Anti-Tax Avoidance Rules	3
Manager, Accounting Department	Kuo, Chien-Chou	December 9, 2021 to December 10, 2021	Accounting Research and Development Foundation	Continuing Training Class for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	12
Manager, Finance Department	Chan, Chin-Ho	September 1, 2021	Securities and Futures Institute	The Value of Cybersecurity in the Post-Pandemic Era and During the US-China Trade War	3
		October 7, 2021	Securities and Futures Institute	Case Studies on Insider Trading	3
Chief Internal Auditor	Kang-Nien Chiang	August 24, 2021	Internal Audit Association	Practices for Auditing Material Systems of the Manufacturing Industry	6
		November 8, 2021	Internal Audit Association	Circular Production Practices and Key Points of Audits	6

The number of training hours, scope of training, learning system, arrangements and information on the above-mentioned training sessions which comply with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies shall be disclosed.

(2) Operations of the Audit Committee:

1. Attendance information of the Audit Committee:

A total of 5 (A) meetings were held in the most recent fiscal year (2021). The attendance of Independent Directors was as follows:

Title	Name	Number of Attendance in Person (B)	Number of Attendance by Proxy	Attendance rate (%) (B/A) (Note 1, Note2)	Remark (Refer to Note 3 for the professional qualifications and experience
Independent Director	Li, Zu-De	5	0	100.00	
Independent Directors	Zheng, Ying-Bin	5	0	100.00	
Independent Directors	Li, Liang-Xian	5	0	100.00	

Note 1: Where an independent director resigns before the end of the fiscal year, the Remark column shall be filled with the independent director's resignation date, whereas his/her percentage of attendance in person (%) shall be calculated based on the number of meetings held by the Audit Committee and the actual number of meetings attended during his/her term of office.

Note 2: If independent directors are re-elected before the end of the fiscal year, incoming and outgoing independent directors shall be listed accordingly, and the Remark column shall indicate whether the status of an independent director is "outgoing", "incoming" or “re-elected”, and the date of re-election. The rate of attendance in person (%) is calculated based on the number of meetings held by the Audit Committee and the actual number of meetings attended during his/her term of office.

Note 3: Professional qualifications and experience:

(1) Li, Zu-De serves as the Chairman of the Taipei Medical University and is currently the Chairman of Handing Medical Electronics Biotechnology Management Consultancy Co., Ltd.. He has experience in directly supervising financial managers and accounting managers.

(2) Zheng, Ying-Bin is currently the Chairman of Longchen Paper & Packaging Co., Ltd and has experience in directly supervising financial managers and accounting managers.

(3) Li, Liang-Xian once served as the General Manager of the Chemicals and Special Chemicals Department in Greater China of Dow Chemical (U.S.A.) and has extensive relevant experience and professional qualifications.

2. Main review items of the Audit Committee:

2.1. Financial statements;

2.2. Independence evaluation and the hiring and dismissal of certifying CPAs and their compensation;

2.3. Accounting policies and the internal control system;

2.4. Review of the effectiveness of the internal control system;

2.5. Procedures for acquisition or disposal of assets;

2.6. Regulations governing the making of endorsements/guarantees;

2.7. Procedures for extending loans to others:

2.8. Materials derivatives trading;

2.9. Annual audit plan;

2.10. Resignation or dismissal of heads of finance, accounting, and chief auditor;

    2.11. Investigation reports for complaints and malfeasance;
    2.12. Offering, issuance, or private placement of equity-type securities;
    2.13. Matters in which a Director is an interested party;
    2.14. Other material matters required by other companies or the competent authority.

3. Key work items of 2021:
    3.1. Review the annual internal audit plan; obtain reports from the internal audit department each month; inspect feedback of the management on issues discovered in internal audits; and regular communication with the Chief Internal Auditor.
    3.2. Review the2020 financial reports; regular communication with the CPAs regarding audit tasks and impact of regulation changes.
    3.3. The Company established the independence evaluation report based on Article 47 of the Certified Public Accountant Act and No. 10 Statement of the Professional Ethics Standards for Certified Public Accountants to evaluate the independence, professionalism, and qualifications of CPAs, whether they are related parties of the Company, and whether there are relations involving business or financial interests. The Company reviewed the independence evaluation of the CPAs Huang, Hsiu-Chun and Chiu, Cheng-Chun in the 9th meeting of the 2nd Audit Committee and the first meeting of the Board of Directors in 2021 on March 5, 2021, and found them to meet the standards and qualified to serve as the Company's certifying CPAs for finance and taxation.
    3.4. Audit of the business report and the financial report

    The Company's 2020 Business Report prepared by the Board of Directors, the Financial Report audited and certified by CPAs Huang, Hsiu-Chun and Chiu, Cheng-Chun of Deloitte, Taiwan (including the Individual Financial Report and the Consolidated Financial Report), and the Earnings Distribution Proposal, have been reviewed by the Audit Committee who found them to be compliant with regulations.

    3.5. Assessment of the effectiveness of the internal control system

    The Company evaluates the five elements of the internal control system including the control environment, risk assessment, control operations, information and communication, and supervision. The control operations are self-assessed by the departments at the operation level and the internal control review meeting is convened for reviews. The overall assessment results meet standards of the internal control system and the internal control system remained effective in terms of design and execution. The Audit Committee has assessed the effectiveness of the Company's internal control system policies and procedures (including control measures such as finance, operation, risk management, information security, outsourcing, regulatory compliance, etc.) and audited The Company's audit department and CPAs, as well as management's periodic reports, including risk management and regulatory compliance. The Audit Committee believes that the Company's risk management and internal control systems are effective and that the Company has adopted the necessary control mechanisms to supervise and correct violations.

4. With regard to the implementation of the Audit Committee, if any of the following circumstances occur, the dates and terms of the Audit Committee meetings, contents of motions, dissenting opinions of the Independent Directors, qualified opinions or contents of material recommendations, Audit Committee resolutions, and the Company’s handling of such resolutions shall be specified.

4.1 Items listed in Article 14-5 of the . Securities and Exchange Act:

Audit Committee Term Date	Resolution and Subsequent Actions	Items specified in Article 14-5 of the Securities and Exchange Act	Objections or expressed reservations expressed by Independent Directors
2nd term 9th meeting March 5, 2021	1. Proceed with guarantees/endorsements.	Yes	None
	2. Formulation of the 2020 Account Book.	Yes	None
	3. 2020 profit distribution proposal.	Yes	None
	4. Earnings allocation to shareholders stocks and dividends are converted to capital increase to increase the capital by NT$276,690,710 and issue 27,669,071 new shares.	Yes	None
	5. Lifted the competition restrictions against Directors.	Yes	None
	6. 2021 evaluation of the independence of appointed CPAs.	Yes	None
	7. The appointment of CPAs for 2021.	Yes	None
	8. 2020 Statement of Internal Control System.	Yes	None
	Opinions of the Audit Committee: None.		
	The Company's Processing of Opinions of the Audit Committee: None.		
	Resolution: The motions were passed unanimously by the members in attendance and filed for resolution in the board meeting.		
2nd term 10th meeting May 5, 2021	1. Amendment of the internal control system.	Yes	None
	Opinions of the Audit Committee: None.		
	The Company's Processing of Opinions of the Audit Committee: None.		
	Resolution: The motions were passed unanimously by the members in attendance and filed for resolution in the board meeting.		
2nd term 11th meeting July 9, 2021	1. Proceed with guarantees/endorsements.	Yes	None
	Opinions of the Audit Committee: None.		
	The Company's Processing of Opinions of the Audit Committee: None.		
	Resolution: The motions were passed unanimously by the members in attendance and filed for resolution in the board meeting.		
2nd term 12th meeting August 4, 2021	1. Lifted the competition restrictions against Directors.	Yes	None
	Opinions of the Audit Committee: None.		
	The Company's Processing of Opinions of the Audit Committee: None.		
	Resolution: The motions were passed unanimously by the members in attendance and filed for resolution in the board meeting.		
2nd term 13th meeting November 3, 2021	1. Proceed with guarantees/endorsements.	Yes	None
	2. Remuneration of CPAs for 2021.	Yes	None
	Opinions of the Audit Committee: None.		
	The Company's Processing of Opinions of the Audit Committee: None.		
	Resolution: The motions were passed unanimously by the members in attendance and filed for resolution in the board meeting.		

4.2. In addition to the aforementioned motions, other motions not passed by the Audit Committee but passed by at least two-thirds of the votes of the entirety of the Board of Directors: Not applicable.

5. In regard to the recusal of independent Directors from voting due to conflict of interests, the name of the independent Directors, the resolutions, reasons for

recusal due to conflict of interests， and voting outcomes shall be stated: Not applicable.

6. Communications between independent Directors and chief internal auditor and CPAs (issues, methods and outcomes related to the Company's financial and business status should be included).

   6.1. The internal audit on operations and various management procedures shall be processed in accordance with the annual audit plan passed in the board meeting. The internal Audit Department shall submit audit reports to each Independent Director for review every month and the Chief Internal Auditor shall also attend meetings of the Audit Committee (at least once a quarter) to report on the major audit findings to the Independent Directors. The communication focus of the meeting is as follows:

Date	Meeting/Key Communication Points	Suggestions and Results
March 5, 2021	9th meeting of the 2nd Audit Committee 1. Status and results of the auditing operations performed by internal auditors. 2. 2020 Statement on Internal Control.	No objections
May 5, 2021	10th meeting of the 2nd Audit Committee 1. Status and results of the auditing operations performed by internal auditors. 2. Amendment of the internal control system.	No objections
July 9, 2021	11th meeting of the 2nd Audit Committee Status and results of the auditing operations performed by internal auditors.	No objections
August 4, 2021	12th meeting of the 2nd Audit Committee Status and results of the auditing operations performed by internal auditors.	No objections
November 3, 2021	13th meeting of the 2nd Audit Committee (At this meeting, the chief internal auditor and CPAs communicated with the Independent Directors independently.) 1. Status and results of the auditing operations performed by internal auditors. 2. 2021 internal control self-assessment schedule. 3. Approved the 2022 annual audit plan.	No objections

6.2.CPAs compiled information on the audit of the Company's consolidated financial statements (annual financial statements including parent company only financial statements) and review of governance-related matters every six months and report them to the Audit Committee in accordance with the Auditing Standards Bulletin No. 39 - "Communication with Audited Governance Units" and the letter Tai Tsai Cheng 6 No. 0930105373 issued by Securities and Futures Bureau on March 11, 2004. Communication items were as follows:

Date	Meeting/Key Communication Points	Suggestions and Results
March 5, 2021	9th meeting of the 2nd Audit Committee Audit the implementation and conclusions of the 2020 parent company only and consolidated financial statements.	No objections
August 4, 2021	12th meeting of the 2nd Audit Committee Audit the implementation and conclusions of the consolidated financial statements for the second quarter of 2021.	No objections
November 3, 2021	13th meeting of the 2nd Audit Committee (At this meeting, the CPAs and chief internal auditor communicated with the Independent Directors independently.) 1.Audit the implementation and conclusions of the consolidated financial statements for the third quarter of 2021. 2.The 2021 financial report audit plan and key audit matters.	No objections

Note:

＊Where an independent director resigns before the end of the fiscal year, the Remark column shall be filled with the independent director's resignation date, whereas his/her percentage of attendance in person (%) shall be calculated based on the number of meetings held by the Audit Committee and the actual number of meetings attended during his/her term of office.

＊If independent directors are re-elected before the end of the fiscal year, incoming and outgoing independent directors shall be listed accordingly, and the Remark column shall indicate whether the status of an independent director is "outgoing", "incoming" or “re-elected”, and the date of re-election. The rate of attendance in person (%) is calculated based on the number of meetings held by the Audit Committee and the actual number of meetings attended during his/her term of office.

(3) The state of the Company's implementation of corporate governance, discrepancies between its implementation and the Corporate Governance Best Practice Principles for TWSE or TPEx Listed Companies, and reasons for such discrepancies

Evaluation Item	Implementation Status(Note)			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
I. Has the company formulated and disclosed its corporate governance best practice principles in accordance with the Corporate Governance Best Practice Principles for TWSE or TPEx Listed Companies?	V		The Company has established its Corporate Governance Best Practice Principles and complied with the Corporate Governance Best Practice Principles for TWSE or TPEx Listed Companies to promote the implementation of corporate governance, and discloses such information on its own website.	No significant deviation
II. Shareholding Structure and Shareholders' Rights				
1 Has the company established internal operating procedures for handling matters related to shareholders' recommendations, doubts, disputes and lawsuits, and implemented them accordingly?	V		1 The Company has appointed specific personnel to take charge of such matters.	No significant deviation
2 Does the company maintain a list of major shareholders who have actual control over the company and persons who have ultimate control over the major shareholders?	V		2 The Company has maintained contact with its major shareholders and persons who have ultimate control over the major shareholders.	No significant deviation
3 Has the company established and implemented risk control and firewall mechanisms among its affiliated companies?	V		3 The Company has established and implemented a system to monitor its subsidiaries.	No significant deviation
4 Has the company formulated internal regulations that prohibit insiders of the	V		4 The Company has, at least once a year, educated and advocated the existing Directors, Managerial Officers, and	No significant deviation

Evaluation Item	Implementation Status(Note)			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
company from trading securities using undisclosed information in the market?			employees on the Procedures for Handling Material Inside Information and relevant laws and regulations. The Company has educated and advocated new Directors, Managerial Officers, and employees upon taking office. The Company has formulated the Procedures for Ethical Management and Guidelines for Conduct. Article 14 All Company personnel shall adhere to the provisions of the Securities and Exchange Act, and may not take advantage of undisclosed information of which they have learned to engage in insider trading. Personnel are also prohibited from divulging undisclosed information to any other party, in order to prevent other party from using such information to engage in insider trading. The Company had educated and advocated the existing Directors, Managerial Officers, and employees, a total of 28 people, on March 10, 2021 and December 2021. The topics of the courses and the number of hours are as follows: [Email Education] Preventing Insider Trading and Protecting Trade Secrets [Online Course] Insider Trading Practical Cases and Related Legal Liabilities, 3 hours [Face-to-Face Course] Case Studies on Insider Trading, 3 hours [Assessment] Employee Code of Conduct Test (Including Insider Trading Prevention), 1 hour	

Evaluation Item	Implementation Status(Note)			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			Content includes: Regulations, definition, and elements of insider trading; insider trading from a corporate governance perspective; introducing Paragraph 1, Article 157 of the Securities and Exchange Act and practical cases; and scope of and handling procedures for material information. Course briefings and video files were uploaded to the internal learning platform for those who failed to participate in the courses.	
III.Composition and Responsibilities of the Board of Directors 1 Has the Board of Directors drawn up policies and specific targets on diversity of its members and implemented them?	V		1.Policy on Board diversity According to Article 20 of the Company's Corporate Governance Best Practice Principles, diversity shall be considered in the composition of the Company's Board of Directors, and members of the Board of Directors shall possess the knowledge, skills and qualities required to perform their duties. To achieve the ideal goals of corporate governance, the Board of Directors shall possess the following abilities: (1.1) Ability to make sound business judgments. (1.2) Ability to conduct accounting and financial analysis. (1.3) Business management ability. (1.4) Crisis management ability. (1.5) Knowledge of the industry.	No significant deviation

Evaluation Item	Implementation Status(Note)			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			(1.6) An understanding of international markets. (1.7) Leadership skills. (1.8) Decision-making ability. In addition to the eight competencies above, the Company has also added two professional abilities, namely legal capability and environmental protection for the diversification of the board members by taking into consideration the growing importance of global issues concerning corporate governance and environmental protection at present. At present, existing members of the Board of Directors possess the knowledge, skills, and qualities required to perform their duties, and specialize in professional areas including accounting and finance, international markets, law and environmental protection. (2).Targets of Board diversity The Company proposed the inclusion of a Director with professional legal experience for its board diversity goals. The role should be filled by an individual with an attorney's license who specializes in technology laws and practices to strengthen the protection of the Company's future patent rights. The Company also plans to include a Director who specializes in risk management to assist the Board in reviewing the Company's overall risk management policy and increase the Company's sustainability. The director members possess the ability to increase the diversity of board members in terms of legal, risk	

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status(Note)</th><th rowspan="2">Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>management, and other professional skills so that the functions of the Board of Director can be more complete.
(3).Implementation status of Board diversity
For details on the diversity of Board members, refer to the table below:
<table>
<tr><th rowspan="2">Names of Director</th><th rowspan="2">Gender</th><th colspan="10">Diversified Core Competences</th></tr>
<tr><th>Sound business judgments</th><th>Accounting and finance</th><th>Business manage-ment</th><th>Crisis manage-ment</th><th>Know-ledge of the industry</th><th>Understanding of interna-tional markets</th><th>Leader-ship skills</th><th>Decision-making ability</th><th>Legal expertise</th><th>Environ-mental protection expertise</th></tr>
<tr><td>Wu, Yi-Gui</td><td>Male</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td></td><td></td></tr>
<tr><td>Lin, Han-Fu</td><td>Male</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td></td><td>V</td></tr>
<tr><td>ang, Ke-Shu</td><td>Male</td><td>V</td><td></td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td></td><td></td></tr>
<tr><td>Liu, Han-Tai</td><td>Male</td><td>V</td><td></td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td></td><td></td></tr>
<tr><td>Liu, Zhen-Tu</td><td>Male</td><td>V</td><td>V</td><td>V</td><td>V</td><td></td><td></td><td>V</td><td>V</td><td>V</td><td></td></tr>
<tr><td>Wu, Hung-T</td><td>Male</td><td>V</td><td></td><td>V</td><td>V</td><td></td><td></td><td>V</td><td>V</td><td></td><td></td></tr>
<tr><td>Li, Zu-De</td><td>Male</td><td>V</td><td>V</td><td>V</td><td>V</td><td></td><td></td><td>V</td><td>V</td><td></td><td></td></tr>
<tr><td>eng, Ying-B</td><td>Male</td><td>V</td><td>V</td><td>V</td><td>V</td><td></td><td></td><td>V</td><td>V</td><td></td><td>V</td></tr>
<tr><td>i, Liang-Xia</td><td>Male</td><td>V</td><td></td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td></td><td>V</td></tr>
</table>
∗The Company's Directors with employee status accounted for 22% and Independent Directors with employee status accounted for 33%.
∗Five Directors are aged over 70 years old, one is aged 60 to 69, two are aged 50 to 59, and one is under 50.
∗Three Independent Directors have not served more than three consecutive terms.</td><td></td></tr>
<tr><td>2 Has the Company voluntarily established functional committees other than the Remuneration Committee and Audit Committee that are established in accordance with the law?</td><td>V</td><td></td><td>2 The Company has established a Remuneration Committee and an Audit Committee, and exercises its authority in accordance with its Remuneration Committee Charter and Audit Committee Charter with positive performance.The Company has voluntarily established a Sustainable Development Committee which exercises its authority in accordance with the Sustainable</td><td>No significant deviation</td></tr>
</table>

Evaluation Item	Implementation Status(Note)			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			Development Committee Charter with favorable performance.	
3 Has the Company established and implemented methods for assessing the performance of the Board of Directors and conducted performance evaluation annually? Does the Company submit results of assessments to the Board of Directors and use results as the basis for the salary, remuneration, nomination, and reappointment of individual Directors?	V		3 The Company has formulated rules and procedures for evaluating the performance of the Board of Directors and conducts it annually. I. Performance evaluation of the board of directors and its members (1). The Company passed the Rules Governing the Performance Evaluation of the Board of Directors in November 2019, stipulating that the performance evaluation of the Board of Directors and individual Directors shall be executed at the end of each year. (2). The Secretariat of the Board is responsible for the execution of the performance evaluation of the Board of Directors and individual Directors which shall be conducted based on an internal self-evaluation. The results of performance assessments are used as basis for the Company's review and improvement and as reference in determining remuneration for individual Directors, their nomination and additional office term. (3). The Company completed the performance evaluation in January 2022 for the evaluation period from January 1 to December 31, 2021. The below summarizes the evaluation result:	No significant deviation

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status(Note)</th><th rowspan="2">Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>
(3.1) Overall performance of the Board of Directors
<table>
<tr><th>Performance aspect</th><th>Score (Note)</th><th>Evaluation results and additional explanation:</th></tr>
<tr><td>Participation in Company operations</td><td>4.67</td><td rowspan="5">1. The overall evaluation result of the Board of Directors shows that the average score of the five aspects is above 4.6, which is a good evaluation result.
2. Given the increasing emphasis on environmental, social, and governance (ESG) issues, the competent authority released a Corporate Governance 3.0 - Sustainable Development Roadmap to promote various measures and encourage TWSE/TPEx listed companies to voluntarily improve the quality of corporate governance. The Board of Directors must pay attention to this trend and continue to improve corporate governance effectiveness, as well as carefully plan the implementation of carbon reduction goals and green energy development strategies to meet international standards and achieve the Company's long-term goal of sustainable development.</td></tr>
<tr><td>Improvement of the quality of the Board of Directors' decision making</td><td>5.00</td></tr>
<tr><td>Composition and structure of the Board of Directors</td><td>5.00</td></tr>
<tr><td>Election and continuous education of Directors</td><td>5.00</td></tr>
<tr><td>Internal control</td><td>5.00</td></tr>
</table>
Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.
</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status(Note)</th><th rowspan="2">Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>
(3.2) Board member performance
<table>
<tr><th>Performance aspect</th><th>Score (Note)</th><th>Evaluation results</th></tr>
<tr><td>Understanding of the Company's goals and tasks</td><td>4.96</td><td>The Director's self-evaluation result shows that the average score of the six aspects is above 4.9, which is a good evaluation result</td></tr>
<tr><td>Understanding of the Director's responsibilities</td><td>4.94</td><td></td></tr>
<tr><td>Participation in Company operations</td><td>4.94</td><td></td></tr>
<tr><td>Management and communication of the internal relations</td><td>5.00</td><td></td></tr>
<tr><td>Expertise and continuing education of the Directors</td><td>4.93</td><td></td></tr>
<tr><td>Internal control</td><td>4.93</td><td></td></tr>
</table>
Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.
(4)The results of the performance evaluation of the Board of Directors and director members are reported to the Board meeting in the first quarter of 2022.
II. Performance evaluation of the Audit Committee and Remuneration Committee
1. The Company completed the performance evaluation in January 2022 for the evaluation period from January 1 to December 31, 2021. The below summarizes the evaluation result:
(1) Performance of the Audit Committee
</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status(Note)</th><th rowspan="2">Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><th>Performance aspect</th><th>Score (Note)</th><th>Evaluation results</th></tr>
<tr><td>Participation in Company operations</td><td>5</td><td rowspan="5">The Committee's self-evaluation result shows that the average score of the five aspects is 5, which is a good evaluation result.</td></tr>
<tr><td>Understanding of the duties of the Audit Committee.</td><td>5</td></tr>
<tr><td>Improvement of the quality of the Audit Committee' decision making.</td><td>5</td></tr>
<tr><td>Composition of the Audit Committee and selection of committee members.</td><td>5</td></tr>
<tr><td>Internal control</td><td>5</td></tr>
</table>
Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.
(2) Performance of the Remuneration Committee
<table>
<tr><th>Performance aspect</th><th>Score (Note)</th><th>Evaluation results</th></tr>
<tr><td>Participation in Company operations</td><td>5</td><td rowspan="4">The Remuneration Committee's self-evaluation result shows that the average score of the four aspects is 5, which is a good evaluation result.</td></tr>
<tr><td>Understanding of the Remuneration Committee's roles and responsibilities</td><td>5</td></tr>
<tr><td>Improvement in the Remuneration Committee's decision-making quality</td><td>5</td></tr>
<tr><td>Composition and member selection of the Remuneration Committee</td><td>5</td></tr>
</table>
Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.
</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Implementation Status(Note)</th><th rowspan="2">Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>4 Does the Company regularly evaluate the independence of CPAs?</td><td>V</td><td></td><td>2. The results of the 2021 performance evaluation of the functional committees are reported to the Board meeting in the first quarter of 2022.
4.The Company regularly assesses the independence of the CPA each year and assessment items are formulated by the Accounting Division based on Article 47 of the Certified Public Accountant Act and No. 10 Statement of the Professional Ethics Standards for Certified Public Accountants. The main items include:
(1). As of the most recent assurance operation, no CPA has yet to be replaced for seven (7) years.
(2). The CPA does not have significant financial interest in the Company.
(3). The CPA does not own any shares of the Company and its affiliated companies.
(4). The CPA has not engaged in lending and borrowing of money with the Company and its affiliated companies.
(5). The CPA does not concurrently serve as a regular employee of the Company or its affiliated companies and does not receive a fixed salary from them.
(6). The CPA is not involved in the decision-making process of the Company and its affiliated companies.
(7). The CPA does not have a spouse, immediate family members, or relatives within the second degree of kinship who serve in the senior management of the Company.</td><td>No significant deviation</td></tr>
</table>

Evaluation Item	Implementation Status(Note)			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			(8). The CPA has not collected any commission related to his/her service. According to the assessment, the CPAs Huang, Hsiu-Chun and Chiu, Cheng-Chun retain the independence of CPAs and the assessment has been passed by the Company on March 9, 2022 in the 14th meeting of the 2nd Audit Committee and the 1st meeting of the Board of Directors in 2022.	
IV.Has the TWSE/TPEx listed company designated an appropriate number of qualified corporate governance personnel and appointed a corporate governance officer responsible for matters related to corporate governance (including but not limited to providing directors and supervisors with the necessary information for operation, assisting directors and supervisors in following regulations, handling matters related to Board meetings and the shareholders' meetings in accordance with the regulations, preparing minutes for Board meetings and the shareholders' meetings, etc.)?	V		IV. To protect the interests of the shareholders and strengthen the functions of the Board of Directors, the Company, following the resolution passed by the Board of Directors' meeting on May 9, 2019, appointed the legal affairs manager Chen, Yung-Chih as the Company's Corporate Governance Officer, the highest-ranking manager responsible for corporate governance affairs. Mr. Chen, Yung-Chih has more than six years of experience in services as a manager of a public company's legal affairs unit. His main duties include related affairs of Board meetings and shareholders' meetings, production of meeting minutes for Board meetings and shareholders' meetings, assisting Directors in taking office and continuing education, providing data required by Directors to perform their duties, and assisting Directors in legal compliance. The focal points of implementation in 2021 are as follows: 1 Assist Directors in performing their duties, provide the necessary information, arrange continuing education for Directors, and process liability insurance policies:	No significant deviation

Evaluation Item	Implementation Status(Note)			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			（1）The Corporate Governance Officer compiled the latest laws and regulations related to the business areas of the Company and corporate governance, arranged discussions at the Board meetings and provided educational information to the Board members from time to time. （2）Assisted Directors, upon request, to understand the regulations for which compliance is required for the execution of their business. （3）Provided Directors with the necessary information of the Company. They are also provided with assistance for communicating and exchanging ideas with business managers. （4）Assisted Independent Directors in arranging meetings with the head of internal audit or CPAs when there is a need for Independent Directors to meet them in order to understand the Company's financial operations （5）Assisted the Company in arranging at least 6hours of continuing education courses for Board members. （6）Verified that the Company has purchased liability insurance for Directors and key persons for Board members and reported to the Board of Directors. 2 Organize matters related to the proceedings of Board of Directors' meetings and shareholders' meetings and confirm compliance matters of resolutions: （1）Produced meeting notices and agenda for the Board of Directors; reminded Directors to recuse themselves	

Evaluation Item	Implementation Status(Note)			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
			in advance for discussions on issues that require their recusal due to conflicts of interests; produced meeting minutes within the statutory time limit. （2）Registered the date of the shareholders' meeting in advance according to the law and prepared the meeting notice, handbook, and meeting minutes within the statutory time limit. （3）Confirm that the organization, resolution procedures, and meeting minutes of the Board of Directors and shareholders' meeting meet related regulations and the Corporate Governance Best Practice Principles. （4）Changed registration items. 3 Maintain relations with investors: The Company's website is updated from time to time to keep investors abreast of the Company's financial, business, and corporate governance information in order to protect shareholders' rights and interests. The status of continuing education in 2021 is as follows: Pursuant to Article 24 of the Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers, a listed company shall arrange continuing professional education for its Corporate Governance Officer. The Corporate Governance Officer shall receive at least 12 hours of continuing education each year, except for at	

<table>
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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>
least 18 hours within one year for the first term commencing from the date of his/her appointment.
In 2021, Chen, Yung-Chih, Corporate Governance Officer of the Company, had completed 30 hours of continuing education. The contents of the courses are as follows:
<table>
<tr><th>Date of Training</th><th>Organizer</th><th>Course Title</th><th>Number of Hours</th><th>Total training hours during the year</th></tr>
<tr><td>September 1, 2021</td><td>Securities and Futures Institute</td><td>The Value of Cybersecurity in the Post-Pandemic Era and During the US-China Trade War</td><td>3</td><td rowspan="8">30</td></tr>
<tr><td>September 1, 2021</td><td>FSC</td><td>The 13th Taipei Corporate Governance Forum</td><td>6</td></tr>
<tr><td>October 7, 2021</td><td>Securities and Futures Institute</td><td>Case Studies on Insider Trading</td><td>3</td></tr>
<tr><td>October 27, 2021</td><td>Securities and Futures Institute</td><td>2021 Seminar on Legal Compliance of Equity Transfer by Insiders</td><td>3</td></tr>
<tr><td>November 8, 2021</td><td>Taiwan Corporate Governance Association</td><td>How Boards Review Sustainability Reports: ESG Disclosure Regulations</td><td>3</td></tr>
<tr><td>November 12, 2021</td><td>Securities and Futures Institute</td><td>2021 Annual Promotional Conference on Prevention of Insider Trading</td><td>3</td></tr>
<tr><td>December 7, 2021</td><td>Taiwan Stock Exchange</td><td>2021 Cathay Sustainable Finance and Climate Change Summit</td><td>6</td></tr>
<tr><td>December 20, 2021</td><td>Taiwan Corporate Governance Association</td><td>How the Board of Directors Interpret the Hong Kong Government’s Tax Revisions and Face Taiwan’s Anti-Tax Avoidance Rules</td><td>3</td></tr>
</table>
</td><td></td></tr>
</table>

Evaluation Item	Implementation Status(Note)			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
V. Has the Company established a communication channel with stakeholders (including but not limited to shareholders, employees, customers, and suppliers)? Has a stakeholders' section been established in the Company's website and are major corporate social responsibility topics that the stakeholders are concerned with addressed appropriately by the Company?	V		The Company has set up a stakeholders' section under the sustainable development section on its website, which features contact information as channels of communication. We have also assigned dedicated personnel to take charge of the collection and disclosure of Company information and implemented a spokesperson system. Communication can be performed through interviews, telephone calls, or dedicated mailboxes. The details of communication with all stakeholders are reported to the Board of Directors on a yearly basis. The channel of communication with stakeholders, communication topics, and replies in 2020 were submitted to the Board of Directors on August 4, 2021. (Disclosure on the Company's website: https://www.cgpc.com.tw/CSR/zh-tw/company-SDGs.aspx, https://www.cgpc.com.tw/CSR/zh-tw/csr13.aspx)	No significant deviation
VI.Has the company commissioned a professional shareholder services agency to handle shareholders' meetings and other relevant affairs?		V	The Company takes charge of its own stockholder affairs and handles matters related to shareholders' meetings in accordance with the law.	The Company handles its own shares-related affairs to ensure quality and efficiency.

Evaluation Item	Implementation Status(Note)			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
VII.Information disclosure (1) Has the company established a website to disclose information on financial operations and corporate governance? (2) Has the Company adopted other means of information disclosure (such as establishing a website in English, appointing specific personnel to collect and disclose Company information, implementing a spokesperson system, and disclosing the process of investor conferences on the Company's website)? (3) Does the Company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating status for each month before the specified deadline?	V V V		(1) The Company has set up a website and regularly discloses company information. https：//www.cgpc.com.tw (2) The Company has appointed specific personnel to take charge of the collection and disclosure of company information and has implemented a spokesperson system. (3) The Company has not yet published and reported the annual financial report within two months after the end of a fiscal year, but we have published and reported the quarterly financial reports, monthly revenue, and information on endorsements and guarantees before the specified deadline.	No significant deviation No significant deviation No significant deviation
VIII. Has the company provided important information to better understand the state of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, progress of training of directors and supervisors, risk management policy, and implementation of risk impact standards, implementation of customer	V		The Company compiles the Sustainability Report each year to disclose information on employee rights, employee care, investor relations, supplier relations, stakeholder rights, Directors' training records, the implementation of risk management policies and risk evaluation measures, and the implementation of customer policies. The Company has changed the report name from Corporate Social Responsibility Report into Sustainability Report in 2021 and discloses it on the Company's website before June 30 every year:	No significant deviation

Evaluation Item	Implementation Status(Note)			Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Summary	
policies, and the company’s purchase of liability insurance for its directors and supervisors)?			(https://www.cgpc.com.tw/CSR/zh-tw/company-SDGs.aspx、https://www.cgpc.com.tw/CSR/zh-tw/csr13.aspx) and the Corporate Governance Zone of the Public Information Observatory: (https://www.cgpc.com.tw).	

IX.Improvements made in the most recent fiscal year in response to the results of corporate governance evaluation conducted by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, and improvement measures and plans for items yet to be improved. (Leave blank if the Company was not evaluated):

Completed improvements:

(1) More than half of the Directors and the convener of the Audit Committee attended the annual shareholders' meeting.

(2) The financial report shall be passed by the Board of Directors or submitted to the Board of Directors 7 days before the statutory time limit for publication and published within one day after the date of passage or submission.

Prioritized items for improvement:

(1) The financial report was approved by the Audit Committee and reported to the Board of Directors for resolution.

(2) The annual report was uploaded 18 days before the annual shareholders' meeting.

(3) The Company disclosed the professional qualifications and experience of the Audit Committee members on its website or in the annual report.

Note: Regardless of whether "Yes" or "No" is selected, provide a brief description in the Summary column.

(4) If the company has established a remuneration committee or member nomination committee, the composition and operations of the committee shall be disclosed:

1. Information regarding the members of the Remuneration Committee

December 31, 2021

Title (Note 1)	Criteria / Name	Professional qualifications and experience (Note 2)	Status of independence (Note 3)	Number of publicly listed companies in which the member concurrently serves as a remuneration committee member
Independent Director (Convener)	Zheng, Ying-Bin	Zheng, Ying-Bin is currently the Chairman of Longchen Paper & Packaging Co., Ltd and has experience in directly supervising financial managers and accounting managers.	Not having any of the situations set forth in Article 3, Paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies two years before being elected or during the term of office.	0
Independent Director	Li, Zu-De	Li, Zu-De serves as the Chairman of the Taipei Medical University and is currently the Chairman of Handing Medical Electronics Biotechnology Management Consultancy Co., Ltd.. He has experience in directly supervising financial managers and accounting managers.	Not having any of the situations set forth in Article 3, Paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies two years before being elected or during the term of office.	1
Independent Director	Li, Liang-Xian	Li, Liang-Xian once served as the General Manager of the Chemicals and Special Chemicals Department in Greater China of Dow Chemical (U.S.A.) and has extensive relevant experience.	Not having any of the situations set forth in Article 3, Paragraph 1 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies two years before being elected or during the term of office.	0

Note 1: On the form, please specify the relevant years of service, professional qualifications, experience, and independence of the members of the Remuneration Committee. For Independent Directors, the Company may add a note for referring to Table 1, Information on Directors and Supervisors (I), on page OO. For the job title, please identify whether the person is an Independent Director or other (if he/she is the convener, please add a note).

Note 2: Professional qualifications and experience: Specify the qualifications and experience of each member of the Remuneration Committee.

Note 3: Status of independence: Specify the status of independence of the members of the Remuneration Committee, including but not limited to whether they, their spouses, and relatives within second degree of kinship are serving as Directors, Supervisors, or employees of the Company or its affiliated companies; the number of shares held and shareholding percentage by the members, spouses, and relatives within second degree of kinship (or held in the names of other persons); whether the member is a Director, Supervisor, or employee of a company that has a specific relationship with the Company (refer to the provisions of Article 6, Paragraph 1, Subparagraphs 5 to 8 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); and the amount of remuneration received for providing business, legal, financial, accounting, and other services to the Company or its affiliates in the last two years.

Note 4: For disclosure methods, please refer to the best practice examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange Corporation.

2.Operations of the Remuneration Committee:

(1)The Company's Remuneration Committee consists of three (3) members.

(2)The term of office: June 26, 2019 to June 20, 2022. The Remuneration Committee convened three (3) meetings (A) in the most recent year. The qualifications and attendance of members are as follows:

Title	Name	Number of Attendance in Person (B)	Number of Attendance by Proxy	Percentage of attendance in person (%) (B/A) (Note)	Remark
Convener	Zheng, Ying-Bin	3	0	100%	
Member	Li, Zu-De	3	0	100%	
Member	Li, Liang-Xian	3	0	100%	

Other matters to be noted:

1. If the Board of Directors rejects or amends the suggestions of the Remuneration Committee, state the date and session of the Board Meeting, the content of the proposal, the Board's resolution, and the way the Remuneration Committee's opinions were handled (describe the differences and reasons, if any, should the Board of Directors approve a solution that was more favorable than the one proposed by the Remuneration Committee)：Not applicable.
2. If a member opposes a resolution the Remuneration Committee has adopted or has reservations with a written record or a statement, specify the date and session of the meeting, the content of the proposal, opinions of all the members, and how the opinions were handled：Not applicable.

Note: 1. Where a member of the Remuneration Committee resigns before the end of the fiscal year, the Remark column shall be filled with the member's resignation date, whereas his/her rate of attendance in person (%) shall be calculated based on the number of meetings held by the Remuneration Committee and the actual number of meetings attended during his/her term of office.

2. If members of the Remuneration Committee are re-elected before the end of the fiscal year, incoming and outgoing members shall be listed accordingly, and the Remark column shall indicate whether the status of a member is "outgoing", "incoming", or "re-elected", and the date of re-election. The rate of attendance in person (%) is calculated based on the number of meetings held by the Remuneration Committee and the actual number of meetings attended during his/her term of office.

3.Information regarding the members and operations of the Member Nomination Committee：Not applicable

(5) Promoting the Implementation of Sustainable Development and Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons

Promotion Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
1. Has the Company established and promoted a sustainable development governance structure and set up a dedicated (or part-time) unit for the promotion of sustainable development, and has the Board of Directors authorized the senior managers to handle relevant issues and does the Board of Directors supervise the state of affairs with respect to the preceding?	V		The Company has set up a Corporate Social Responsibility Committee (renamed as "Sustainable Development Committee" in 2022). They are the highest-governing body for making sustainable development strategies in the Company. It is chaired by an independent director who reviews the Company's competitiveness and value of sustainability with several senior managers from different fields. They take this as the foundation of sustainable development strategy and promote various sustainable improvement issues such as governance, environment, and society, and formulate mid-and long-term sustainable development plans. The Committee established three work groups including the "Corporate Governance Work Group", "Environmental Protection Work Group", and "Social Relationship Work Group". They identify sustainable issues related to the company's operations and stakeholders' concerns, formulate corresponding strategies and work policies, review sustainable development related budgets submitted by each unit, plan and implement annual plans, and follow up on the	Equivalent to the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

Promotion Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
			implementation results to ensure the sustainable development strategy is fully implemented in the company's daily operations Issues of concern to stakeholders include corporate governance, labor-management relations, employee care, environmental protection, energy conservation, and carbon emissions reduction, and social welfare. We regularly review the strategies, objectives, and action plans of the company's sustainable development policy. We also provide instructions and follow up on the progress of various action plans and performance improvements. We convene two meetings each year and report corporate sustainable development related plans and achievements to the Board of Directors. Content of the proposal includes (1) Identify sustainability issues that need attention and formulate action plans. (2) Goals and policy revisions on sustainability related issues. (3) Supervise the implementation of sustainable operations and evaluate the implementation status. The Company's Board of Directors regularly listens to reports from the management teams. (including ESG reports) Personnel from the management level shall formulate and submit the company's strategies to the Board of Directors. The Board of Directors shall assess the likelihood of success	

Promotion Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
			of these strategies, regularly review their progress, and urge the management team to make adjustments when needed.	
2. Has the company assessed the environmental, social, and corporate governance risks related to its operations based on the principle of materiality and established related risk management policies or strategies? (Note 2)	V		This disclosure is mainly about the performance of sustainable development, including the Company's information from January 2022 to December 2022, and some information dated back to contents and performances before January 1, 2021, and 2022. The risk assessment boundary is mainly based on the Company, including subsidiaries Taiwan VCM Corporation (referred to as TVCM) and CGPC Polymer Corporation's (referred to as CGPCPOL) important information such as business performance, environment, employees, and social welfare. Foreign subsidiaries Continental General Plastics (ZhongShan) Co., Ltd, and CGPC Consumer Products Corporation have been dissolved by the resolution of the Board of Directors in October 2011, and are currently in the process of dissolution. In addition, for the time being, the subsidiary CGPC America Corporation will not disclose important information on the environment and employees as it is independently managed by foreign subsidiaries. The Sustainable Development Committee conducts analysis based on the principle of materiality in the CSR Report. They communicate with internal and external	Equivalent to the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

Promotion Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
			stakeholders, reviews domestic and foreign research reports and documents, and integrate evaluation data of various departments and subsidiaries to evaluate material ESG issues. They also formulate management policies on risks to be effectively identified, measured, evaluated, monitored, and controlled and take specific actions to reduce the impact of relevant risks. To strengthen corporate governance, reduce possible operating risk and ensure the stable operation and sustainable development, the Company's Audit Committee and the Board of Directors passed the Risk Management Policy and Procedures in December 2020. The Risk Management Policy and Procedures consist of risk management policy, organization of risk management, risk management process, risk management category, and mechanism, effectively controlling the risks arising from business activities. The risk management operations are reported to the Audit Committee and the Board of Directors at least once a year. (For more information on risk description and response measures on ESG, please refer to this website: https://www.cgpc.com.tw/CSR/zh-tw/company-risk-management.aspx and refer to the annual report 7. Review	

Promotion Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
			and Analysis of Financial Position and Performance and Risk Items 6. Risk analysis and assessment (14) The Company's operations, finance, supply chain, policy, and investment decisions affected by climate change. Followed the relevant laws and regulations of the competent authority and formulated the operation standards of each risk management unit for routine business risk control. Kept an eye on the development of international and domestic risk management systems to review and improve risk management policies accordingly. The Company constantly adjusted and improved the best risk management methods in response to changes in the internal and external environment, so as to enhance the effectiveness of the Company's risk management implementation and protect the interests of the Company and its employees, Shareholders and Stakeholders. (https://www.cgpc.com.tw/zh-tw/dirServices/frmServices2.aspx、https://www.cgpc.com.tw/CSR/zh-tw/company-risk-management.aspx)	
3. Environmental Issues (I) Has the company established an appropriate environmental management system based on the characteristics of the industry to which it belongs?	V		(I) The Company has established comprehensive environmental management and regulation systems, which are jointly implemented and promoted by the Labor Safety	Equivalent to the Sustainable Development Best Practice Principles

Promotion Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
			Office and related departments. Both CGPC Toufen Plant and its subsidiary Linyuen Plant have obtained the ISO 14001 environmental management system certification to provide a good environmental protection structure, reduce the impact of accidents on the environment, and comply with laws and regulations. Greenhouse gas inventory is carried out every year according to ISO14064-1 standards to track the effectiveness of emission reduction and publicly disclose it in the CSR Report and on the Company's website. (https://www.cgpc.com.tw/CSR/zh-tw/environment-friendly-climate-change.aspx)	for TWSE/TPEx Listed Companies
(II) Is the company committed to improving the efficiency of utilizing various resources and using recycled materials with low impacts on the environment?	V		(II) The Company actively promotes various energy reduction measures. Regarding the manufacturing process, we use big data and artificial intelligence to find the optimum efficiency and select high-energy efficiency equipment to replace the old ones. We also reduce the product's energy consumption, install renewable energy and plan procurements to optimize the efficiency of energy use. The Company sets a new phase energy management targets in 2019. The six-year energy efficiency ratio from 2020 to 2025 is set as 7.2% to continue tracking the international trend and national policies and regulations for	

<table>
<tr><th rowspan="2">Promotion Items</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Discrepancies from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>dynamic review. The Company’s annual performance is planned to save 1% electricity and 1.2% energy and reduce 1.5% carbon. The factory plans the related action plans and responses. To effectively manage energy performance and continuously improve it, we encourage the factory to establish ISO 50001 energy management system, and continue to carry out energy conservation and carbon reduction actions, hoping to exert influence and reduce environmental impact.
■ Actual achievements of electricity conservation, energy conservation, and carbon reduction in 2021
<table>
<tr><th>Item</th><th>Electricity Conservation (Goals: 1%)</th><th>Energy Conservation (Goals: 1.2%)</th><th>Carbon Reduction (Goals: 1.5%)</th></tr>
<tr><td>CGPC (Toufen Plant)</td><td>1.00%</td><td>0.49%</td><td>0.65%</td></tr>
<tr><td>TVCM (Linyuan Plant)</td><td>1.65%</td><td>0.82%</td><td>0.80%</td></tr>
<tr><td>CGPCPOL (Linyuan Plant)</td><td>1.49%</td><td>0.37%</td><td>0.47%</td></tr>
</table>
Explanation:
1.The source of the information is the Bureau of Energy’s annual energy users energy conservation audit system registration form.</td><td></td></tr>
</table>

<table>
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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>2.Explanation of Achievement Rate:
(1) Electricity Conservation: The goal of CGPC, TVCM, and CGPCPOL’s electricity saving rate have been achieved.
(2) Energy Conservation/ Carbon Reduction: Due to the improvement of equipment or replacement of old equipment, CGPC focuses on electricity conservation and is supplemented with energy conservation. Most of TVCM’s equipment has been improved, and few equipments canbe improved subsequently, so the improvement of energy conservation and carbon reduction is limited. CGPCPOL plant has relatively new equipment and the potential for improvement is small.
3.The inspection scope includes CGPC Toufen Plant, TVCM, and CGPCPOL Linyuan Plant, and the coverage ratio is 100%.
4. The cumulative energy saving target from 2020 to 2025 is 7.2%, and long-term continuous attention is paid to evaluating new technologies to improve the efficiency of energy use.
Regarding green manufacturing, the Company attaches great importance to resource use efficiency, seeks waste reduction and develops recycling technologies, and reduces the negative impact of business activities on the</td><td></td></tr>
</table>

Promotion Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
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			environment. In the upstream and downstream of the value chain, we work together to recycle and share packing materials and actively implement them to maximize the benefits of circular economy. (1) Circular economy (internal circulation): pure water recovery and reuse, conversion of surplus materials, renewable energy, recovery, and reuse of waste heat and condensed water, waste reduction... etc. (2) Circular economy (external circulation): cartons, paper bags, PE bags, equipment replacement... and other work. TPU rubber products are made of recycled TPU raw materials and non-woven which is made out of recycled PET bottles. More than 50% of the products can be manufactured with recycled materials, and GRS certification has been applied. We use natural marine organisms' shell powder to replace the current antimicrobial and fungicide (containing arsenic or containing chlorine/sulfur) and plan to develop antibacterial and fugiproofing marine leather and antivirus bus seats.	
(III) Has the company assessed the present and future potential risks and opportunities of climate change for the entity, and taken measures to respond to climate-related issues?	V		(III) The Company's Sustainable Development Committee is the highest governing body for climate change management. It is chaired by an independent director. He/she reviews the company's climate change strategy and goals, manages	

Promotion Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
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			climate change risks and opportunities, reviews the implementation, discusses future plans, and reports to the Board of Directors every year. To fulfill CGPC's commitment to sustainable operation, the Company continues to manage related risks and response strategies and measures for climate change. In addition to compliance with the energy conservation and carbon emission reduction targets established by the USI Group, the Company also evaluates the Company's risks and opportunities of climate change according to the TCFD published by the Financial Stability Board (FSB). In principle, there will be a complete assessment every five years, and the assessment will be examined and updated annually. The latest climate risk assessment is completed at the end of 2019, adopting the TCFD methodology to identify transformation risks and physical risks in operations and identify 5 major risk items and 7 major opportunity items. With regard to emerging opportunities brought forth by climate change, we divided the occurrence time in 2020. We shall continue to review response measures each year and create a resilient climate change culture. We also evaluated possible financial impacts and provided a detailed explanation of countermeasures analysis, which is disclosed in the company's ESG Report.	

<table>
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<tr><td>(IV) Has the company calculated its GHG emissions, water consumption, and total waste weight in the past two years, and formulated policies for reductions of GHG, and water consumption, or other waste management?</td><td>V</td><td></td><td>(For more information on risk description and response measures on ESG, please refer to this website: https://www.cgpc.com.tw/CSR/zh-tw/company-risk-management.aspx, https://www.cgpc.com.tw/CSR/zh-tw/environment-friendly-climate-change.aspx and refer to the annual report 7. Review and Analysis of Financial Position and Performance and Risk Items 6. Risk analysis and assessment (14) The Company's operations, finance, supply chain, policy, and investment decisions affected by climate change
(IV)
CGPC Toufen Plant and its subsidiary Linyuan Plant completed the ISO 14064-1 inspection in 2021. CGPC and TVCM plants have been verified by a third party. CGPCPOL began to implement ISO 14064-1 and ISO 14067 inspection in 2022.
CGPC and CGPCPOL have obtained ISO 50001 certification in 2019, and TVCM has obtained ISO 50001 certification in April 2021.
<table>
<tr><th colspan="3">Greenhouse gas emissions Unit: 10000 tons CO2e</th></tr>
<tr><th>Year</th><th>Scope 1</th><th>Scope 2</th></tr>
<tr><td>2020</td><td>14.91</td><td>19.79</td></tr>
<tr><td>2021</td><td>15.83</td><td>22.73</td></tr>
</table>
Note: The inspection scope includes CGPC Toufen Plant, TVCM, and CGPCPOL Linyuan Plant, and the coverage ratio is 100%.
1. Scope 1: Major emission sources include natural gas, steam coal, and diesel. Scope 2: Includes power and steam</td><td></td></tr>
</table>

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			purchased from external sources. Scope 3: This year is not included in the calculations of emissions. 2. The greenhouse gas emissions of CGPC (Toufen Plant), and TVCM (Linyuan Plant) are figures actually verified by an impartial third party. 3. Our calculations adopt the operation control methodology and the GWP values adopt the IPCC 2007, and the emission factors adopt the factors announced by the Environmental Protection Administration. (Electricity carbon emission factor adopts the Bureau of Energy factor) 4. Set the base year for inventory: CGPC (Toufen Plant) is 2017, TVCM is 2008. 5. TVCM revised its greenhouse gas emissions in 2020. As the inventory information was obtained after the declaration, it is revised. 6. CGPCPOL revised its greenhouse gas emissions in 2020. They revised the CO2 emission factors of steam (TSMC) purchased from external sources. 7. In 2021, the production capacity of the three plants increased, resulting in an increase in carbon emissions. At the same time, we actively invested in equipment improvement and give priority to electricity conservation, energy conservation, and environmental protection.	

Unit Product Emission Intensity (tons CO_2e/ tons)

Company	Product Classification	2020	2021	Goals	Achievement Status
CGPC	PVC resin	0.249	0.245	0.256	Achieved
	Chemical products	0.257	0.251	0.282	Achieved
	Processed Products	0.425	0.436	0.510	Achieved
TVCM	VCM	0.443	0.446	0.464	Achieved
CGPCPOL	PVC resin	0.226	0.227	0.228	Achieved

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<p>The inspection scope includes CGPC Toufen Plant, TVCM, and CGPCPOL Linyuan Plant, and the coverage ratio is 100%. 2019 is the base year and goals are set.</p>
<p>CGPC set a new phase energy management target in 2019. The six-year energy efficiency ratio from 2020 to 2025 is set as 7.2% (compliance with the ratio set by USI Group) to continue tracking the international trend and national policies and regulations for dynamic review. The Company will introduce the domestic and foreign standards or guidelines to implement GHG inventory and management of water resources and wastes. It is disclosed as follows:</p>
<table>
<tr><th>Item</th><th>Reason for Discrepancy</th><th>2020</th><th>2021</th></tr>
<tr><td>GHG Management</td><td>The Company set an energy management target. The annual performance is planned to save 1% electricity and 1.2% energy. The factory plans the related action plans and responses.</td><td>Verified Total Emissions are 347,055 Tons</td><td>The self-check estimates the emission of 385,366 Tons</td></tr>
<tr><td>Water Management</td><td>Reduced and minimized water waste, improved and replaced the equipment that consumes large quantities of water, improved water recovery, and reuse rate, and set a target to increase water recovery by 3% per year have all been achieved. Update the data of 2020 and increase the statistics of process recycling water.</td><td>Total of water recycled 7.686 million liters</td><td>Total of water recycled 8.493 million liters</td></tr>
<tr><td>Waste Disposal Management</td><td>The Company recycles waste materials and uses circular production processes and distribution models to reduce the impact of waste on the environment. We have reduced the total amount of waste each year.</td><td>Reduced 3,247 tons of waste</td><td>Reduced 3,440 tons of waste</td></tr>
</table>
</td><td></td></tr>
</table>

Promotion Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
4. Social issues (I) Has the Company formulated the relevant management policies and procedures in accordance with relevant laws and regulations and the International Bill of Human Rights?	V		(I) Human rights policy: The Company has made reference to internationally recognized human rights standards including the International Bill of Rights and the International Labour Organization's Declaration on Fundamental Principles and Rights at Work to implement CSR and human rights protection. Besides, the Company has formulated human rights policy applicable to the Company and all USI Group's affiliates to eliminate human rights violations. In addition to providing a reasonable and safe workplace, our employees can enjoy a reasonable and dignified treatment. Human Rights Risks Mitigation Measures The Company is committed to reasonably ensuring the safety of the employees and the working environment, respecting and protecting their dignity, promoting environmental protection in business activities, and complying with regulations and integrity. To achieve these commitments, besides upholding the integrity and respecting employees by law, we assign dedicated personnel to implement employee occupational safety and health operations by law. We also continuously promote and educate to implement human rights policies in daily life, and establish reasonable complaint channels. Concerns and practices for human rights: (1)Provide a safe and healthy working environment The Company has passed the evaluation and certification of ISO 14001 (environmental management system) and ISO-45001 (occupational safety and health management system) and ISO 14064-1 greenhouse gas	Equivalent to the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

Promotion Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
			inventory. We actively promote improvement activities such as energy conservation and carbon reduction, disaster prevention, and pollution prevention, and reasonably ensure a safe working environment. In addition to providing a safe and healthy working environment in accordance with laws and regulations, the Company has established a dedicated unit and committee for occupational safety and health and employs medical specialists and nursing personnel. We regularly conduct relevant education and training on safety and health and fire safety, and adopt necessary preventive measures to prevent occupational hazards, thereby reducing hazards of the working environment. (2)Prohibiting illegal discrimination to ensure equal work opportunities The Company implements the human rights policy in the internal control procedures. In terms of employment, remuneration and benefits, training opportunities, promotion, dismissal or retirement, and other labor rights and interests, employees and applicants can not be unfairly treated due to their race, social station, language, ideology, religion, political affiliation, place of origin, birthplace, gender, sexual orientation, age, marital status, pregnancy, appearance, facial features, physical and mental disabilities, horoscope, blood type, and other factors. (3)No child labor To ensure compliance with corporate social responsibility and ethical regulations, the Company has explicitly prohibited child labor since the beginning of recruitment. As of the end of December 2021, the total	

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			number of employees was 682, and the number of child laborers was 0. (4) Forced labor prohibition The Company does not force or coerce any unwilling personnel to perform labor services. The daily and weekly normal working hours and extended working hours, leave, annual paid leaves and other types of leaves for employees comply with laws and regulations. A reminder is set when employees apply to work overtime in the attendance system. Overtime payments or compensatory leaves are provided after working overtime, and a dedicated personnel is assigned to inspect and control the working hours of the factory every month. Help employees maintain physical and mental health and work-life balance: (1) The Company provides venues or sponsored funds to encourage employees to participate in healthy activities, form their own clubs, and create emotional bonds with colleagues through club activities. (2) In addition to organizing activities such as year-end parties, Mid-Autumn Festival party, and solving lantern riddles to adjust employees' minds and bodies and enhance affinity, the Company has set up fitness equipment for employees to use after work. (In 2021, due to the epidemic, club activities and year-end parties were temporarily put on a halt, but employees are still encouraged to exercise by walking or by other social	

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			distancing methods to maintain physical and mental health) Human rights protection training practices: (1) Training new employees- upon arrival, it is required to conduct new employees' education and training related to relevant regulatory compliance promotion, including: sexual harassment prevention, anti-discrimination, anti-harassment, working hour management and ensureing humane treatment. (2) Prevention of workplace violence- Through promotion and announcements, employees are made aware of their responsibility to assist in ensuring that there is no unlawful invasion in the workplace when performing their duties, and disclose the complaint hotline to jointly create a friendly working environment. (3) Occupational safety training series includes: Safety and health educational training, fire safety training, emergency response, and first aid personnel training. (4) Integrity and moral advocacy- Take daily behaviors and ethical standards as examples to educate and promote to provide a healthy and positive workplace culture. The Company continues to pay attention to human rights protection and implement relevant training to improve human rights protection awareness and reduce the possibility of related risks. In 2021, training related to the promotion of human rights protection were held, with a total of 11,237 hours and a total of 2,743 participants. The number of participants and the training details (including the statistics of CGPC, its subsidiaries TVCM, and CGPCPOL) are as	

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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>follows:
<table>
<tr><th>Course Title</th><th>Total Participants</th><th>Total Training Hours</th></tr>
<tr><td>[Ethics Seminar] Insider Trading Practice Cases and Related Legal Liabilities</td><td>1</td><td>3</td></tr>
<tr><td>[Ethics Seminar] Protection and Reasonable Use of Patents</td><td>2</td><td>4</td></tr>
<tr><td>[Ethics Seminar] Internet Copyright and Legal Use of Software</td><td>99</td><td>198</td></tr>
<tr><td>[Ethics Seminar] Introduction and Case Analysis of Trade Secrets Act</td><td>130</td><td>390</td></tr>
<tr><td>[Ethics Seminar] Study on Labor Act for HR Personnel</td><td>11</td><td>33</td></tr>
<tr><td>Compulsory Course on Labor Act for Supervisors</td><td>60</td><td>180</td></tr>
<tr><td>Process Safety Training</td><td>364</td><td>1,717</td></tr>
<tr><td>Occupational Safety Training/ Promotion</td><td>408</td><td>873</td></tr>
<tr><td>Environmental Protection Training</td><td>75</td><td>703</td></tr>
<tr><td>Safety and Health On-the-job Education and Training (including on-the-job and refresher training for operations supervisors)</td><td>911</td><td>4,689</td></tr>
<tr><td>Emergency Response Drills</td><td>424</td><td>1,059</td></tr>
<tr><td>Self-Defense and Fire Marshalling Team Training</td><td>146</td><td>584</td></tr>
<tr><td>Fire Safety Training/ Promotion</td><td>81</td><td>496</td></tr>
<tr><td>Workplace Health Promotion Seminar</td><td>14</td><td>48</td></tr>
<tr><td>First Aid Personnel and Occupational Health Nurse Related Education and Training</td><td>17</td><td>260</td></tr>
<tr><td>Total</td><td>2,743</td><td>11,237</td></tr>
</table>
Complaint System
The Company has a smooth complaint channel. When employees encounter various problems within the Company, they can file a complaint to all supervisors or the human</td><td></td></tr>
</table>

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			resources division through the Company's complaint channel. In addition, to maintain gender equality in the workplace and provide employees and applicants with a working and service environment free from sexual harassment, there is a dedicated complaint mailbox and e-mail for sexual harassment prevention. During the period of the complaint investigation, the investigation will be handled confidentially. The name of the complainant or other relevant information sufficient enough to identify the complainant will not be disclosed to protect the complainant.	
(II) Has the Company established and implemented reasonable employee benefits (including compensation, leave, and other benefits) and reflected the business performance or results in employee compensation appropriately?	V		(II) The Company has stipulated in the Articles of Incorporation that "When the business is profitable, the Company will distribute employees with the remuneration not less than 1% of the annual profit". All the employees of the Company are entitled to share the business results of the Company. In accordance with the Labor Standards Act, the Company approves leaves and provides labor insurance, health insurance, group insurance of employee and dependants, employee health examination, benefit coupons for the three festivals, maternity benefits, staff canteen... etc.	Equivalent to the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies
(III) Does the Company provide a safe and healthy work environment to its employees, and regularly offer safety and health education to its employees?	V		(III) Employee safety and health management: The Company has established ISO-45001 occupational safety and health management systems to provide good safety and health protection structure, prevent accidents, and	Equivalent to the Sustainable Development Best Practice Principles

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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>ensure regulatory compliance.
<table><tr><th>Company</th><th>Obtained Certification</th><th>Validity Period</th></tr><tr><td>CGPC</td><td>2020</td><td>2024/12/25</td></tr><tr><td>TVCM</td><td>2019</td><td>2022/09/20</td></tr><tr><td>CGPCPOL</td><td>2019</td><td>2022/06/17</td></tr></table>The Company's management system includes the employees of CGPC Toufen Plant, TVCM Linyuan Plant, and CGPCPOL Linyuan Plant (excluding Taipei employees). The number of employees reviewed by external institutions is 1,058 (about 908 Company employees and about 150 contractors), including employees (accounting for 85.82%) and non-employees (accounting for 14.18%). Sales, production, design, development, procurement, administration, engineering, and contractors, cover 100% of the Company's sales.
1. Occupational Safety and Health Policy
(1)The Company formulates policies in accordance with the Occupational Safety and Health Act and the regulations of customers and related groups. We respect the requirements of relevant interest groups for occupational safety and health to build a healthy and happy workplace.
(2)The Company makes disaster precaution and disaster prevention its core concept, uses appropriate management tools, mature technologies, and available resources to integrate occupational safety and health issues in the factory. We propose effective measures, and continuously improve and promote occupational safety culture and process safety management.
(3)Strengthen the personal safety protection management of operations personnel, and invest resources to strengthen the prevention of occupational disease and</td><td>for TWSE/TPEx Listed Companies</td></tr>
</table>

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create a zero-hazard environment.
(4)Continue to improve the working environment and occupational safety and health of business activities, implement industrial waste reduction, energy conservation, and carbon reduction, and adopt Responsible Care in hopes of achieving the goal of ensuring the safety of life and property and sustainable development.
2. Implementation Plan
The Company establishes safety performance indicators (information below), expands occupational safety and health activities to improve overall occupational safety and health performance, and effectively controls risks.
(Periods: 2021/01/01 ~ 2021/12/31, unit: million working hours)
<table>
<tr><th>Safety Performance Indicators</th><th>CGPC</th><th>TVCM</th><th>CGPCPOL</th></tr>
<tr><td>Disabling frequency rate (F.R.)</td><td>2.86</td><td>0</td><td>0</td></tr>
<tr><td>Disabling severity rate (S.R.)</td><td>43</td><td>0</td><td>0</td></tr>
<tr><td>Frequency-Severity Indicator (F.S.I.)</td><td>0.35</td><td>0</td><td>0</td></tr>
<tr><td>Number of occupational safety fines</td><td>0</td><td>3</td><td>0</td></tr>
<tr><td>Number of Emergency Response Drills</td><td>36</td><td>12</td><td>3</td></tr>
<tr><td>Number of education and training held</td><td>79</td><td>99</td><td>5</td></tr>
<tr><td>Number of safety visits</td><td>1,028</td><td>494</td><td>298</td></tr>
<tr><td>The rate of completion of occupational safety and health target management plan</td><td>100%</td><td>100%</td><td>100%</td></tr>
<tr><td>The rate of improvement of defects inspections</td><td>83.4%</td><td>100%</td><td>100%</td></tr>
</table>
Explanation: In 2021, the disabling frequency rate was 2.86, and there were 3 cases of occupational hazards involving 3 employees.
</td><td></td></tr>
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(accounting for 0.45% of the total number of employees at the end of 2021) The goal of zero hazards was not achieved. The Company has thoroughly reviewed the improvement measures to ensure the safety of employees during work.
3. Monitor Labor Working Environment
To protect laborers from harmful substances in the workplace and provide them with a healthy and comfortable working environment, the monitoring of the working environment is carried out twice a year to gradually understand laborers’ actual exposures. The implementation is as follows:
<table>
<tr><th>Company</th><th>Explanation and Improvement Measures</th></tr>
<tr><td>CGPC Toufen Plant</td><td>1. Excessive concentration of exposure of butanone: The ink barrel has been capped, and the concentration of exposure of butanone is lower than the legal standard.
2. Excessive noise level: A noise-proof compartment was installed, and the noise level was lower than the legal standard.</td></tr>
<tr><td>TVCM Linyuan Plant</td><td>The monitoring results passed with no abnormality.</td></tr>
<tr><td>CGPCPOL Linyuan Plant</td><td>The monitoring results passed with no abnormality.</td></tr>
</table>
The Company actively reviews the reasons why it occurred, reduces the hazard factors to prevent recurrences, and immediately proposes corresponding countermeasures, and cares for employees. Three labor safety incidents and two contractor incidents occurred in CGPC in 2021, as follows:
</td><td></td></tr>
</table>

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<table>
<tr><th>Company</th><th>Reasons</th><th>Improvement Measures</th></tr>
<tr><td rowspan="2">CGPC Toufen Plant</td><td>Employees’ fingers are injured due to replacing iron core tubes</td><td>1.Equipment Improvement:
(1)An iron core tube support frame is installed to prevent injuries as the employees no longer need to support it when replacing it.
(2)A round chuck is installed on the passive side, and the replacement operation is completed after it has been fitted to the iron core tube.
2.Risk management: Conduct work safety analysis to prevent potential hazards from occurring.
3.Safety observations: Strengthen the patrol management of supervisors and safety observations to prevent unsafe behaviors from occurring.</td></tr>
<tr><td>Adjust the thickness of the pipe results in a bump on the head</td><td>1.Conduct work safety analysis to prevent potential hazards from occurring.
2.Strengthen the patrol management of supervisors and safety observations to prevent unsafe behaviors of employees from occurring.
3.Promote safety awareness and keep records of incidents.
4.The automatic inspection shall be carried out before adjusting the thickness of the pipe.
5.Personnel is required to wear personal protective equipment such as safety helmets.</td></tr>
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<table>
<tr><th>Company</th><th>Reasons</th><th>Improvement Measures</th></tr>
<tr><td>CGPC Toufen Plant</td><td>Employees who accidentally injured the middle finger of their right hand when cutting materials</td><td>1.Set up automatic cutting devices.
2.Strengthen the work safety training of each machine
3.Conduct work safety analysis to prevent potential hazards from occurring. Accident scenarios are incorporated into risk assessments to ensure the effectiveness of control measures.</td></tr>
<tr><td rowspan="2">CGPC Toufen Plant-Contractor</td><td>Pedestrians are scratched by wooden pallets when forklifts are operating</td><td>1.Advocacy of Construction Safety.
2.When the cargo carried by the forklift obstructs the front view, it is required to drive slowly in reverse mode.
3.A reversing radar is installed on the electric forklift to prevent it from hitting people behind it.
4.Strengthen the safety factor of forklift driving by installing AI intelligent sensor safety system, and using technology to assist the insufficient vision when operating.</td></tr>
<tr><td>Packer injured by conveyor belt roller</td><td>1.Additional installment of rope pull with emergency stop switch on the south and west sides.
2.The space bag conveyor belt is started by the original automatic program, and it is modified to be manually controlled from the panel after the operator confirms that it is correct.
3.Iron plates are added to the middle roll-in point to reduce the gap distance.</td></tr>
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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>
Note: From 2019 to 2021, TVCM and CGPCPOL had no contractor incident for three consecutive years.
4.Safety and health inspections, environmental protection, and occupational safety and health inspections
CGPC has established the "Safety and Health Inspection and Environmental Protection Inspection Guidelines" to conduct inspections (inspect once a month) on the safety and health-related matters of the plant in order to ensure the safety of the operations as well as the personnel. If any defects are found, notices are given and the deadline for improvement depends on the nature of the event.
Statistics on the number of safety inspections and improvements in the past three years
<table>
<tr><th>Company</th><th>Item</th><th>Number of Inspections</th><th>Total Number of Deficiencies</th><th>Completed Improve-ments</th><th>Improve-ments</th><th>Improve-ment Rate</th></tr>
<tr><td rowspan="3">CGPC</td><td>2019</td><td>463</td><td>1,336</td><td>1,336</td><td>0</td><td>100.00%</td></tr>
<tr><td>2020</td><td>806</td><td>1,411</td><td>1,398</td><td>13</td><td>99.10%</td></tr>
<tr><td>2021</td><td>1,028</td><td>1,328</td><td>1,152</td><td>176</td><td>86.70%</td></tr>
<tr><td rowspan="3">TVCM</td><td>2019</td><td>557</td><td>309</td><td>296</td><td>13</td><td>96.00%</td></tr>
<tr><td>2020</td><td>710</td><td>488</td><td>476</td><td>12</td><td>98.00%</td></tr>
<tr><td>2021</td><td>494</td><td>293</td><td>290</td><td>3</td><td>99.00%</td></tr>
<tr><td rowspan="3">CGPCPOL</td><td>2019</td><td>124</td><td>124</td><td>118</td><td>6</td><td>95.00%</td></tr>
<tr><td>2020</td><td>190</td><td>190</td><td>190</td><td>0</td><td>100.00%</td></tr>
<tr><td>2021</td><td>298</td><td>298</td><td>298</td><td>0</td><td>100.00%</td></tr>
</table>
Note:
(1)The number of inspections includes the number of safety and health inspections conducted by on-site supervisors and the number of
</td><td></td></tr>
</table>

<table>
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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>
environmental protection and safety and health inspections conducted by safety and occupational health officers in the past three years.
(2)The above cases that are not completed become cross-year relationships, and all deficiencies will be tracked until the improvement rate is 100%.
(3)Source of data: environmental safety and health management platform.
(4)The improvement rate has reached the target.
5.Equipment safety management
The Company classifies its equipment, lists the hazardous machinery and equipment as controlled equipment in accordance with the law, and conducts detailed inspections to ensure that the equipment can be operated safely. The Company's hazardous machinery and equipment in 2021. CGPC: 139, TVCM: 120, CGPCPOL: 45, a total of 304 are subjected to regular inspections in accordance with the “Regulations for Safety Inspection of Hazardous Machines and Equipment” to ensure the safety of the equipment.
6.Education and Training and Advocacy
<table>
<tr><th rowspan="2">Year</th><th colspan="2">CGPC</th><th colspan="2">TVCM</th><th colspan="2">CGPCPOL</th></tr>
<tr><th>Total Participants</th><th>Total Training Hours</th><th>Total Participants</th><th>Training Hours</th><th>Total Participants</th><th>Training Hours</th></tr>
<tr><td>2019</td><td>1,971</td><td>8,463</td><td>450</td><td>3,007</td><td>65</td><td>382</td></tr>
<tr><td>2020</td><td>2,008</td><td>8,526</td><td>1,016</td><td>3,866</td><td>173</td><td>865</td></tr>
<tr><td>2021</td><td>3,294</td><td>11,911</td><td>959</td><td>4,667</td><td>328</td><td>1,310</td></tr>
</table>
The Company is deeply aware that employees,
</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Promotion Items</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Discrepancies from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>suppliers, and contractors are the most important assets for sustainable corporate development. Therefore, we require compliance with occupational safety and health regulations and other related requirements in the R&D, production, testing, and sales of the Company's products and continue to improve safety and health measures to prevent unsafe actions, environments, or equipment from causing occupational hazards in order to fulfill our responsibilities in protecting the safety and health of employees.
In addition, CGPC plants participated in the "Toufen, Zhunan, and Linyuan Industrial Park Safety and Health Promotion Committees", "Regional Allied Defense Organization", "Taiwan Responsible Care Association (TRCA)", and the Vinyl Chloride and Chlorine Operations Allied Defense Organization, respectively. We observe and learn more about occupational safety, health, and environmental protection from other companies and improve the protection for operators' safety and health. We also organize periodic fire drills and occupational safety education and training each year to cultivate employees' capabilities responding to emergencies and management of their personal safety.</td><td></td></tr>
</table>

Promotion Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
(IV) Has the Company established effective career development and training plans for its employees?	V		(IV) The Company has established an all-round education and training system in coordination with the external environment, its business principles, department performance goals, and employees' career development needs, in order to provide training courses required by all-round talents. In regards to the employees' continuing education and training, the Company conducts the employee training needs survey in the fourth quarter of every year to formulate education and training implementation plans and budgets. At the same time, the Company has also set up a digital learning platform as a means for self-learning, and regularly holds diversified employee functional training, management training, seminars, health talks, various conferences ... to enhance employees' professional and management skills, thereby balancing employees' physical and mental development. In order to improve employee quality and overall competitiveness, courses are conducted using diverse methods. In addition to lectures, in-class activities are designed according to course attributes, while case study discussions or group discussions are carried out with a view to making learning more lively and productive.	Equivalent to the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

Promotion Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
(V) Has the Company followed relevant laws, regulations and international guidelines for the customer health and safety, customer privacy, and marketing and labeling of its products and services and established related consumer or customers protection policies and grievance procedures?	V		Additionally, online e-learning courses allows the employees to effectively participate in learning activities anytime, anywhere, thereby enhancing their career development and overall work performance. (V) The Company strives to provide satisfying services for customers while hoping to create long-term partnerships with customers. The quality management system (ISO 9001: 2015) is based on international standards. The products sold are to protect the safety and rights and interests of consumers: (1)Obtained many certifications such as EU environmental protection regulations RoHS, REACH, EN 71-3, and food additive license. (2)The Company has established "product identification and traceability, protection measures" to clearly identify and manage traceability when delivered. (3)In the "Procedures for Handling Customer Complaints", relevant customer complaint procedures shall be clearly defined and the responsible units shall protect customers' rights and interests and product reputation.	Equivalent to the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

<table>
<tr><th rowspan="2">Promotion Items</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Discrepancies from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>(4)Set up a stakeholders contact window as a channel for accepting customers’ questions, complaints, or suggestions.
In terms of customer data protection, the Group's Information Technology Division has established various regulations and passed ISO 27001: 2013 to protect and control all types of information. It has also adopted measures such as strengthening firewall management, access authority control, and separation of the test environment and the physical working environment to implement rigorous access control strategies and procedures for customer data and avoid the risks of leakage of customers' confidential information. In terms of customer privacy, the Company shall abide by the Non-disclosure Agreement and Personal Data Protection Act to fulfill its duty of keeping customers’ information confidential.</td><td></td></tr>
<tr><td>(VI)Has the Company established the supplier management policies requesting suppliers to comply with laws and regulations related to environmental protection, occupational safety and health or labor rights and supervised their</td><td>V</td><td></td><td>(VI)
The Company advocates sustainable environmental protection and quality policies and has long-term cooperation with high-quality suppliers/contractors to fulfill corporate social responsibility together. When recruiting new suppliers/contractors, all suppliers/contractors are required to</td><td>Equivalent to the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies</td></tr>
</table>

Promotion Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
compliance?			sign a CSR letter of undertaking. It focuses on the environment, human rights, safety, health, sustainable development, risks related to the environment, safety, and health, prohibition of child labor, labor management, no hazard to basic labor rights, ethical standards, and integrity management of the suppliers/contractors, and implements regulations and standards. We shall reach a circulation of sustainable green supply chain through supplier/contractor management strategies while enhancing supplier's/contractor's compliance with the EU Restriction of Hazardous Substances (RoHS) Directive. We shall implement education and training on environmental protection. We will inspect whether the factory construction meets safety standards during supplier/contractor audits to ensure the safety of various operations, protect the personnel's safety and health, and jointly perform well in managing risks. Supplier/contractor is evaluated annually to ensure that the suppliers/contractors employed by the Company meet the requirements of the corporate, and to implement the sustainable operation concept that is friendly to the environment. The evaluation results of the contractor in the past 3 years are qualified with a rate of 97%. Guidance	

Promotion Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
			measures are applied to the suppliers/contractors who fail to pass the evaluation and have low scores. The measures include: According to its evaluation status, the Company puts forward suggestions for improvement, and reduces the frequency of transactions, pauses, or suspends transactions to implement the Company's commitment to a sustainable green supply chain. Regarding carbon footprints, the Company's main procurement principle is to firstly support local suppliers in Taiwan. Only when local suppliers cannot supply us, will we consider importing from foreign suppliers to reduce the carbon footprint. In addition to the management strategy of suppliers/contractors, the Company actively participates in social services, such as regularly recruiting personnel and suppliers/contractors to clean the beach. The Company also cooperates with the Miaoli County government by establishing the first Occupational Safety and Health Family, aiming at assisting enterprises with fewer than 100 workers, to improve the working environment and promote employment services. As the leader of the family, CGPC invited suppliers/contractors to become a member of the family to improve the supplier's/contractor's overall level of independent security management.	

Promotion Items	Implementation status (Note 1)			Discrepancies from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	Summary	
V. Does the Company follow internationally recognized guidelines, prepare and publish reports, such as its Sustainability Report, to disclose non-financial information of the Company? Has the Company received assurance or certification of the aforementioned reports from a third-party certification institution?	V		The Company prepared Sustainability reports based on the "GRI Sustainability Reporting Standards" (GRI Standards) published by the Global Reporting Initiative's (GRI) in accordance with its "Core" Options. The disclosure of information in the report is also consistent with the "Sustainable Development Best-Practice Principles for TWSE or TPEx Listed Companies" and the United Nations Sustainable Development Goals (SDGs). The Company's Sustainability Report was certified by the independent third-party British Standards Institution (BSI) in accordance with the Core Options Indicators of the Global Reporting Initiative (GRI), AA1000 Assurance Standard (2008), and the type-1, mid-level accountability of AA1000 Assurance Standard. (Please refer to: Statement). The scope of the sustainability report is based on CGPC. If important information on the business performance, environment, employees, and social welfare of its subsidiaries Taiwan VCM Corporation and CGPC Polymer Corporation is included in the report, it shall be noted in the report. In addition, the Taipei Office is not included in the environmental category. For the time being, the foreign subsidiaries will not disclose important information as it is independently managed by foreign subsidiaries. The financial information is consistent with the information in the financial report of the CPA. Some statistical data are quoted from the annual report, disclosed information from government agencies, and other relevant websites.	Equivalent to the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies

Promotion Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	

VI. If the Company has established its own Sustainable Development Best Practice Principles in accordance with the Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies, state the discrepancies between these principles and its implementation:

There is no material discrepancy in the Company's Sustainable Development Best Practice Principles formulated in accordance with the Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies and in the implementation.

VII. Other important information to facilitate a better understanding of the Company's implementation of sustainable development:

(I) Composition, duties, and operation of the Sustainable Development Committee

The Company's Sustainable Development Committee was officially established on November 9, 2017, and the composition, duties, and operations of the Sustainable Development Committee are as follows:

1.Information on the Members:

Title	Name	Related Professional Qualifications
Committee Chairman	Independent Director Zheng, Ying-Bin	Chairman of Long Chen Paper Co., Ltd. who adopted new technologies in resource recycling for the development of environmentally-friendly paper products for domestic use. Mr. Cheng has decades of experience and achievements in the circular economy.
Deputy Committee Chairman	Lin, Han-Fu Vice Chairman and General Manager	More than 30 years of experience in the petrochemicals industry.
Commissioner	Wu,Yi-Gui, Chairman	—
Commissioner	Independent Director Li, Liang-Xian	—

2.Responsibilities:

<table>
<tr><th rowspan="2">Promotion Items</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Discrepancies from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td colspan="5">(1) Determining the sustainable development policy.
(2) Outlining the sustainable development strategy, annual plan, and project plans.
(3) Supervising the plans of sustainable development strategies, the implementation of the annual plan and project plans, and evaluating the implementation.
(4) Reviewing and approving the sustainable development report.
(5) Reporting the implementation of sustainable development activities to the Board of Directors each year.
(6) Other matters to be conducted by the committees per Board resolution.
3.Implementation Status:
1st Meeting
(1) Date: March 5, 2021
(2) Committee members in attendance: Zheng, Ying-Bin, Li, Liang-Xian, Wu, Yi-Gui, and Lin, Han-Fu
(3) Reported the sustainable development policy and identified material issues and the plans for the 2020 sustainable development report.
(4) Reported the targets for energy conservation, electricity savings, and carbon emissions reduction, and plans for social and charitable activities for 2020.
2nd Meeting
(1) Date: August 4, 2021
(2) Committee members in attendance: Zheng, Ying-Bin, Li, Liang-Xian, Wu, Yi-Gui, and Lin, Han-Fu
(3) Reported the 2020 Sustainability Development Report, selected 11 major themes and listed the management policy, implementation status, future planning and response to SDGs of the United Nations.
(4) Reported the communication and response for issues of concern to stakeholders in 2020.
(5) Explanation of risk management and climate change risk management.
(II) Implementation of Environmental Protection and Occupational Safety and Health:</td></tr>
</table>

<table>
<tr><th rowspan="2">Promotion Items</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Discrepancies from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies” and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td colspan="5">1. Environmental protection policies:
(1) To comply with relevant environmental protection and occupational safety and health regulations and relevant requirements derived from such regulations.
(2) To continuously conserve and reuse resources and energy, and reduce industrial waste.
(3) To prevent pollution, reduce potential risks in operations.
(4) To continuously provide employees with education and training, and carry out work related to environmental protection and occupational safety and health.
(5) To actively communicate with customers and residents, manage suppliers and contractors, and encourage all employees to participate in work related to environmental protection and occupational safety and health.
(6) To thoroughly implement environmental management system to enhance environmental performance and reduce environmental safety risks in communities.
2. The Company has been a member of the Taiwan Responsible Care Association since 1998 and serves as a member of the Association's Regulatory Committee who regularly participates in regulatory discussions. The Company applies the Responsible Care Management Practices established by TRCA to its entire plant, and reports its safety, health and environmental protection performance indicators every year.
3. The Company continues to implement industrial waste reduction, improve workplace safety, and enhance environmental protection and occupational safety and health training for employees.
4. The Company has formulated its Waste Management Practices in accordance with the Standards for Defining Hazardous Industrial Waste in order to determine the characteristics of wastes and details such information in the Waste Cleanup Plan before submitting the plan to the competent authority.
5. The Company has formulated its Regulations Governing the Management of Recycled and Regenerated Products that specify resource recycling, classification, storage and auction operations, with the purpose of achieving waste reduction and resource recycling and reuse.</td></tr>
</table>

Promotion Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
6.The Company's subsidiary Taiwan VCM Corporation rented part of the land in the Qianzhen factory of China Petrochemical Development Corporation to set up a factory to produce VCM from January 1, 1970, to December 31, 1989. In October 2006, the area was deemed a groundwater pollution control site. After remediating the area using the "Physics+Chemistry+Biology" engineering method developed by Taiwan VCM Corporation, the groundwater pollution concentration level of the site decreased to less than the groundwater pollution control standard. Based on the findings of re-inspections by the Environmental Protection Bureau of the Kaohsiung City Government from January 11th to 12th, 2016, it was announced on April 11th, 2016 that the area had its status as a groundwater pollution control site terminated and was removed from the delineation of the groundwater pollution control region. 7.Small areas of the Company's Toufen Plant were listed by the environmental protection unit as groundwater pollution control sites and groundwater pollution control region in 2010. Toufen Plant adopted the "Physics+Chemistry+Biology" engineering method developed by the subsidiary Taiwan VCM Corporation for remediation and improvement. The environmental protection unit performed sampling and verification onsite and found all statistics to meet government control standards and the Environmental Protection Administration and Environmental Protection Bureau of Miaoli County announced the removal of the site from the list of controlled areas on February 24, 2017, and March 21, 2017. 8.The Environmental Development Department of Taiwan VCM Corporation was awarded the Certificate of Technical Removal of Contaminated Sites by the Environmental Protection Administration Executive Yuan. 9.Chien, Hua-Yi, Director of Environmental Development Department of Taiwan VCM Corporation, was awarded the 2020 Outstanding Program Manager Award by Taiwanese Soil and Groundwater Environmental Protection (TASGEP). 10.CGPC's accumulated green procurement on December 31, 2021 amounted to NT$32.57 million. The Company was awarded a certificate of appreciation by the Department of Environmental Protection, Taipei City Government. 11.CGPC demonstrated its commitment to sustainability and the implementation of energy conservation and carbon reduction is to be seen in its performances. CGPC was recognized by the Industrial Development Bureau and was awarded the 2021 Annual Excellent Manufacturer Award for Voluntary Energy Conservation and Carbon Reduction.				

<table>
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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td colspan="5">12. CGPC’s subsidiary- CGPCPOL Linyuan Plant, is committed to promoting environmental sustainability and was awarded the “2021 Annual Implementation of Water Conservation Guidance and Improvement Award” by the Water Resources Agency.
13. CGPC’s subsidiary- Environmental Development Department of Taiwan VCM Corporation was awarded the “Soil and Groundwater Seminar - Best Paper Award” by The Chinese Institute of Environmental Engineering at the 33rd annual meeting and various special academic seminars.
14. CGPC’s subsidiaries (TVCM and CGPCPOL Linyuan Plant) are committed to environmental protection and cooperate with the Department of Environmental Protection, Kaohsiung City Government to promote the signing of the “2021 Kaohsiung City Air Purification Management Plan”.
15. CGPC participated in the “Green Office Activities” held by the Environmental Protection Administration.
(III) Implementation of Energy Conservation and Carbon Reduction:
1. Energy Conservation and Carbon Reduction Policies:
(1) To achieve energy conservation and carbon reduction regulations set by the government, as well as actively promote and develop energy conservation and carbon reduction projects (the green procurement plan contains machinery and other products)
(2) To demonstrate the Company's commitment toward energy conservation and carbon reduction and rewards the incorporation of energy conservation and carbon reduction cases in order to propose improvements to the system.
(3) To promote energy conservation and carbon reduction plans at departmental level and carry out energy conservation and carbon reduction education and promotional work.
(4) To implement energy conservation and carbon reduction-related individual job details and continuously provide employees with education and training in order to implement energy conservation and carbon reduction.
2. Outcomes of Energy Conservation and Carbon Reduction:
(1) The inventory of greenhouse gases at CGPC’s production sites was verified by SGS Taiwan according to ISO14064-1: 2006. The verified total emissions in 2020 were 131,737 tons (the total emission from the three plants was 347,056 tons). The results</td></tr>
</table>

Promotion Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
of CGPC's self-inspections in 2021 are estimated to be 137,852 tons (the total emissions from the three plants were 385,638 tons). As of the publication date of the annual report, SGS has not yet completed the verification of Linyuan Plant. After the verification is confirmed, results shall be announced on the website and revised in the next year's annual report. (2) The Company executed energy conservation and carbon reduction projects. The results have been submitted to the Industrial Development Bureau. The three plant's total energy savings amounted to 28,528 GJ and carbon emissions were reduced by 2,741 tons CO2e. 3. Energy conservation and carbon reduction projects: The Company adheres to the Group's policy and set an energy management target for reducing energy consumption by at least 1.2% each year from 2020 to 2025. We shall also implement dynamic reviews in accordance with national policies and regulations. The key tasks are as follows: (1) Freezer chillers are replaced with new ones, air compressors are replaced with new ones, and electromechanical and thermal improvement is made to the tube press release port. The motors are updated to IE3 high-efficiency motors, box air conditioners are replaced with new ones, and the street lamps are replaced with LED lamps. The vacuum pump roots blowers are replaced with suspended pump roots blowers, and cooling towers' motors are replaced with high-efficiency motors. (2) We made process improvements on freeze chillers. The operation of two freeze chillers has been changed to one, reducing the recycling usage quantity of cooling water pumps. 4. Implementation of social services and public welfare: （1）The Love and Care Society has been established for 49 years, with 72 members, 5 visits in 2021, and a total of about 97 visits from 2010 to 2021. CGPC jointly upholds the concept of "spreading love and caring for the society", and exerting the spirit of doing good while keeping pace with others. The Company's Love and Care Society continuously participates in the adoption of poor children organized by the Taiwan Fund for Children and families, and visits the sick, orphanages and old folks' homes from time to time.				

Promotion Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	
（2）The Company adopted 500-meter Longfong Fishing Harbor's beach in Zhunan Township since 2017. In 2021, due to the severe epidemic, no large-scale beach cleaning activities were held. When the epidemic eased in October, the fifth (after adoption) beach cleaning activities were held. 12 participants removed a total of 35 kilograms of waste this time. Since 2017, a total of 612 people have participated, and a total of 2,153 kilograms of waste have been removed. As the epidemic eases, the Company will continue to hold this kind of event in the future. （3）The Company participated in the Public Welfare Environmental Protection and Social Services event held by Yungchen Temple in Toufen Township and provided fund sponsorship to the event. （4）The Company has established a volunteer team (about 60 members) to help clean up and maintain the environment around Yungchen Temple, Nantian Street, and Beitian Street since 2010. The number of participants is about 10 to 15 people each time, and a total of about 700 people have participated from 2010 to 2021. （5）The Company adopted streetlamps around its Toufen Plant, and carries out maintenance of these lamps since 2010. （6）The Company adopted the Jhonggang River Dongxing Bridge Wetland Park in Miaoli since 2014. （7）Miaoli County government established the first Occupational Safety and Health Family, CGPC acting as the leader. The Occupational Safety and Health Family aims at assisting enterprises with fewer than 100 workers to improve the working environment and promote employment services. On August 20, 2021, CGPC led family members to work together to establish a culture of safety in the workplace. To enhance the safety of various types of equipment in the family's factories, professional lecturers are entrusted to teach workplace safety and health courses in the Jhunan Industrial Park Service Center to jointly create a high-quality work environment. In addition, on October 8, 2021, CGPC gave a presentation on the results of comforting families and promoted occupational hazards, and assisted in guiding family members to identify hazards, assess risks, and make improvements. （8）In 2021, as COVID-19 continued to spread, CGPC presented liquid bleach for disinfection purposes to all government agencies in the county (ingredients: 12% sodium chlorate 25kg/ barrel), a total of 456 barrels (about 11.4 tons), are used for epidemic prevention. （9）CGPC cares about the epidemic – sponsored special funds for epidemic prevention. The Shuangho Hospital awarded CGPC a certificate of appreciation. （10）The Chairman of the Group felt that the COVID-19 was severe; he specially gave each employee healthy tea made from astragalus root and Ping An defense tea to enhance their body's immunity. As the export of pineapples was hindered, CGPC specially purchased a bunch of pineapples as gifts for employees by showing their support for farmers through actions.				

Promotion Items	Implementation status (Note 1)			Discrepancies from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Summary	

（11）The Company assisted in promoting local schools to develop sporting habits and provided incentives to encourage Miaoli County Datong Senior High School table tennis team. They won a gold medal in the team competition in the 2021 National High School Games.

（12）USI Group fulfilled its corporate social responsibility by donating resources such as digital teaching tools to Toufen Junior High School. Meanwhile, CGPC also donated rigid transparent rubber cloth materials and bleaching agents for schools to DIY, allowing them to make simple baffle boards and for disinfection purposes. This gives schools an extra layer of protection against the epidemic.

（13）USI Group began to hold blood donation activities since 2018 and joined in the blood donation activity of 1,000 people in internal medicine in 2019. Actual and accumulated achievements of blood donation in the past three years are as follows:

Item	Explanation/ Date	January 28, 2021 [the Fourth]	August 5, 2021 [the Fifth]	January 14, 2022 [the Sixth]
Number of blood donation participants:	This Time	52	46	53
	Accumulated participants	338	384	437
Total blood collection bags: (250CC/bag)	This Time	83	71	82
	Accumulated bags	494	565	647
Amount of donated blood (cc)	This Time (cc)	20,750	17,750	20,500
	Accumulated amount (cc)	123,500	141,250	161,750

Note 1: If "Yes" is checked in the implementation status column, please specify the important policies, strategies, measures, and implementation situations; if "No" is checked in the implementation status column, please explain the discrepancies and reasons in the "Discrepancies from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons" column, as well as give relevant policies, strategies, and measures to counter the situation.

Note 2: The principle of materiality refers to environmental, social, and corporate governance issues that have significant impacts on the Company's investors and other stakeholders.

(VI)Implementation of ethical corporate management, deviation from "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies", and reasons for deviation:

Evaluation Item	Status of Implementation (Note 1)			Discrepancies between its implementation and the Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies and reasons for such discrepancies
	Yes	No	Summary	
I. Formulating Ethical Corporate Management Policies and Programs (I) Does the Company specify ethical corporate management policies and programs in its regulations and on external documents? Do its Board of Directors and the management team actively advocate and implement these policies?	V		(I) The Group upholds the business philosophy of "Solid Operation, Professional Management, Seeking Excellence and Serving the Society" and exercises its corporate culture that "seeks truth, honesty and comprehensiveness". The Company has established the "Ethical Corporate Management Best Practice Principles" "Procedures for Ethical Management and Guidelines for Conduct", "Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managerial Officers" to specify its ethical corporate management policies. The Company's Board of Directors and the general manager have signed statements of ethical management to fulfill their commitments in management policies.	Consistent with the Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies.

Evaluation Item	Status of Implementation (Note 1)			Discrepancies between its implementation and the Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies and reasons for such discrepancies
	Yes	No	Summary	
(II) Does the Company have mechanisms in place to assess the risk of unethical conduct and perform regular analysis and assessment of business activities with a higher risk of unethical conduct within the scope of business? Does the Company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?	V		(II) The Company has established the "Ethical Corporate Management Principles," approved by the Board of Directors, and established a risk assessment mechanism for unethical conduct to regularly analyze and evaluate business activities with higher risk of unethical conduct within the business scope, so as to formulate prevention programs, while reviewing the adequacy and effectiveness of prevention programs on a regular basis and strengthening relevant preventive measures. The prevention programs adopted by the Company shall include preventive measures against the following actions: 1.To bribe and receive a bribe. 2.To provide illegal political donations. 3.To offer improper charitable donations or sponsorships. 4.To offer or accept unjustified presents or hospitality, or other improper benefits. 5.To infringe on business secrets, trademarks, patents, copyrights, and other intellectual property rights.	

Evaluation Item	Status of Implementation (Note 1)			Discrepancies between its implementation and the Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies and reasons for such discrepancies
	Yes	No	Summary	
			6.To engage in unfair competition. 7.Products and services directly or indirectly impair the rights, health, and safety of consumers or other stakeholders when they are developed, purchased, manufactured, supplied or sold.	
(III) Has the Company established policies to prevent unethical conduct, with clear statements regarding relevant procedures, conduct guidelines, punishments for violation, and rules for appeal, and does the Company implement them accordingly, and regularly review and correct such measures?	V		(III) 1.The Company has established the Ethical Corporate Management Best Practice Principles and Procedures for Ethical Management and Guidelines for Conduct. It also amended the aforementioned regulations in accordance with the amendments of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies announced and amended by the competent authority in May 2019. They were passed in the meeting of the Board of Directors on November 12, 2019. 2.The Company has established the "Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct" to promote the reporting of any illegal behavior or violation of the Code of Conduct or the	

Evaluation Item	Status of Implementation (Note 1)			Discrepancies between its implementation and the Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies and reasons for such discrepancies
	Yes	No	Summary	
			Ethical Corporate Management Principles. Any employee or external party can freely choose to access the Company's website or a dedicated hotline set up at the Audit Office to report cases of illegal, unethical, or dishonest conduct through the following units: ● Audit Committee: Accept reports from shareholders, investors, and other stakeholders. ● Audit Office: Accept reports from customers, suppliers, and contractors. ● Human Resources Department: Accept reports from employees of the Company. In 2021, the number of non-anonymous reports was zero. The number of anonymous reports with concrete evidence was also zero. 3.Related regulations have been fully implemented and we continue to organize training courses to promote the ideals.	
II. Implementing Ethical Corporate Management				

Evaluation Item	Status of Implementation (Note 1)			Discrepancies between its implementation and the Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies and reasons for such discrepancies
	Yes	No	Summary	
(I) Has the Company evaluated the ethics records of counterparties to its business dealings, and specified ethical business policies in contracts with counterparties related to its business dealings?	V		(I) The Company has requested for terms of ethical conduct to be clearly defined in commercial contracts in accordance with its Ethical Corporate Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct.	Consistent with the Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies.
(II) Has the Company established an exclusively (or concurrently) dedicated unit under the Board to implement ethical corporate management, and report to the Board on a regular basis (at least annually) about the ethical corporate management policies, precautionary measures against unethical conducts, as well as the implementation and supervision thereof?	V		(II) To strengthen ethical corporate management, the corporate governance team is responsible for establishing the ethical corporate management policy and prevention programs while supervising such implementation, the corporate governance officer reports to the Board of Directors regularly at least once a year. The corporate governance officer reported to the Board of Directors on the implementation of the annual ethical management on November 3, 2021, including the following: 1. Formulating relevant regulations to implement ethical management policies in compliance with the requirements of laws and regulations. 2. Analyzing and assessing on a regular basis the risk of involvement in unethical conduct within the business	

Evaluation Item	Status of Implementation (Note 1)			Discrepancies between its implementation and the Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies and reasons for such discrepancies
	Yes	No	Summary	
			scope. After assessment, there is no significant risk this year. 3. Planning the internal organizational structure and setting up mechanisms for supervision of the business activities within the business scope which are possibly at a higher risk for unethical conduct. 4. Promoting and coordinating awareness and educational activities with respect to ethics policy. 5. Developing a whistle-blowing system and ensuring its operating effectiveness- According to statistics, no reports of illegal incidents were received this year. 6. Assisting the Board of Directors and general manager in assessing whether the prevention measures taken for the purpose of implementing ethical management are effectively operating, and preparing reports on the regular assessment of compliance with ethical management in operating procedures.	
(III) Has the Company established policies to prevent conflicts of interests, implemented such policies, and provided adequate channels of communications?	V		(III) The Company has formulated the "Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managerial Officers" to prevent conflict of interest and provide suitable channels for directors, managers, and	

Evaluation Item	Status of Implementation (Note 1)			Discrepancies between its implementation and the Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies and reasons for such discrepancies
	Yes	No	Summary	
			employees to explain any potential conflict of interest with the Company.	
(IV)Has the Company established effective accounting systems and internal control systems to implement ethical corporate management and had its internal audit unit, based on the results of assessment of the risk of involvement in unethical conduct, devise relevant audit plans and audit the compliance with the prevention programs accordingly or entrusted a CPA to conduct the audit?	V		(IV)The Company's accounting system and internal control system can be operated independently and objectively. The internal auditors check relevant operations based on the risk assessment. When internal auditors find any major violations or dishonesty that may cause harm to the Company, they make a report and submit it to the independent directors. Internal auditors attend the Audit Committee's report. CPAs appointed by the Company regularly perform internal audits and hold discussions with the management.	
(V) Does the Company regularly hold internal and external training related to ethical corporate management?	V		(V) To help employees understand professional ethical regulations, CGPC has published related regulations on the corporate website and continues to invite renowned academics and experts to provide training and awareness programs for directors, managerial officers, employees, and substantial controllers so they understand the Company's resolve for implementing ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct. In order to promote ethical management, the Company and its subsidiaries Taiwan VCM and CGPCPOL organized ethical management education and training courses in 2021. As of the end of December, a total of 243 employees	

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Status of Implementation (Note 1)</th><th rowspan="2">Discrepancies between its implementation and the Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies and reasons for such discrepancies</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>participated in the courses. The total training hours were 628 hours. The details are as follows:
<table>
<tr><th rowspan="2">No.</th><th rowspan="2">Course Title</th><th rowspan="2">Hours</th><th colspan="2">Combined</th></tr>
<tr><th>Number of Participants</th><th>Total Number of Hours</th></tr>
<tr><td>1</td><td>[Ethics Seminar] Insider Trading Practice Cases and Related Legal Liabilities</td><td>3</td><td>1</td><td>3</td></tr>
<tr><td>2</td><td>[Ethics Seminar] Protection and Reasonable Use of Patents</td><td>2</td><td>2</td><td>4</td></tr>
<tr><td>3</td><td>[Ethics Seminar] Internet Copyright and Legal Use of Software</td><td>2</td><td>99</td><td>198</td></tr>
<tr><td>4</td><td>[Ethics Seminar] Introduction and Case Analysis of Trade Secrets Act</td><td>3</td><td>130</td><td>390</td></tr>
<tr><td>5</td><td>Study on Labor Act for HR Personnel</td><td>3</td><td>11</td><td>33</td></tr>
<tr><td colspan="3">Total</td><td>243</td><td>628</td></tr>
</table>
Note: The aforementioned hours do not contain training information for directors and the corporate governance officer.</td><td></td></tr>
<tr><td>III. Implementing the Company's whistleblowing system
(I) Has the Company established a specific whistleblowing and reward system, set up convenient whistleblowing channels and designated appropriate personnel to handle investigations against wrongdoers?</td><td>V</td><td></td><td>(I) The Company's Board of Directors passed the amendment of the "Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct" on November 12, 2019 (https://www.cgpc.com.tw/PDF/others/ProcessForIllegalUnethicalDishonesty.pdf) which included the following</td><td>Consistent with the Ethical Corporate Management Best Practice Principles for</td></tr>
</table>

Evaluation Item	Status of Implementation (Note 1)			Discrepancies between its implementation and the Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies and reasons for such discrepancies
	Yes	No	Summary	
			report channels, incentive system, dedicated personnel responsible for processing reports, and whistleblower protection measures: 1. Whistleblowing channels: (1) Personal report: Face-to-face explanation. (2) Telephone report: 02-26503783 (3) Written report: Auditing Office, 7F., No. 37, Jihu Rd., Neihu Dist., Taipei City. 2. Incentive system: Where a report is verified as true and its contribution generates significant economic benefits, the incident may be submitted to the general manager to provide the whistleblower with appropriate rewards. 3. Responsible personnel: (1) Audit Committee members: Accept reports from shareholders, investors, and other stakeholders. (2) Audit Office: Accept reports from clients, suppliers, and contractors. (3) Personnel Division: Accept reports from employees.	TWSE or TPEx Listed Companies.

Evaluation Item	Status of Implementation (Note 1)			Discrepancies between its implementation and the Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies and reasons for such discrepancies
	Yes	No	Summary	
			4. Whistleblower protection: Whistleblowers or persons involved in investigations shall be fully protected and the confidentiality of their identities and information provided shall be fully maintained, so that they will not be subjected to unfair treatment or retaliation. Where the whistleblower is an employee, the Company shall guarantee that the employee shall not sustain inappropriate treatment that may arise from the report.	
(II) Has the Company established standard operating procedures for the reported matters, the measures to be taken after investigation is completed, and the relevant confidential mechanism?	V		(II) The aforementioned regulations specify report processing procedures and related confidentiality mechanisms. For anonymous report or reported cases without real names, if the contents or evidence provided are specific and where an investigation is warranted, such reports may be filed to the Chairman/general manager for processing and recordkeeping. They may also be retained as references for internal reviews. The Company shall conduct investigations on the internal evidence after receiving the reports. Once they are verified as true, the Company shall,	

Evaluation Item	Status of Implementation (Note 1)			Discrepancies between its implementation and the Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies and reasons for such discrepancies
	Yes	No	Summary	
(III) Has the Company set up protection for whistleblowers to prevent them from being subjected to inappropriate measures as a result of reporting such incidents?	V		based on the violation or severity of the violation, implement disciplinary measures and process such violations in accordance with related regulations. (III) The procedures above also specify that whistleblowers or persons involved in investigations shall be fully protected and the confidentiality of their identities fully maintained, so that they will not be subjected to unfair treatment or retaliation.	
IV. Strengthening Information Disclosure Has the Company disclosed the content and effectiveness of its integrity management principles on the Company's website and the Market Observation Post System?	V		The Company has placed the guidelines and information on ethical corporate management in the "Ethical Management" section on its website so that our colleagues can refer to these procedures and information at all times. The Company places its "Ethical Corporate Management Best Practice Principles" on the Company's external website: (https://www.cgpc.com.tw/zh-tw/dirServices/frmServices2.aspx) and Annual Reports (the Annual Reports are also placed on MOPS) to disclose information related to ethical corporate management.	Consistent with the Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies.

Evaluation Item	Status of Implementation (Note 1)			Discrepancies between its implementation and the Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies and reasons for such discrepancies
	Yes	No	Summary	
V. If the Company has established its own Ethical Corporate Management Best Practice Principles in accordance with the Corporate Social Responsibility Best Practice Principles for TWSE or TPEx Listed Companies, state the discrepancies between these principles and its implementation: The Company has established its Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managerial Officers, the Ethical Corporate Management Best Practice Principles, the Procedures for Ethical Management and Guidelines for Conduct, the Code of Conduct for Employees Regarding Concurrent and Part-time Work, and the Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct. There was no material discrepancy during the implementation of these rules and regulations.				
VI. Other important information that facilitates the understanding of the implementation of ethical corporate management: (such as review and amendment of the Company's Ethical Corporate Management Best-Practice Principles) The Company has amended the "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", and "Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct" in accordance with the amendments of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" announced and amended by the competent authority in May 2019, and they were passed in the Board of Directors and the Audit Committee on November 12, 2019. The Corporate Governance Officer also regularly reported matters related to ethical management to the Board of Directors. The matters were recently reported to the Board of Directors on November 3, 2021.				

Note 1: Regardless of whether "Yes" or "No" is selected, provide a brief description in the Summary column.

(VII) Methods of inquiry in the Corporate Governance Best Practice Principles and related regulations established by the Company:

1. The Company has established the following operating procedures:
   - (1) Articles of Incorporation
   - (2) Rules of Procedure for Shareholders' Meetings
   - (3) Regulations Governing the Election of Directors
   - (4) Rules of Procedure for Board of Directors' Meetings
   - (5) Regulations Governing the Evaluation of the Performance of the Board of Directors
   - (6) Rules Governing the Scope of Powers of Independent Directors
   - (7) Remuneration Committee Charter
   - (8) Audit Committee Charter
   - (9) Sustainable Development Best Practice Principles
   - (10) Sustainable Development Committee Charter
   - (11) Corporate Governance Best Practice Principles
   - (12) Ethical Corporate Management Best Practice Principles
   - (13) Procedures for Ethical Management and Guidelines for Conduct
   - (14) Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managerial Officers
   - (15) Employee Work Rules
   - (16) Procedures for Handling Material Internal Information
   - (17) Regulations Governing Asset Acquisition and Disposal
   - (18) Regulations Governing the Making of Endorsements/Guarantees
   - (19) Regulations Governing the Loaning of Funds to Others
   - (20) Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct
   - (21) Regulations Governing the Handling of Employee Complaints, Opinions and Feedback
   - (22) Standard Operating Procedures for Requests Filed by Directors
   - (23) Human Rights Policy and Management Plan
   - (24) Risk Management Policy and Procedures
2. For related procedures, please visit the following websites
   - (1) Corporate governance of M.O.P.S.: (https://mops.twse.com.tw)
   - (2) Corporate Governance information under Investor Relations on the Company's official website.

     (https://www.cgpc.com.tw/zh-tw/dirServices/frmServices2.aspx)

(VIII) Other important information that can promote understanding of the Company's corporate governance operations:

The Company regularly performs audits of its subsidiaries, as well as analyzing and reviewing the financial and business information of its subsidiaries in accordance with the requirements for supervision and monitoring of subsidiaries stipulated in the Regulations Governing Establishment of Internal Control Systems by Public Companies.

(IX)Implementation of the Internal Control System

1.Statement of Internal Control

China General Plastics Corporation
Statement of the Internal Control System

Date: March 9, 2022

The Company makes the following statement according to the self-evaluation conducted of the internal control system in 2021:

I. The Company acknowledges that the establishment, implementation and maintenance of the internal control system are the responsibilities of the Company's Board of Directors and managerial officers, and thus the Company has established such a system. The objectives of this system are to meet various goals including achieving operational benefits and efficiency (including profitability, performance, as well as asset and safety protection), and ensuring the reliability, timeliness, transparency, and regulatory compliance of reporting, thereby providing reasonable assurance.

II. An internal control system has inherent constraints. No matter how comprehensive its design may be, an effective internal control system is only capable of providing adequate assurance for achieving the abovementioned objectives. In addition, the effectiveness of the internal control system may change with the environment and under different situations. Nevertheless, the Company's internal control systems are equipped with self-monitoring mechanisms, thereby allowing the Company to take immediate remedial actions in response to any identified deficiency.

III. The Company determines whether or not the design and implementation of its internal control system is effective according to the items for determining the effectiveness of internal control systems as stated in the "Regulations Governing Establishment of Internal Control Systems by Public Companies” (hereinafter referred to as the "Regulations"). The items for the determination of internal control systems adopted in the Regulations has identified five key components based on management control processes: (1) control environment, (2) risk assessment, (3) control operations, (4) information and communication, and (5) monitoring operations. Each constituent element includes a number of categories. Please refer to the "Regulations" for the aforementioned categories.

IV. The Company has adopted the items for determining internal control systems in order to evaluate the effectiveness of its internal control system design and implementation.

V. In accordance with the aforementioned evaluation, the Company has found that the design and implementation of the internal control system (including the assessment and management of subsidiaries), as of December 31, 2021, including the efficacy of understanding operations, the efficiency of achievement of objectives, reliability in reporting, timeliness, and compliance with the relevant guidelines and laws, are effective and can reasonably provide assurance of the aforesaid goals.

VI. The Statement shall become the main content of the Company's annual report and prospectus, and shall be made public. Should the abovementioned content contain illegalities such as fraudulent and hidden information, the Company shall assume legal liabilities involving Article 20, Article 32, Article 171 and Article 174 of the Securities and Exchange Act.

VII. This statement was passed by the Board of Directors in their meeting held on March 9, 2022, with none of the nine attending directors expressing dissenting opinions, and the remainder all affirming the contents of this Statement.

China General Plastics Corporation

Chairman: Wu, Yi-Gui

General Manager: Lin, Han-Fu

2. Where CPAs are commissioned to audit the Company's internal control systems, the audit report prepared by the CPAs should be disclosed: Not applicable.

(X) Sanctions imposed on the Company or its personnel in accordance with the laws, or disciplinary actions taken by the Company against its personnel for any violation of internal control rules, which may possibly have material impact on shareholders' equity or securities prices in the most recent fiscal year and in the current fiscal year up to the date of publication of the annual report, as well as details of the sanctions, major deficiencies and subsequent improvements: No such occurrences.

(XI) Key resolutions adopted by the shareholders' meeting and the Board of Directors in the most recent fiscal year up to the publication date of this annual report.

1. Shareholders' Meeting

Year of Meeting	Time of Meeting	Resolutions
2021	July 27, 2021	The minutes of the Shareholders' Meeting were posted onto MOPS on August 12, 2021. The key resolutions and their status of implementation are as follows: 1. Approved the 2020 Account Book. Implementation status: The resolution was passed. 2. Approved the 2020 Profit Distribution Plan. Implementation status: The resolution was passed. A total of NT$996,086,561 were distributed to the shareholders as cash dividends, and the record day was September 10, 2021. All the cash dividends were completely distributed on October 7, 2021. A total of NT$276,690,710 were distributed to the shareholders as stock dividends of which 27,669,071 new shares were distributed. All the stocks and dividends were distributed on October 22, 2021. 3. Deliberate on capital increase by retained earnings. Implementation status: The resolution was passed. The resolution was declared effective by the Securities and Futures Bureau under the Financial Supervisory Commission on August 11, 2021 and was approved as stated in the approved letter with Reference No. Ching Shou Shang Tzu 11001176700 dated October 8, 2021. The Company issued 27,669,071 new shares, where 50 new shares were distributed for each share held. The capital increase record date approved by the Board of Directors was September 10, 2021. The certificates of entitlement to new shares were listed on October 7, 2021, and the distribution of new shares and termination of new shares certificates were listed on October 22, 2021. 4. Discussed the amendment of the "Rules of Procedure for Shareholders Meeting". Implementation status: The resolution was passed, and has been implemented according to the resolution passed by the Shareholders' Meeting. 5. Discussed the permission for directors to engage in business competition. Implementation status: The resolution was passed.

2. Board of Directors

Year of Meeting	Time of Meeting	Resolutions
1st Meeting in 2021	March 5, 2021	1. Ratify the endorsement guarantee for the subsidiary Company CGPC Polymer Corporation. 2. Approved the 2020 Account Book. 3. Agreed the 2020 distribution of remuneration to directors and employees of the Company. 4. Approved the 2020 earnings distribution plan. 5. Approved capital increase by retained earnings. 6. Approved the amendment of certain articles in the Rules of Procedure for Shareholders' Meetings 7. Approved the recommendation to lift the non-compete clause for directors 8. Approved matters related to the convening of the 2021 general shareholders' meeting. 9. The period for accepting shareholder proposals is set to be from March 21, 2021 to March 31, 2021. 10. Approved the 2021 evaluation of the independence of appointed CPAs. 11. Approved the appointment of CPAs for 2021. 12. Approved the issuance of the 2020 Internal Control System Statement. 13. Authorized the Chairman to sign and deliver short-term credit loan contracts and related documents to financial institutions. 14. Approved donations to the USI Education Foundation.
2nd Meeting in 2021	May 5, 2021	1. Passed the amendments to the Company's internal control system. 2. Authorized the Chairman to change the venue of the 2021 general shareholder's meeting in light of the outbreak of the COVID-19 epidemic.
3rd Meeting in 2021	July 9, 2021	1. Ratify the endorsement guarantee for the subsidiary Company CGPC Polymer Corporation. 2. Approved the modification of the 2021 general shareholders' meeting date.
4th Meeting in 2021	August 4, 2021	1. Ratification of the three-year medium-term comprehensive limit contract signed with Yuanta Commercial Bank Co., Ltd. 2. Approved the issuance of new shares. 3. Approved the recommendation to lift the non-compete clause for directors
5th Meeting in 2021	November 3, 2021	1. Ratify the endorsement guarantee for the subsidiary Company CGPC Polymer Corporation. 2. Ratification of the three-year medium-term lending contract signed with Chang Hwa Bank. 3. Approved the 2022 budget. 4. Approved remuneration of CPAs for 2021. 5. Approved the 2022 Annual Audit Plan.

Year of Meeting	Time of Meeting	Resolutions
1st Meeting in 2022	March 9, 2022	1. Ratify the endorsement guarantee for the subsidiary Company CGPC Polymer Corporation. 2. Ratification of the five-year medium-term lending contract signed with Chang Hwa Bank. 3. Approved the 2021 Account Book. 4. Agreed the 2021 distribution of remuneration to directors and employees of the Company. 5. Approved the 2021 earnings distribution plan. 6. Approved the amendment of certain articles in the Regulations Governing Asset Acquisition and Disposal. 7. Approved the re-election of directors at the general shareholders' meeting this year. 8. Approved the recommendation at the general shareholders' meeting to lift the non-compete clause for incoming directors. 9. Approved matters related to the convening of the 2022 general shareholders' meeting. 10. The period for accepting shareholder proposals is set to be from March 26, 2022 to April 5, 2022. 11. Approved the modification of Chief Financial Officer. 12. Approved the 2022 evaluation of the independence of appointed CPAs. 13. Approved the appointment of CPAs for 2022. 14. Approved the issuance of the 2020 Internal Control System Statement. 15. Approved the amendment of certain articles in the Corporate Social Responsibility Code of Practice and the CSR Committee Charter. 16. Authorized the Chairman to sign and deliver short-term credit loan contracts and related documents to financial institutions. 17. Approved donations to the USI Education Foundation.

(XII) Recorded or written statements made by any director or supervisor which specified dissent to important resolutions passed by the Board of Directors in the most recent year and as of the date of publication of this annual report: No such occurrences.

(XIII) Summary of the resignation or dismissal of the Company's Chairman, general manager, heads of accounting, finance, internal audit and R&D in the most recent fiscal year up to the publication date of this annual report:

March 31, 2022

Title	Name	Date of appointment	Date of dismissal	Reason for resignation or dismissal
Manager, Finance Department	Chan, Chin-Ho	June 23, 2014	March 9, 2022	Career Adjustments
Director, Finance Department	Wu, Hui-Xue	March 9, 2022	—	Career Adjustments

5. Information on CPA Professional Fees

(I) Information on CPA Professional Fees

Unit: NT$ thousands

CPA Firm Name	CPA	CPA's duration of audit	Audit Fees	Non-Audit Fees	Total	Remarks
Deloitte, Taiwan	Hsiu-Chun Huang Chiu, Cheng-Chun	2021	3,420	824 (Note 3)	4,244	

Note 1: If the Company has replaced the CPAs or accounting firm in the current fiscal year, the audit period should be listed separately, and the reason for replacement should be stated in the "Remark(s)" column. Information regarding the audit and non-audit fees paid should also be disclosed in order. The content of the service should be explained and stated in the non-audit fees.

Note 2: Please specify the content of non-audit services: (Such as tax certification, assurance, or other financial advisory services)

Note 3: (1) Tax certification fee is NT$570 thousand.
(2) The capital audit fee is NT$100 thousand.
(3) The merging of system software fee is NT$154 thousand.

1.Where the CPA firm was replaced, and the audit fees in the fiscal year, when the replacement was made, were less than that in the previous fiscal year before replacement, the amount of audit fees paid before/after replacement and reasons for paying this amount shall be disclosed: Not applicable.

2.Where accounting fee paid for the year was 10% (or more) less than that of the previous year, the sum, proportion, and cause of the reduction shall be disclosed:

The current year's audit fees decreased by NT$500 thousand, or about 13%, compared with the previous year. This was due to the revision of the “Regulations Governing Information to be Published in Annual Reports of Public Companies”, which classified tax certification as non-audit fees.

(II) The so-called audit fees refer to the fees paid to Certified Public Accountants with regards to the services of financial report auditing, verification, review, and financial forecast auditing.

6. Information on Change of CPA

(I) Regarding the former CPA

<table>
<tr><td>Replacement Date</td><td colspan="4">Not applicable</td></tr>
<tr><td>Replacement reasons and explanations</td><td colspan="4">Not applicable</td></tr>
<tr><td rowspan="3">Statement on whether the authorizing party or the accountant terminates or rejects the authorization</td><td colspan="2">Principal
Status</td><td>CPA:</td><td>Authorizing party</td></tr>
<tr><td colspan="2">Termination of appointment</td><td colspan="2" rowspan="2">No longer accepted (continued) appointment</td></tr>
<tr><td colspan="2">Not applicable</td></tr>
<tr><td>Other issues (except for unqualified issues) in the audit reports within the last two years</td><td colspan="4">Not applicable</td></tr>
<tr><td rowspan="6">Is there any disagreement with the issuer?</td><td rowspan="4">Yes</td><td></td><td colspan="2">Accounting principles or practices</td></tr>
<tr><td></td><td colspan="2">Disclosure of financial statements</td></tr>
<tr><td></td><td colspan="2">Audit scope or procedures</td></tr>
<tr><td></td><td colspan="2">Others</td></tr>
<tr><td>None</td><td colspan="3">✓</td></tr>
<tr><td colspan="4">Explanation: Not applicable</td></tr>
<tr><td>Other items for disclosure (items in Item 1-4 to Item 1-7, Subparagraph 6, Article 10 of the Regulations shall be disclosed)</td><td colspan="4">Not applicable</td></tr>
</table>

(II) Information on the succeeding CPA:

Name of CPA firm	Not applicable
Name of CPAs	
Date of Appointment	
Consultation given on accounting treatment or accounting principle adopted for any specific transactions and on possible opinion issued on financial report prior to appointment and results	
Written opinions from successor CPAs with regards to matters with which former CPAs disagreed	

(III)The former CPA's response to Article 10, Subparagraph 6, Item 1 and Item 2-3 of the accounting standards: Not applicable.

7.The Company's chairman, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm: No such occurrences.

8.Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report) by a director, supervisor, managerial officer, or shareholder with a stake of more than 10%

(I) Changes in shareholdings of directors, supervisors, managers and major shareholders

Unit: Shares

Title (Note 1)	Name	2021		As of March 31, 2022	
		Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged	Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged
Major Shareholder	Union Polymer International Investment Corporation	6,908,535	0	0	0
Directors	Wu, Yi-Gui (Representative of Union Polymer Int'l Investment Corp.)	0	0	0	0
	Lin, Han-Fu (Representative of Union Polymer Int'l Investment Corp.)	0	0	0	0
	Wang, Ke-Shun (Representative of Union Polymer Int'l Investment Corp.)	0	0	0	0
	Liu, Han-Tai (Representative of Union Polymer Int'l Investment Corp.)	0	0	0	0
	Liu, Zhen-Tu (Representative of Union Polymer Int'l Investment Corp.)	0	0	0	0
	Wu, Hung-To (Representative of Union Polymer Int'l Investment Corp.)	0	0	0	0
Independent Directors	Li, Zu-De	0	0	0	0
	Zheng, Ying-Bin	0	0	0	0
	Li, Liang-Xian	0	0	0	0
Chief Executive Officer	Wu, Yi-Gui	0	0	0	0
Vice Chairman and General Manager	Lin, Han-Fu	0	0	0	0
Executive Deputy General Manager	Hu, Chi-Hong	0	0	0	0
Senior Manager	Chen, Wan-Ta	0	0	0	0
Corporate Governance Officer	Chen, Yung-Chih	0	0	0	0

Title (Note 1)	Name	2021		As of March 31, 2022	
		Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged	Increase (decrease) in number of shares held	Increase (decrease) in number of shares pledged
Director, Materials Manufacturing Division	Tsai, Pei-Hung	0	0	0	0
Director, Processing Manufacturing Division	Cheng, Yung-ping	0	0	0	0
Director, Sales & Marketing Division	Chen, Wan-Yu	0	0	0	0
Manager, Accounting Department	Kuo, Chien-Chou	38	0	0	0
Manager, Finance Department	Chan, Chin-Ho(Note 2)	0	0	0	0
Director, Finance Department	Wu, Hui-Xue (Note 2)	Not applicable		0	0

Note 1: Shareholders who hold more than ten (10) percent of the Company's shares should be noted as substantial shareholders, and listed separately.

Note 2: The manager of the Finance Department Mr. Chan, Chin-Ho was dismissed on March 9, 2022, and the director of the Finance Department Ms. Wu, Hui-Xue took over.

(II) Information regarding equity transfer: Counterparties in equity transfers involving directors, supervisors and major shareholders were non-related parties. Managerial officers did not engage in equity transfer: No such occurrences.

(III) Information regarding equity pledges: Counterparties in equity pledges involving directors, supervisors and major shareholders were non-related parties. Managerial officers did not engage in equity pledges: No such occurrences.

9. Relationship Information, if among the Company's Top 10 Shareholders anyone is a Related Party, Spouse or a Relative within the Second Degree of Kinship

April 1, 2022

Name (Note 1)	Shares Held by the Person		Spouse & Minor Shareholding		Shares held in the name of other persons		Title or name and relationship of top 10 shareholders who are related parties or each other's spouses and relatives within the second degree of kinship (Note 3)		Remarks
	Shares	Shares holding % (Note 2)	Shares	Share holding Percentage (Note 2)	Shares	Shares holding % (Note 2)	Title (or Name)	Relationship	
Union Polymer International Investment Corporation	145,079,236	24.97%	—	—	0	0%	APC, TTC	Same Chairman	
Representative: Wu, Yi-Gui	0	0%	—	—	0	0%			
Asia Polymer Corporation	46,886,185	8.07%	—	—			UPIIC, TTC	Same Chairman	
Representative: Wu, Yi-Gui	0	0%	—	—	0	0%			
Fubon Life Insurance Co., Ltd.	20,770,000	3.57%	—	—			None	None	
Representative: Tsai Mingxing	Shareholders did not provide information								
Taiwan Life Insurance Co., Ltd.	14,502,000	2.50%	—	—			None	None	
Representative: Huang Siguo	0	0%	0	0%	0	0%			
Taita Chemical Company, Ltd. -	11,516,174	1.98%	—	—			UPIIC, APC	Same Chairman	
Representative: Wu, Yi-Gui	0	0%	—	—	0	0%			
JP Morgan Chase Bank Taipei Branch was entrusted to host the Emerging Markets Stock Index Fund investment account of Vanguard Group	5,855,926	1.01%	—	—	—	—	None	None	
JP Morgan Chase Bank Taipei Branch was entrusted to host the investment account of Vanguard Total International Stock Index Fund, a series of Vanguard Star Fund Company	5,770,597	0.99%	—	—	—	—	None	None	
Chang Hwa Commercial Bank Co., Ltd.	5,568,300	0.96%	—	—			None	None	
Representative: Ling Zhongyuan	0	0%	0	0%	0	0%			
The New Labor Pension Fund	3,159,947	0.54%	—	—	—	—	None	None	
China General Terminal & Distribution Corporation	2,940,788	0.51%	—	—			None	None	
Representative: Hong-Jiang Zhang	0	0%	0	0%	0	0%			

Note 1: All the top 10 shareholders should be listed. For institutional shareholders, their names and the name of their representatives should be listed separately.

Note 2: Shareholding percentage is calculated separately based on the number of shares held in the name of the person, his/her spouse and minors, and others.

Note 3: Relationships between the aforementioned shareholders, including juristic person shareholders and natural person shareholders shall be disclosed based on the financial reporting standards used by the issuer.

10. Total number of shares and total equity stake held in any single enterprise by the Company, Its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the Company

Consolidated shareholding percentage

December 31, 2021 Unit: Shares

Reinvestment Entities (Note 1)	Ownership by the Company		Investments by directors, supervisors, managerial officers and directly or indirectly controlled enterprises		Total Ownership	
	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)
Taiwan VCM Corporation	259,591,005	87.27	0	0	259,591,005	87.27
CGPC Polymer Corporation	80,000,000	100.00	0	0	80,000,000	100.00
CGPC (BVI) Holding Co., Ltd.	16,308,258	100.00	0	0	16,308,258	100.00
China General Terminal & Distribution Corporation	22,009,594	33.33	0	0	22,009,594	33.33
CGPC America Corporation	100	100.00	0	0	100	100.00
Acme Electronics Corporation	3,176,019	1.74	1,256,284	0.69	4,432,303	2.43

Note 1: The Company adopts the equity method for investments.

IV. Funding Status

1. Capital and Shares

(I) Source of Capital

1. Total shares issued and outstanding as of the date of publication of the annual report:

March 31, 2022 Unit: Share; NTD

Year and Month	Issued Price	Authorized share capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capital	Capital Increased by Assets Other than Cash	Others
September 2021	10	650,000,000 shares	NT$6,500,000,000	581,050,494 shares	NT$5,810,504,940	NT$276,690,710 for the conversion of earnings to capital (Note 2-(1))	None	None

Note 1: The annual data shall be updated as of the publication date of this annual report.
Note 2: For any capital increase, the effective (approval) date and the document number shall be added: (1) Approved by the Ching Shou Shang Tzu No. 11001176700 letter dated October 8, 2021.
Note 3: Shares traded below par value shall be indicated in a clear manner.
Note 4: Capital increase by currency debts or technology should be stated, and the type and amount of assets involved in such capital increase should be noted.
Note 5: Private placement of corporate bonds should be indicated in a clear manner.

March 31,2022 Unit: Shares

Types of shares	Authorized share capital			Remarks
	Issued Shares (Note)	Unissued Shares	Total	
Registered common stocks	581,050,494 shares	68,949,506 shares	650,000,000 shares	Listed

Note: Please indicate whether the shares are issued by a company listed on the Taiwan Stock Exchange (TWSE) or the Taipei Exchange (TPEx) (Shares of which trading is restricted on the TWSE or those which are traded on the TPEx should be noted).

2. Information regarding shelf registration:

Types of securities	Amount of scheduled issuance		Amount issued		The purpose and expected benefits of the issued shares	Unissued shares scheduled time of issuance	Remarks
	Total number of shares	Approved amount	Shares	Price			
Not applicable							

(II) Shareholder Structure

April 1, 2022 Unit: Shares

Shareholder Structure / Quantity	Government Institutions	Financial Institutions	Other legal persons	Individuals	Foreign Institutions and Natural Persons	Total
Number of Shareholders	3	4	261	77,835	192	78,295
Number of Shares Held	1,234,411	15,711,112	250,129,291	255,375,137	58,600,543	581,050,494
Shareholding ratio	0.21%	2.70%	43.05%	43.95%	10.09%	100.00%

Note: Companies primarily-listed on TWSE and Taipei Exchange shall disclose the proportion of its shares held by investors from Mainland China. Investors from Mainland China refer to natural persons, legal persons, organizations, institutions, or companies in areas other than Taiwan and Mainland China invested by persons of such identity as defined in Article 3 of the Regulations Governing Investment of Mainland Chinese in Taiwan.

(III) Distribution of Equity Ownership

1. Common shares

April 1, 2022

Shareholding Range	Number of Shareholders	Number of Shares Held (Unit: share)	Shareholding ratio (%)
1 to 999	37,828	5,816,341	1.00%
1,000 to 5,000	30,133	62,501,209	10.76%
5,001 to 10,000	5,344	39,232,569	6.75%
10,001 to 15,000	1,974	23,886,950	4.11%
15,001 to 20,000	870	15,681,182	2.70%
20,001 to 30,000	841	20,785,014	3.58%
30,001 to 40,000	353	12,341,815	2.12%
40,001 to 50,000	257	11,737,121	2.02%
50,001 to 100,000	410	29,594,781	5.09%
100,001 to 200,000	151	21,376,131	3.68%
200,001 to 400,000	59	16,118,598	2.77%
400,001 to 600,000	26	12,937,186	2.23%
600,001 to 800,000	10	7,132,626	1.23%
800,001 to 1,000,000	10	9,410,188	1.62%
1,000,001 and more create new ranges as needed	29	292,498,783	50.34%
Total	78,295	581,050,494	100.00%

2. Preferred stocks: None.

(IV) List of Major Shareholders

April 1, 2022

Shares / Name of majority shareholders	Number of Shares Held (Unit: share)	Shareholding ratio (%)
Union Polymer International Investment Corporation	145,079,236	24.97%
Asia Polymer Corporation	46,886,185	8.07%
Fubon Life Insurance Co., Ltd.	20,770,000	3.57%
Taiwan Life Insurance Co., Ltd.	14,502,000	2.50%
Taita Chemical Company, Ltd.	11,516,174	1.98%
JP Morgan Chase Bank Taipei Branch was entrusted to host the Emerging Markets Stock Index Fund investment account of Vanguard Group	5,855,926	1.01%
JP Morgan Chase Bank Taipei Branch was entrusted to host the investment account of Vanguard Total International Stock Index Fund, a series of Vanguard Star Fund Company	5,770,597	0.99%
Chang Hwa Commercial Bank Co., Ltd.	5,568,300	0.96%
The New Labor Pension Fund	3,159,947	0.54%
China General Terminal & Distribution Corporation	2,940,788	0.51%

(V) Market Price, Book Value, Earnings, and Dividends in the Most Recent 2 Years

Unit: NT$

Year Item			2020	2021	As of March 31, 2022 (Note 8)
Market price per share (Note 1)	Highest		26.00	47.95	36.45
	Lowest		11.65	22.45	32.90
	Average		21.19	37.15	35.05
Net Value Per Share (Note 2)	Before distribution		17.53	19.21	20.00
	After distribution		15.73	16.71	—
Earnings Per Share (Note 3)	Weighted Average Shares		553,381,423	581,050,494	581,050,494
	Earnings per share before adjustment		2.95	4.25	0.78
	Earnings per share after adjustment		2.81	— (Note 9)	—
Dividend Per Share (DPS)	Cash dividends		1.80	2.50 (Note 10)	—
	Stock Dividends	Stock dividends from retained earnings	0.50	0.00 (Note 10)	—
		Stock dividends from capital reserve	0.00	0.00 (Note 10)	—
	Accumulated unpaid dividends (Note 4)		—	—	—
Return on Invest-ments	Price/earnings ratio (Note 5)		6.65	8.33	—
	Price/dividend ratio (Note 6)		10.89	14.16	—
	Yield on cash dividend (Note 7)		9.18%	7.06%	—

*If retained earnings or capital reserves were used for capital increase, market prices and cash dividends that were retroactively adjusted based on the number of shares after distribution should be disclosed.

Note 1: List the highest and lowest market price of common shares for each fiscal year, and calculate the average market price for each fiscal year based on trading value and volume in each fiscal year.

Note 2: Please fill these rows based on the number of shares that have been issued at the end of the fiscal year and the distribution plan approved at the Board of Directors or Shareholders' Meeting in the subsequent fiscal year.

Note 3: If there was any retroactive adjustment required due to stock dividends, earnings per share before and after such adjustment should be listed.

Note 4: If there was any condition regarding the issuance of equity securities stating that undistributed dividends for the current fiscal year have to be accumulated till the year when a profit is recorded, the Company should separately disclose cumulative undistributed dividends as of the current fiscal year.

Note 5: Price/earnings ratio = Average closing price per share for the current fiscal year/earnings per share.

Note 6: Price/dividend ratio = Average closing price per share for the current fiscal year/cash dividend per share.

Note 7: Cash dividend yield = Cash dividend per share/average closing price per share for the current fiscal year.

Note 8: For net asset value per share and earnings per share, data from the most recent quarter that has been verified (reviewed) by CPAs as of the publication date of this annual report should be filled. For other fields in this column, data from the current fiscal year as of the publication date of this annual report should be filled.

Note 9: Distribution of earnings has not been approved by the general shareholders' meeting and is therefore not shown.

Note 10: Based on the profit distribution plan which has been approved by the Board of Directors but is yet to be acknowledged by the Shareholders' Meeting.

(VI) Dividend policy of the Company and its implementation

1.Dividend policy set forth in the Company's Articles of Incorporation

If the Company turns a profit in the year, it shall distribute compensation to directors and employees. The director compensation shall not exceed 1% of the profits of the current fiscal year; the employee reward shall not be lower than 1% of the profits of the current fiscal year. However, when the Company has cumulative loss, it should first use its profit to offset cumulative loss.

The abovementioned employee rewards can be distributed in the form of shares or cash. Rewards shall be distributed to employees of the Company's subordinate companies when they meet certain conditions. Such conditions shall be set by the Board of Directors.

If the Company records a net income after taxes (NIAT) as indicated in its final annual accounts for the current fiscal year, the Company shall use its NIAT to cover cumulative loss in the previous fiscal year. If there is remaining balance, 10% percent of this balance has to be set aside as statutory reserves, while the rest shall be regarded as distributable profit. This distributable profit shall then be combined with undistributed earnings that have been accumulated in previous fiscal years. Part of this combined amount shall be recognized as or transferred to special reserves as required by the law or the competent authority, while the remaining balance shall be regarded as cumulative distributable profit. The Board of Directors shall propose a profit distribution plan which is then submitted to the Shareholders' Meetings for approval. The Shareholders' Meeting shall retain all or part of the Company's profit based on its business performance.

In regards to the resolution on profit distribution, it has been decided that, due to the fact that the industry to which the Company belongs is in the maturity stage, and taking into account R&D needs and business diversification, dividends paid to shareholders shall not be less than 10% of distributable profit in the current fiscal year, where cash dividends shall not be less than 10% of the total dividends. However, no dividend shall be distributed if the distributable profit per share in the current fiscal year is less than NT$0.1.

2. The proposed dividend distribution of Shareholders’ Meeting this year:

   In terms of Profit Distribution Plan in 2021, the Board of Directors has proposed to distribute cash dividends of NT $2.5 per share. The proposal shall be subject to the relevant regulations after the resolution is approved in the general Shareholder's meeting, which will held be on May 30, 2022.

   Please refer to the "Market Observation Post System" of Taiwan Stock Exchange for information on the Company's compensation for directors and supervisors and rewards for employees.

3. Any expected material changes to the dividend policy should be further explained:

   The Company's dividend policy is not expected to experience any material changes as of the publication date of this annual report.

(VII) Effects on the Company's business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent Shareholders' Meeting:

No financial forecast was prepared for year 2022. Therefore, there is no need to disclose forecast information.

Year Item			2022 (Estimate)
Paid-up capital at the beginning of the period (Unit: NT$)			NT$5,810,504,940
Distribution of dividends in the current fiscal year (Note 1)	Cash dividend per share (Unit: NT$)		NT$2.5
	Surplus to capital increase stock dividend per share		0 shares
	Number of shares distributed per share held due to capital increase from capital reserve		0 shares
Changes in Operating Performance	Operating profits		Not applicable (Note 2)
	Ratio of increase (decrease) in operating profit over the same period last year		
	Net income after tax (NIAT)		
	Ratio of increase (decrease) in NIAT over the same period last year		
	Earnings Per Share (EPS)		
	Ratio of increase (decrease) in EPS over the same period last year		
	Annual average return on investment (reciprocal of average annual price/earnings ratio)		
Pro forma earnings per share and price/earnings Ratio	If capital increase from surplus earnings is entirely replaced by the distribution of cash dividends	Pro forma earnings per share	
		Pro-forma average annual return on investment	
	If capital reserves are not used for capital increase	Pro forma earnings per share	
		Pro-forma average annual return on investment	
	If capital reserves are not used for capital increase and capital increase by retained earnings is replaced by cash dividend distribution	Pro forma earnings per share	
		Pro-forma average annual return on investment	

Note 1: Distribution of dividends for 2021 is based on the earnings distribution plan approved by the Board of Directors on March 9, 2022.

Note 2: The Company has no regulations in place for the publication of its financial forecast. Hence, changes in the Company's operating performance, pro forma earnings per share, and price-to-earnings ratio are not applicable.

(VIII) Compensation for directors and employees:

1. The ratio and scope of employee rewards and director remuneration prescribed by the Articles of Incorporation:
   (1)Directors' remuneration:
   Directors' compensation shall not exceed 1% percent of the Company's distributable earnings in the current fiscal year.
   (2)Employee remuneration:
   Employees' rewards shall not be lower than 1% of the Company's distributable earnings in the current fiscal year.
2. Accounting for basis for estimating the amount of compensation of directors and employees, basis for estimating the amount of share distribution, and auditing procedures for discrepancies between the estimated and the actual distributed amount in the current year:
   (1) Basis for estimating the amount of compensation of directors and employees in the current year:
   (1) -1 Employee compensation shall be calculated based on a minimum value of 1% of the Company's profit in the current fiscal year in accordance with the Articles of Incorporation. The compensation payable to the employees by the Company in 2021 was estimated to be NT$26,485 thousand.
   (1) -2 Director remuneration shall be calculated based on a maximum value of 1% of the Company's profit in the current fiscal year in accordance with the Articles of Incorporation. However, the Company did not appropriate or distribute remuneration for directors in 2021.
   (2)Basis for estimating the amount of share distribution for the compensation of directors and employees in the current year: Not applicable.
   (3)Auditing procedures for discrepancies between the estimated compensation for directors and employees and the actual distributed amount: Should there be any significant changes to the amounts resolved by the Board of Directors after the current financial period has ended, this discrepancy shall be adjusted to the

expenses of the year in which the estimates are made. If a different amount is resolved during the shareholders' meeting, the discrepancy will be treated as changes in accounting estimates and accounted in the year the shareholders' meeting takes place. In the event a stock bonus is opted for the employee rewards at the general shareholders' meeting, the number of shares shall be determined by dividing the amount specified in the resolution by the fair value of the stock. The fair value of the stock refers to the closing price one day prior to a shareholders' resolution (accounting for the impact of cash and stock dividends).

3.Information on the distribution of 2021 employee compensation approved in the Board of Directors meeting on March 9, 2022:

(1)Distribution of compensation for directors and employees.

Directors' remuneration: None.

Employee remuneration: NT$26,485 thousand which shall be distributed entirely in cash.

(2)Discrepancy between the amounts above and the estimates:

for the year: None.

Reason for the discrepancy: Not applicable.

Processing conditions: Not applicable.

4.If there is any discrepancy between the actual amount of compensation distributed to employees and directors (including number and dollar amount of shares distributed, as well as share price) and the recognized amount of compensation for employees and directors in the previous fiscal year, the amount, causes and treatment of such discrepancies shall be stated:

Unit: NT$ thousand

Item	Approval of 2020 Profit Distribution Plan		Discrepancy	Reasons for discrepancy and processing method
	2020 Amount reported in Financial Statements	2020 Amount actually distributed		
Employee remuneration	17,034	17,034	0	No discrepancy
Remuneration of Directors	0	0	0	No distribution

5. The Company will participate in the salary survey of the petrochemical industry every year, evaluate the salary level in the market, make appropriate adjustments and planning for the salary of employees (the average pay rise rate in 2021 is about 3.0%), and give special salary adjustment to talents with excellent performance to achieve a competitive salary level in the market.

Average salary:

Item	Contents	2021	Discrepancies from the previous year
1	The number of full-time employees who are not supervisors	679	-39
2	Average salary of full-time employees who are not supervisors (NT$ thousand)	1,190	195
3	Median salary of full-time employees who are not supervisors (NT$ thousand)	1,165	200

Note: 1. The number of full-time employees who are not supervisors.

Note: 2. Average salary of full-time employees who are not supervisors.

Note: 3. The disclosure may refer to Subparagraph 31, Paragraph 1, Article 3 of the "Taiwan Stock Exchange Corporation Rules Governing Information Filing by Companies with TWSE Listed Securities and Offshore Fund Institutions with TWSE Listed Offshore Exchange-Traded Funds".

Note: 4. This table is parent company only, including the average salary of CGPC full-time employees who are not supervisors.

(IX)Repurchase by the Company of its own shares during the most recent fiscal year up to the publication date of this report:

No such occurrences.

2. Issuance of corporate bonds:

(I) Issuance of corporate bonds: None.

(II) Information regarding the Conversion of Corporate Bonds: None.

(III) Information regarding Corporate Bond Swap: None.

(IV) Information regarding Shelf Registration for Corporate Bonds: None.

(V) Information regarding Equity Warrant Bonds: None.

3.Issuance of Preferred Stocks: None.

4.Issuance of Global Depository Receipts: None.

5.Issuance of employee stock options as and names of managerial officers receiving ESO and names of top ten employees receiving ESO, their exercise and subscription as of the publication date of the Annual Report: None.

6.New shares with restricted employee rights and names of managers and the top ten employees who are entitled to receive restricted shares as of the publication date of the Annual Report: None.

7.Status of New Share Issuance in Connection with Mergers and Acquisitions: None.

8.The State of Implementation of the Company's Capital Allocation Plans

(I) As of one quarter before the publication date of this annual report, previous issuance or private placement of marketable securities that have not been completed and their plan and implementation status: None.

(II) As of one quarter before the publication date of this annual report, previous issuance or private placement of marketable securities that have been completed but are yet to record any benefit within the past three fiscal years: None.

V. Operations Overview

I. Business Activities

(I) Scope of business:

1. Main businesses:
   - (1)Manufacture plastic and its required raw materials.
   - (2)Manufacture processed plastic products and the chemicals they require.
   - (3)Manufacture and sell technical services (including design and installation) for chemical machinery equipment (including vinyl chloride monomer (VCM) plant equipment).
   - (4)Manufacture, store, transport, sell, trade and resell vinyl chloride monomer. (VCM)
   - (5)Produce and manufacture, trade, store and sell ethylene dichloride. (EDC)
   - (6)Distribution and processing of the above products.
   - (7)Research and promotion services related to the above businesses.
   - (8)Underground water remediation.
2. Main products and their proportion in operations:

Product Category	Ratio
Vinyl chloride monomer	5%
PVC resin, plastic pellets and chemicals	75%
PVC construction products: Pipes, pipe fittings, door panels and anti-corrosion protection panels	5%
PVC film/sheet: flexible film/sheets, rigid film/sheet, semi-rigid film/sheet laminated film/sheet, printed film/sheet	10%
Rubber and soft rubber leather	5%

3. Plans for new product development:

- Development of waterproof submerged pump cable
- PVC resin moisture content AI control
- Improve whiteness of PVC resin
- Polymerization experiment of 30L PVC
- Low-membrane easily gelatinized PVC resin
- Plastic pellets of flattened 100% non-cracking valve
- Environmentally friendly pipe fittings with 30% recycled materials added
- Cloth for PVC inkjet printing advertisement
- Non-p floor tile protective layer
- PVC tape for PVC low shrinkage and masking purposes
- PVC sheet for UV resistant PVC decking board edge sealing
- PVC sheet for low temperature resistant outdoor PVC door frame
- PVC leather for electric vehicles
- Development of third-generation stain-resistant PVC leather
- Water-based scratch-resistant soft PVC leather for automobiles
- Soft rubber multi-printing transferring film
- PVC transparent tape stain-resistant treatment
- TPE shoe series (R-grade) products
- Development of High Hydrolysis Resistant TPU Materials and Related Products
- Low VOC PVC series rubber sheets
- Solvent-free surface treatment leather for PVC/TPE
- TPE leather for automotive seats
- Final product Recycle TPE leather
- Benzene-free/ solvent-free development of TPE paste cloth

(II) State of the industry

1.Current state and development of the industry

In 2021, there are many unexpected production shutdowns due to the extreme weather in the United States. The overall export of Vinyl products has been greatly reduced. In addition, the demand for Vinyl products has improved in the post-epidemic era, and the prices of Vinyl products from upstream and downstream have hit new record highs. Although the demand for PVC continued to shrink from the end of the year to Chinese New Year due to China's policy intervention, the fall back of upstream's raw materials prices, and the easing of production problems in China and the United States, the price faced a large pullback. However, rigid demand still exists, and the profit in 2022 can still be expected.

In terms of raw materials: Regarding the ethylene market, the extreme weather in the United States caused large-scale destruction of petrochemical plants in 2021. Cracked plants were unable to produce normally for a long period of time, and the availability of ethylene was greatly reduced. Many small-scale shale oil plants went bankrupt and shut down their production due to the collapse of oil prices caused by the epidemic, which led to the tightening of the overall supply of ethylene's raw materials such as United States' shale gas. In addition, domestic demands increased in the post-epidemic era, and export prices of ethylene soared. As Asian consumers could not withstand the high prices, this resulted in a regional balance in Asia. The price fluctuated per metric ton CFR US$900-1,200.

Regarding the EDC supply, due to frequent production problems in the United States, the largest exporter, since the end of 2020 and the impact of extreme weather in 2021, the production volume has dropped sharply, and the supply has been further restricted. In addition, as life in the United States gradually returns to normal in the post-epidemic era, the overall domestic demand has increased, and the volume of EDC exports is extremely limited. The overall export volume of the United States has dropped by 33%. It has been shared by Europe, India, and other countries. There is almost no stock to supply to Asia. Only some Asian manufacturers have stock tenders occasionally, resulting in high prices.

2.The correlation among the upstream, midstream and, downstream of the industry:

The Company is a midstream and downstream producer of plastic materials and products in the petrochemicals industry. The upstream material EDC is supplied by Formosa Plastics Corporation and foreign companies. Ethylene is supplied by CPC Corporation and foreign companies. Liquid chlorine is produced by Taiwan Chlorine Industries Ltd. EDC is cracked to produce VCM and hydrochloric acid gas. Ethylene, oxygen, and hydrochloric acid produce EDC via oxychlorination. VCM produces PVC resin via polymerization, which is then supplied to secondary plastic processing plants in Taiwan in order to produce a series of plastic products such as rubber leather, plastic sheets, plastic pipes, and pellets.

3.Product development trends and competition:

In the current PVC industry in Taiwan, the annual production volume of VCM at the Company and Formosa Plastics Corporation is 485 thousand tons and 1,644 thousand tons respectively. The annual production volume of PVC resin at the Company, Formosa Plastics Corporation, and Ocean Plastics Co., Ltd. is 450 thousand tons, 1,785 thousand tons, and 150 thousand tons respectively. The main downstream processing industrial players in need of the material include manufacturers of plastic tapes, plastic sheets, and building materials.

In 2021, the volume of domestic private real estate sales and the construction industry increased compared with 2020. Although the construction industries have poor performances in the second quarter due to the disruption of the epidemic, the demand of Taiwanese companies to return and set up factories and TSMC’s expansion of new plants have improved the construction industries in the second half of the year and boosted the demand for building materials products. Although the export market continued to be impacted by Covid-19 in 2021, the weather factors in North America (snow disasters, hurricanes) impacted our export, which quickly boosted the performance of PVC volume and price in Asia.

The Company sales increased by 7% in 2021, and the transaction prices in various major markets all hit new record highs.

In 2021, the Company will strive to sell all the production. However, due to the rising cost of upstream EDC/ethylene, the Company needs to focus more on price control.

(III) Technology, Research and Development

1.Research and development investment for 2021: NT$77,173 thousand

2.R&D expenses for 2022 as of the publication date of the Annual Report: NT$17,363 thousand

3.Successfully developed technologies or products

- (1) Successfully developed technologies
  - (1-1) Cold and hot pure water independent feeding of reaction tank
  - (1-2) Waterproof submerged pump cable
  - (1-3) PVC resin moisture content AI control (Phase 1)
  - (1-4) PVC resin pure water deoxidation
  - (1-5) PVC rigid foam door panel production technology and formula
  - (1-6) TPE rubber surface anti-abrasion treatment technology
  - (1-7) TPE rubber structure flame-resistant composition technology
  - (1-8) PVC cooling leather production technologies
- (2) Successfully developed products
  - (2-1) Insulated core wire series for CCGN
  - (2-2) Waterproof submerged pump cable plastic pellets
  - (2-3) PVC forming door panels construction products
  - (2-4) Vinyl chloride-acrylic acid EVA rubber cloths
  - (2-5) 5G base station low-temperature resistant PVC tape
  - (2-6) Low sheen flat PVC tape
  - (2-7) PU casting stain-resistant PVC leather
  - (2-8) Vacuum embossed stain-proof soft rubber
  - (2-9) PVC cooling leather for motorcycle seat
  - (2-10) Agricultural machinery seat leather for export

(2-11) Soft leather for truck seat

(2-12) Leather for boat seat and its internal furnishing

(2-13) Water-based scratch-resistant soft leather for automobiles

(2-14) Third-generation PVC cat scratch-prevention furniture soft leather

(2-15) TPE leather products for baby strollers

(2-16) TPE foamed leather series for treadmills

(2-17) TPE rubber leather for furniture/ marine market in the Americas

4. R&D projects in the most recent fiscal year

Unit: NT$ thousand

Research and development project	Current progress	Research expenses to be reinvested	Estimated time to complete mass production	Major factors that influence the success of R&D in the future
Low VOC PVC/TPE series rubber sheets	50%	15,000	Before the end of 2022	Equipment, formulas and process conditions
Polymerization experiment of 30L PVC	75%	2,000	Before the end of 2022	Equipment, formulas and process conditions
PVC resin moisture content AI control	50%	1,760	Before the end of 2023	Raw materials, formulas and process conditions
Solvent-free surface treatment leather for PVC/TPE	75%	1,000	Before mid-2022	Equipment, formulas and process conditions
Soft rubber multi-printing transferring film	50%	500	Before the end of 2022	Equipment, formulas and process conditions
Low-membrane rapidly gelatinized PVC resin	25%	500	Before the end of 2022	Equipment, formulas and process conditions
TPE shoe series (R-grade) products	25%	300	Before the end of 2022	Raw materials, formulas and process conditions
Development of High Hydrolysis Resistant TPU Materials and Related Products	25%	300	Before the end of 2022	Raw materials, formulas and process conditions
Water-based scratch-resistant soft PVC leather for automobiles	75%	250	Before mid-2022	Raw materials, formulas and process conditions
Development of third-generation stain-resistant PVC leather	75%	200	Before the end of 2022	Raw materials, formulas and process conditions
Waterproof submerged pump cable	75%	50	Before the end of 2022	Raw materials, formulas and process conditions
PU casting stain-resistant PVC leather development	100%	0	Before the end of 2021	Raw materials, formulas and process conditions
Development of high-temperature reduction PVC leather and supply chain of high-temperature reduction raw materials	100%	0	Before the end of 2021	Raw materials, formulas and process conditions
TPE rubber leather for furniture/ marine market in the Americas	100%	0	Before the end of 2021	Raw materials, formulas and process conditions

Research and development project	Current progress	Research expenses to be reinvested	Estimated time to complete mass production	Major factors that influence the success of R&D in the future
Development of TPE-PU rubber sheets	100%	0	Before the end of 2021	Raw materials, formulas and process conditions
TPE foamed leather series for treadmills	100%	0	Before the end of 2021	Equipment, formulas and process conditions
TPE leather products for baby strollers	100%	0	Before the end of 2021	Raw materials, formulas and process conditions
Vacuum embossed stain-proof soft rubber	100%	0	Before the end of 2021	Raw materials, formulas and process conditions
Vinyl chloride-acrylic acid EVA rubber cloths	100%	0	Before the end of 2021	Raw materials, formulas and process conditions

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

1.Short-term plans:

VCM:

The Company will strengthen the industry chain integration in order to stabilize the high production volume and quality, as well as actively explore stable sources of raw material supply.

PVC resin:

(1)The Company will actively establish cooperative relationships with main customers and continuously develop new customers and high-value industries. The Company's domestic sales market share is still expected to hold steady in 2022.

(2)Flexible use of product diversification and division of labor at both its Toufen plant and Linyuan plant will fragment the market and customers, screen for customers with good credit ratings, strengthen sales and distribution channels in the main market and increase the proportion of downstream manufacturers, so as to balance market fluctuations due to peak and off-peak seasons and eliminate bottlenecks that resulted from an excessive concentration of sales orders on traders.

Chemicals:

(1)Although the domestic economy was impacted by COVID-19 in 2021, the export demands from electronics industries and traditional industries continue to flourish. The quotation of alkali in Asia also rose sharply. The production/ sales price/

quantity of chemicals sold has increased in 2021. In 2022, the Company will continue to strengthen its relations with the sales channels and expand the integration of downstream marketing to enhance the quality of its services, ensure stable sales volume and increase sales.

(2)45% of liquid caustic soda faces competition from imported products. Hence, the sales department will strengthen the relationships with core customers in order to maintain market share.

PVC pellets:

(1)The Company will also continue to develop niche new products and plastic pellets for medical equipment and rigid pipe fittings, as well as low-odor and transparent plastic pellets.

(2)The Company will continue to enhance product quality and ensure accurate delivery and services.

(3)The Company will develop business opportunities for piping in South Asia in cooperation with large-scale local manufacturers and customers who are agents for product promotion.

(4)The Company will use the trade service network to grasp opportunities for network sales in major markets and promote and sell PVC pellets to emerging markets in China, Central Asia, and Southeast Asia.

PVC processed products:

(1)The Company will optimize the piping materials product portfolio and improve the market share in building materials. Actively participate in the supply of public construction projects to increase sales volume and the raw material costs shall be reflected in the floating price to improve profitability.

(2)Promote eco-friendly materials, enhance the added value of products and brand image, and it is expected that material innovation will increase sales in the market.

(3)The Company will enhance product awareness and expand business opportunities for rubber leather/sheets through media advertising, website design, and participation in various major exhibitions.

(4)The Company will also join forces with its peers to strengthen the supply of various types of artificial leather, with the purpose of increasing its product portfolio and enhancing horizontal competitiveness.

(5)The Company will upgrade the FORBID anti-stain processing agent. In addition to improving the stain removal effects, we shall develop water soluble formulas to expand the market.

(6)The business of leather for agricultural equipment and seats in North America has been stable. In this market, the Company has successfully secured stable annual orders from a major tractor seat manufacturer in the U.S. These orders will expand our product portfolio and sales performance. The Company will enter the OEM truck market, increase the sales of automotive upholstery and seat leather, and expand the application range of products.

(7)The upgraded anti-mold formula for PVC leather used in ships has met the REACH requirements. Hence, the Company is expected to establish and benefit from a stable source of orders for this product in the European market. We shall also upgrade the anti-UV formula for leather used for boats to enter the OEM marine leather market in the United States.

(8)The Company will improve formulas and related labels in line with regulatory requirements of Prop #65 in the North American market; hence, market operations in this region are expected to be more sound and robust.

(9)The Company will strengthen the promotion of green brands, and continue to optimize TPO and TPU environmentally friendly materials by upgrading its formula. We also introduced high-temperature reduction plastic rubber, which is mainly promoted in the furniture, marine, automotive, shoe, and other product markets. Material innovation and deep environmental protection awareness will improve market performance.

(10)The Company will focus on developing rigid PVC sheets in Asia. The market share has been successfully boosted, and the business is expected to grow in 2022.

(11)The Company will strengthen technical cooperation with Japan to develop folding box grade rigid sheets and develop new markets in Japan.

(12)The Company will develop the market for automobile rubber clothes in Europe and Southeast Asia and we expect to increase shipping performance substantially in 2022.

(13)The Company will continue to develop customers for PVC tape, pool, and waterproof cloth. With the expansion of the Company's production capacity and market recovery during the post-epidemic period, the business performance will continue to grow in comparison with 2021.

(14)During the epidemic period, it is not proper to hold a trade show. The Company will continue to use e-commerce/ network services to grasp the market business opportunities for promotion.

2.Long-term plans:

VCM:

The Company will implement occupational safety and health policies, as well as stabilize manufacturing and production in order to reduce costs and ensure the long-term stability of product supply.

PVC resin:

The Company will enhance differentiation in product processing and continue to expand selling for special specifications.

Chemicals:

The Company will also fully utilize its existing production capacity and improve the debottlenecking of its equipment in order to increase product quality and establish stable sales and distribution channels.

PVC pellets:

The Company will continue to enhance the quality of its products and engage in the development of new functional formulas. The Company will also engage in the research and development of high-end products in response to increasing product competitiveness.

PVC processed products:

(1)The Company will enhance research on processing technologies and improve equipment and its environment in order to produce differentiated products, thereby segmenting the competitive traditional products.

(2)The Company will improve the capacity to build machinery and raw materials to produce products with high-added value and expand production capacity for professional products to increase market share.

(3)The Company will continuously promote products to countries and regions with high economic growth such as Southeast Asia, Bangladesh, Vietnam, and South America. The product portfolio to be promoted includes SRT stain-resistant leather, cooling leather, automotive leather and stationery, universal, pool, and adhesive sheets.

(4)The Company will search for information on fashion and trends to continuously develop trendy emboss and color combinations, and jointly develop new PVC plastic products with peers to create a more complete product portfolio to develop more customers.

(5)In line with the updated environmental protection regulations, the Company will continue to engage in formula adjustment and supporting measures, improve its corresponding measures, and optimize equipment to enhance product value.

(6)The Company will continue the research and promote environmentally friendly materials for industries including shoes, automotive, furniture, marine, flooring, and other product markets. The Company will put efforts to reduce the production cost of environmental protection materials, in order to improve the market competitiveness and acceptance.

(7)The Company will continue to monitor the impact of the US-China trade war, and the COVID-19 epidemic on the industry, and sales trends in the relocation of downstream production bases.

(8)The Company plans the export of artificial plastic rubber as the object of carbon footprint inspection to enhance the competitiveness of international brands.

II. Analysis of the Market as well as Production and Marketing Situation

(I) Market Analysis:

1.Sales regions and market share for major products

VCM:

For VCM, the ratio of domestic sales to exports to the Company's own use is 5: 0: 95.

PVC resin:

For PVC resin, the ratio of domestic sales to exports to the Company's own use is 12 : 78: 10. The main export regions are India, Bangladesh, China, Southeast Asia, Middle East, South America, and Australia.

Chemicals:

Chemical products are sold mainly to Hsinchu Science Park, Central Taiwan Science Park, and northern regions, accounting for approximately 60% of total sales. The main customers for these products are electronics and petrochemical industries. The Company's market share in the domestic market is: approximately 3 to 4% for liquid caustic soda and approximately 16 to 18% for hydrochloric acid and liquid bleach.

PVC pellets:

The Company currently focuses more on domestic sales. Shoe manufacturers in the export markets in India and Nepal have begun seeking low-cost sources and CGPC currently focuses on the pipeline market in Bangladesh.

PVC processed products:

(1)Construction materials products: Sales are mainly concentrated in domestic sales. The Company's domestic market share is: approximately 18% for PVC pipes. The market share of PVC door panels is gradually increased.

(2)Rubber Cloths: The ratio of domestic sales to exports is 55: 45 and the Company's market share in the domestic market is approximately 22%. These products are exported mainly to the Americas, Europe, Australia, South Africa, Russia, Japan, China, Vietnam, Bangladesh and Southeast Asia.

(3)Rubber leather: The ratio of domestic sales to exports is 35: 65, while its market share in the domestic market is approximately 28%. These products are exported mainly to North America, Europe, Australia, Japan, Mainland China, Malaysia and India.

2.Market supply and demand, and market growth in the future

VCM:

Due to the increase in new PVC production capacity in 2022 which will take over certain use of VCM and the continuous annual overhauls of manufacturers in the first half of the year, the VCM supply is not loosened which will help increase VCM prices. However, it is still necessary to observe the level of impact of the Russia-Ukraine war and the COVID-19 on the overall raw materials. We must operate with caution.

PVC resin:

(1)The epidemic continues to spread over the world, but it does not affect the demand for raw materials. After the violent price fluctuation last year, the market trend is expected to slow down and return to a normal level this year. In terms of high growth markets: the demand from South Asia, Southeast Asia, South America, and other places will continue to grasp the volume and price changes, in order to continue to create a good business performance.

(2)The demand of the domestic market in 2022 benefits from the expansion of the production capacity of the floor tile and building industry to provide support for the demand for PVC resin. The downstream processing industries are unable to respond due to a shortage of manpower and materials, an increase in shipping and raw material costs, and this is unfavorable for competition. All these factors influence the demands of the export industry and domestic industrial demand. Therefore, the situation is expected to be at the same level with 2022.

Chemicals:

Domestic large-scale chemicals users are expected to maintain steady rates of demand in 2022 mainly due to the growth in upstream production capacity in the semiconductor, display panel, and petrochemical industries.

PVC pellets:

The domestic market for plastic pellets is expected to achieve a small-scale growth in 2022 from 2021. We shall continue to develop the pipeline material market in South Asia and business opportunities with pellet users in Central Asia, Southeast Asia, and South America for our export sales.

PVC processed products:

(1)Construction materials products: Due to the growth of the housing market in 2020, public and private construction projects have increased and the overall market grew. The government continues to curb on speculation and house price rise by successively introducing credit measures to control real estate speculation in 2021. New public construction projects are being launched. The sales volume of building materials in 2022 is expected to remain steady.

(2)Rubber Cloths: Due to the severe impact of the COVID-19 epidemic in 2021, the price of raw materials rose sharply. The global container shortage pushed up the cost of ocean freight. Combined with the appreciation of New Taiwan Dollar, this doubled the operating pressure. Countries adopted anti-epidemic lockdown system and took measures to work from home. The market demand sharply reduced. In addition, due to consideration of the epidemic, countries have cancelled large international exhibitions and reduced the opportunities for product expansion.

Looking forward to 2022, the domestic and overseas PVC product markets continue to perform strongly. The Company continues to keep niche products in its product portfolio, and mainly promotes high value-added products. In the export market, pressure on businesses has multiplied due to the appreciation of New Taiwan dollar, rising ocean freight, and declining demand in the international market. However, the Company's customer base is stable and well-coordinated. Both the Company and its customers spared no effort in developing new products and new markets and we have achieved significant results in this respect. At the same time, the Company's export team continued to develop new customers and new markets, thereby significantly contributing to the Company's sales volume.

(3)Rubber leather: In 2022, domestic sales will continue to expand to indirect export channels for products with promotional functions and environmentally friendly materials. Exports will continue to focus on markets including the United States. Despite low-price competition from Vietnam, India, Mexico, and China, the new product research and development, increase in the product portfolio, and new market development by the Company's production and sales team are expected to increase sales volume in 2022.

3.Competitive Niches

VCM:

TVCM improves manufacturing processes and equipment to stabilize production and maximize production capacity, purchases competitive raw materials, improves production performance, and reduces costs in order to increase the overall profitability of the entire industry chain.

CGPC and its subsidiaries adhered to the spirit of integration of the vinyl chain and worked together toward the goal of maximizing the production and sales of VCM/PVC/processed products and other products. We seek to minimize costs while stabilizing ourselves amid a series of challenges as we wait for opportunities to create profitability.

PVC resin:

Stable and suitable quality, fast and accurate delivery, full understanding customer needs and full cooperation are the keys to the Company's competitiveness in domestic sales and export of PVC powder.

Chemicals:

(1) Long-term cooperation with companies in Hsinchu Science Park and Central Taiwan Science Park has established a great reputation for the Company's quality and services.

(2) The Company is close to Hsinchu Science Park and Central Taiwan Science Park and we enjoy advantages in the speed of supply.

PVC pellets:

The Company holds the advantage to stably supply PVC pellets and possesses experienced R&D teams that strive to improve quality and develop high value-added new products for its customers.

PVC processed products:

(1)Own brand with established brand recognition.

(2)Sound quality control and after-sales services.

(3)Wide range of current product lines and downstream sales categories prevent the peak and low seasons of a single industry from impacting overall sales volume.

(4)Vertical integration for VCM, PVC resin, and downstream processing.

(5)Comprehensive professional technical talents.

(6)Comprehensive international sales sites.

(7)Comprehensive IATF16949 (International Automotive Task Force) and ISO 9001 quality management system provide outstanding quality assurance.

(8)The Company is able to comply with increasingly rigorous environmental protection regulations such as Prop#65, REACH, and RoHS to provide a favorable basis for export markets.

4.Favorable and unfavorable factors affecting the Company's development prospects and corresponding countermeasures

VCM:

- Favorable Factors:
  (1) Vertical integration for VCM and PVC resin.
  (2) Fully seizing sources of the main raw material EDC and ethylene
  (3) Fully utilizing the production capacity to effectively reduce production costs.
- Unfavorable Factors:
  (1)With the increasingly strict domestic environmental protection policy, accelerated implementation of draft resolutions related to energy conservation and carbon reduction, along with the direction of amendment of the Labor Standards Act, supporting measures and grace periods were below expectations, thereby limiting the transformation and development of the petrochemical industry.
  (2)As the international situation is unpredictable, it is affecting the transportation costs and the price of raw materials. The Russia-Ukraine war may cause related costs to rise.
  (3)Domestic supply of ethylene is unstable, while the cost of ethylene is fluctuated.
- Response Measures:
  (1)Accelerate the improvement and investment of production equipment and energy conservation, water conservation,

electricity conservation, and carbon emissions reduction while improving operation efficiency to maintain high productivity.

(2)Continuously communicating with the government about the Company's plan for fulfilling corporate social responsibility and environmental responsibility in order to achieve consensus on related issues.

(3)Performing continuous control on the source of competitive raw materials and adopting flexible production and sales strategies in response to evolving market changes.

(4)The VCM is mostly used by the Group. We shall carefully adjust inventory and strengthen vertical integration advantages to improve overall profitability.

<u>PVC resin:</u>

● Favorable Factors:

(1)The downward adjustments of upstream products such as ethylene and EDC help improve profitability in the PVC industry.

(2)The production of PVC at the Company's Toufen plant and Linyuan plant complement each other, thereby diversifying product features and ensuring faster delivery of goods with a higher degree of flexibility.

(3)Vertical integration for VCM, PVC resin, and secondary processed products.

(4)Strengthen customer relations and services.

(5)The Company continues to achieve breakthroughs in production and sales to effectively reduce production costs.

● Unfavorable Factors:

(1)The epidemic has impacted the economic recovery schedule of major producing areas in Europe and the United States. Oversupply and inventory pressure will begin to affect the balance of supply and demand in the global PVC market in the second half of the year.

(2)The demand for PVC resin in the international market grew, which accelerated the recovery of idle capacity among China's calcium carbide powder manufacturers. They take the chance to take orders to disrupt the market by waging a price war.

(3)Taiwan has yet to sign FTA with major PVC consuming countries, and thus export opportunities have gradually gone to Japan, South Korea and Southeast Asian countries.

- Response Measures:
  (1)Actively acquire the market of commercial materials for downstream manufacturers in China, India, Bangladesh, and Brazil and establish stable cooperative relationships with them.
  (2)Through distribution channels operated by agents and traders, actively solidify customer base in both India and Bangladesh where the demand for PVC is rapidly growing to expand the sources of sales orders.
  (3)Seeking for long-term support from key customers in each region.
  (4)Enhancing product quality and developing products with unique specifications to enable market differentiation.
  (5)Streamlining organizational operations, improving operational efficiency and enhancing customer service.

Chemicals:

- Favorable Factors:
  (1)The Company has established product quality over a long period of time.
  (2)The Company has a good customer portfolio as market demand for these products is experiencing stable growth.
- Unfavorable Factors:
  (1)The domestic hydrochloric acid market is impacted by the increase in the production of secondary hydrochloric acid which arose from the expansion of potassium sulfate plants.
  (2)The Company's liquid caustic soda product is faced with the competition of goods imported from Mainland China in domestic sales, which has squeezed the Company's profit margin.

- Response Measures:
  - (1)Segmenting sales markets to establish stable sales and distribution channels.
  - (2)Continuously increasing production quality and efficiency, and optimizing production and sales planning.

PVC processed products:

- Favorable Factors:
  - (1)Vertical integration of upstream and downstream processing.
  - (2)Sound quality control and after-sales services with own brand.
  - (3)Comprehensive professional technical talents.
  - (4)Automotive leather has received IATF16949 certification.
  - (5)Research and development in new high value-added and environmental protection products.
  - (6)Continuous improvement of equipment, process, and quality.
  - (7)Establish overseas sales locations and shore up sales channels to expedite market expansion.
  - (8)The Company has printed its identification labels on PVC leather and PVC sheets sold domestically and abroad in order to increase brand awareness and effectively increase customers' willingness to purchase.
  - (9)Continuous research and development of environmentally friendly materials will help enhance product segmentation and market promotion. In 2022, the Company will plan consecutive new product launches focusing on the furniture market in the Americas and marine internal decoration markets. The Company is expected to experience an increase in profit and performance in the Americas in the same year.
  - (10)Apply surface resin processing technologies and expand applications to PVC leather, film and other products. The Company is expected to increase sales volume in the agricultural machinery internal furnishing market in the United States.
- Unfavorable Factors:
  - (1)Development of high value-added and differentiated products is not yet ready.

(2)The cost of green eco-friendly materials is high.

(3)OEM automotive leather exports are restricted by rigorous quality requirements and the long testing and development schedule
delays qualification certification.

(4)Environmental regulations in Europe and the U.S. are becoming more stringent. The Company adjusted product formula and reorganized sales regions in North America in response to the restrictions on the use of flame-retardant agents.

(5)The competition between low-priced products in the same industry at home and abroad and the tariff barriers set by various countries have set up bottlenecks in the Company's plan for market expansion.

(6)Some markets require replacement materials for PVC.

(7)The Company continues to face exchange rate pressure, which reduces export competitiveness.

(8)The impact of COVID-19 epidemic cancels large-scale exhibitions and losses product marketing opportunities.

● Response Measures:

(1)Win public projects and obtain rights to supply building materials for private construction projects.

(2)Continuously engaging in the research and development of eco-friendly materials and high value-added products.

(3)Segmenting sales by product and market to acquire markets for high value-added products.

(4)Continuously reducing production costs and improving production technologies.

(5)Developing business opportunities in emerging markets and launchings new products to capture market share.

(6)Using the successful high-end product portfolio in North America to make promotion in other shipping or furniture markets overseas; the main target regions are Europe, Australia and Asia.

(7)Cooperating with U.S. professional channels of OEM automotive leather and leveraging their profession to accelerate market entry into the automobile industry supply chain.

(8)Establishing strategic alliances with domestic and overseas brands, as well as developing and promoting new materials.

(9)Engaging in information exchange about products and horizontally promoting featured products from different regions to markets across the five continents.

(II) Important uses and production processes of major products

1. VCM:

VCM is mainly used to produce PVC resin and the main material is EDC. VCM and hydrochloric acid are produced in cracking. Ethylene, oxygen and hydrochloric acid produce EDC via oxychlorination (reverse reaction).

2. PVC resin:

PVC resin is mainly used for producing flexible film/sheet, leather, rigid film/sheet, rigid pipes, and extrusion construction products. The materials include VCM, initiators, and dispersants and it is produced through polymerization and drying processes.

3. Chemicals:

Mainly used in water treatment and the production of food MSG, synthetic fibers, detergents, dyes, pulp, steel, etc. and the materials consist of industrial salt, other indirect materials, and water which are refined into pure brine, which is then electrolyzed into liquid caustic soda, hydrogen and chlorine using ion-exchange membranes. Chlorine gas is then reacted with hydrogen and liquid caustic soda to synthesize hydrochloric acid and bleaching liquid.

4. PVC Construction Products:

Production of PVC pipes, foamed PVC pipes, door panels, and foamed door panels and sewer lining mainly for buildings (water pipes, rain/ sewage drainage pipes, wire-protection sleeves, room door, bathroom door and panels), public construction projects (water supply and drainage construction, wire-protection sleeves, and wastewater sewage construction). Raw materials include PVC resin and stabilizing agents which undergo procedures including mixing, gelatinization, extrusion, cooling, and cutting flaring.

5. Soft rubber cloths:

They are used for the production of plastic cloths, half-rigid cloths, transparent cloths, waterproof membranes, swimming pool cloths, net cloths, blowing cloths, adhesive cloths, furniture cloths, advertisement cloths, screen cloths, raincoat cloths, table cloths, shower curtain cloths, and curtain cloths. They are produced from PVC resin, plasticizers, and other auxiliary materials which are mixed under low or high temperature before undergoing procedures including gelatinization, filtering, deferred pressure, cooling, and coiling extraction. They can also be printed or attached with other materials to increase added value.

6. Rigid rubber cloths:

They are used for the production of vacuum forming, pharmaceutical packaging, cooling tower baffle, inner lining, panel cloth, protective cloth, printing cloth, stationery cases, and ceiling foil. They are produced from PVC resin and other auxiliary materials which are mixed before undergoing procedures including gelatinization, extrusion, deferred pressure, cooling, and coiling extraction. They can also be processed or printed to increase added value.

7. Rubber sheets:

We produce foaming sponge leather, non-foaming PVC leather, and leather with surface processing and needle holes for ventilation. They are mostly used as covering for seats for various cars, motorcycles, bicycles, and boats, sofas, SPA coverings, shoe leather, baseball gloves, sports equipment, and covering for medical seats. They are produced from (1) PVC resin, plasticizers, and other auxiliary materials, (2) non-PVC eco-friendly materials which undergo procedures including mixing, gelatinization, filtering, pressing with plastic cloth machines, adhesive backing, pattern printing, and foaming with foaming furnaces or patterning with patterning machines. They can also undergo printing, stain-resistance, anti-slip, and anti-scratching or other special treatments to increase added value.

8. Plastic pellets:

PVC compounds are used for the production of electrical wires, car foot pads, and shrink wraps. They are made from PVC resin, plasticizers, and other auxiliary materials which undergo procedures including mixing, gelatinization, extrusion, and cooling.

(III) Supply of Major Raw Materials

1. The main raw materials of VCM are EDC and ethylene. Long-term contracts have been signed with suppliers to ensure stable supply of these raw materials.
2. The main raw material of PVC resin is VCM, which is produced by the Company for its own use.
3. The main raw material of alkali-chlorine is industrial salt. Long-term contracts have been signed with suppliers to ensure stable supply of these raw materials.
4. The main raw material of plastic clothes and leather are PVC resin and plasticizers and the supply status is as follows:
   (1) PVC resin PVC resin is mostly produced and used by the Company and only small quantities are purchased from external sources.
   (2) Plasticizers: They are mainly supplied by Nan Ya Plastics Corporation, and special plasticizers are purchased from abroad.
5. The main raw material of construction products is PVC resin, which is mainly self-produced and supplied, and thus the source of this raw material is stable.

(IV) The names of customers who accounted for more than 10% of sales for any given year within the last two years, their purchase amount and proportion, and reasons for changes (increase or decrease) in sales:

1. Suppliers with purchase amount exceeding 10% of total purchase in the most recent two years (Note 1):

Unit: NT$ thousand

	2020				2021				Q1 2022 (Note 2)			
Item	Name (Note 1)	Amount	Ratio to the net purchases of goods [%]	Relationship with the Issuer	Name (Note 1)	Amount	Ratio to the net purchases of goods [%]	Relationship with the Issuer	Name (Note 1)	Amount	Ratio to the net purchases of goods of the first quarter of the current year [%]	Relationship with the Issuer
1	Company A	1,360,745	20.44%	None	Company A	4,283,875	32.37%	None	Company A	1,712,973	43.31%	None
2	Company B	852,884	12.81%	None	Company B	1,811,342	13.69%	None	Company B	487,249	12.32%	None
3	Company C	682,671	10.25%	None	Company C	1,249,860	9.44%	None	Company C	298,621	7.55%	None
4	Company D	1,210,356	18.18%	None	Company D	1,088,257	8.22%	None	Company D	254,231	6.43%	None
5	Company E	299,178	4.49%	None	Company F	534,558	4.04%	None	Company G	246,624	6.24%	None
6	Others	2,252,516	33.83%	(Note 3)	Others	4,266,837	32.24%	(Note 3)	Others	955,518	24.15%	(Note 3)
	Net Purchases	6,658,350	100%		Net Purchases	13,234,729	100%		Net Purchases	3,955,217	100%	

Note 1: List the name of suppliers who account for more than ten (10) percent of the total purchases of goods and their amount and proportion of purchase of goods in the most recent two fiscal years. However, if the name of suppliers or counterparties who are individuals or non-related persons cannot be revealed due to contractual agreements, their codes shall be indicated.

Note 2: As of the publication date of this annual report, if financial information of companies that are publicly listed or whose shares are traded on TPEx were recently audited or reviewed by CPAs, such information should be disclosed.

Note 3: No suppliers who account for more than ten (10) percent of the total purchases of goods Proportion of purchases from related parties: 2020 0.54%; 2021:1.19%; First quarter of 2022: 4.80%.

*Reasons for increase and decrease in purchases: Considering the supply volume, prices, delivery time, the Company's production plan and inventory, the purchase amount from different suppliers varies each year.

2. Customers with sales amount exceeding 10% of total sales in the most recent two years: None.

(V) Production volume and value in the most recent two fiscal years

Production: Except for rubber leather for which the unit of measurement is thousand yards, others are in metric tons. Production value: NT$ thousands

Production volume and value / Year / Major Products		2020			2021		
		Production Capacity	Production Volume	Production Value	Production Capacity	Production Volume	Production Value
PVC resin, plastic pellets, and chemicals		531,375	457,020	9,942,701	531,375	504,228	15,741,563
Vinyl chloride monomer		485,000	391,457	6,528,342	485,000	476,165	12,134,168
PVC film/sheet		72,660	31,617	1,623,697	72,660	30,476	1,956,156
PVC Construction products		26,700	20,995	711,922	26,700	20,061	888,843
PVC leather		8,600	6,632	553,928	8,600	8,493	826,533
Others		0	733	83,761	0	840	98,610
Total	Tons	1,115,735	901,822	19,444,351	1,115,735	1,031,770	31,645,873
	Thousand meters	8,600	6,632		8,600	8,493	

Note 1: Production capacity refers to the volume of production that can be produced by a company using existing production equipment and under normal operation, after taking into consideration factors such as necessary downtime, holiday, etc.

Note 2: Substitutable production capacity may be included in the production capacity and be stated in the note.

(VI) Sales volume and value in the most recent two fiscal years

Sales: Except for rubber leather for which the unit of measurement is thousand yards, others are in metric tons. Sales value: NT$ thousands

Year SalesVolume and Value Major Products		2020				2021			
		Domestic Sales		External sales		Domestic Sales		External sales	
		Volume	Value	Volume	Value	Volume	Value	Volume	Value
PVC resin, plastic pellets, and chemicals		109,675	1,916,898	306,788	8,238,647	107,952	2,559,733	316,211	12,655,678
Vinyl chloride monomer		12,361	304,482	0	0	25,492	1,007,396	0	0
PVC film/sheet		17,809	945,549	12,701	680,824	15,854	1,028,573	13,538	934,316
PVC Construction products		20,124	752,017	11	811	19,465	944,000	11	966
PVC leather		2,908	269,081	4,070	624,839	2,700	281,510	5,157	809,352
Total	Tons	159,969	4,188,027	319,500	9,545,121	168,763	5,821,212	329,760	14,400,312
	Thousand meters	2,908		4,070		2,700		5,157	

III. Employee Information

Information on employees in the last two years and as of the printing date of the annual report

Year		2020	2021	March 31, 2022
Number of Employees	Staff	363	354	358
	Workmen	596	570	563
	Total	959	924	921
Average Age		46	47	47
Average years of services		19	18	18
Percentage Distribution of Academic Qualifications	PhD/Master's degree	10%	11%	11%
	Bachelor's Degree	32%	32%	32%
	Junior college	13%	14%	14%
	Senior High School	22%	22%	21%
	Below senior high school	2%	2%	2%

IV. Information Regarding Environmental Protection Expenditure

(I) Total amount of losses (including compensation and violations of environmental protection regulations in the results of environmental protection audits; the date of the penalty, penalty document number, articles in regulations violated, contents of violation, and contents of penalties) and penalties incurred due to environmental pollution in the most recent fiscal year up to the publication date of this annual report:

Date of disciplinary action / Disciplinary official letter No.	Regulation Violated	Penalty Amount (NT$ thousand)	Facts violated	Improvement Measures
2021/07/27 / 20-110-070013	Article 23 of the Air Pollution Control Act Paragraph 1	225	On March 10, 2021, the Southern Branch Bureau of Environmental Inspection of the Environmental Protection Administration sent personnel to the Company's Linyuan Plant to detect the leakage concentration of volatile organic compounds (VOCs) in the equipment components. The results showed that the detection concentration value was 16,391.8ppm. After the plant stated that this is not an equipment component defined by regulations, the Department of Environmental Protection modified it in accordance with Paragraph 1, Article 13, of the Air Pollution Control and Emission Standard for Volatile Organic Compounds: Penalties for not sealing, collecting and disposing.	We shall reinforce the tracking management of leak points and the frequency of voluntary inspections.
2021/08/15 / 34-110-080001	Paragraph 1, Article 41, of the Toxic and Concerned Chemical Substances Control Act	1,000	On June 2, 2021, the Japanese factory's vinyl chloride monomer manufacturing procedure (M01) buffer tank (V6203) flange leaked at 07:35. The Factory reported no later than 08:33; this violated Paragraph 1, Article 41 of the Toxic and Concerned Chemical Substances Control Act. It stipulates that the poisoning accidents should be notified within 30 minutes.	We shall strengthen advocacy and education and training, and revise the operating procedures.

(II) Corresponding countermeasures (including possible improvement measures of current and future) and possible expenditures:

1.Environmental protection policies:

(1)To comply with relevant environmental protection and occupational safety and health regulations and relevant requirements derived from such regulations.

(2)To continuously conserve and reuse resources and energy, and reduce industrial waste.

(3)To prevent pollution, reduce potential risks in operations.

(4)To continuously provide employees with education and training, and carry out work related to environmental protection and occupational safety and health.

(5)To actively communicate with customers and residents, manage suppliers and contractors, and encourage all employees to participate in work related to environmental protection and occupational safety and health.

(6)To thoroughly implement environmental management system to enhance environmental performance and reduce environmental safety risks in communities.

2.Expected environmental protection expenditures:

Unit: NT$ thousand

Year	2022	Amount
Item	1.Operating and maintenance charges for wastewater treatment equipment	100,000
	2.Operating and maintenance charges for wastewater treatment equipment	50,000
	3.Air pollution prevention charges	28,000
	4.Industrial waste cleanup and disposal charges	3,000
	5.Regular applications for inspection of stationary sources of pollution	1,000
	6.Pressure container inspection fees	500
	7.Noise improvement	400
Expected Expenditures		182,900

(III) In response to the Restriction of Hazardous Substances (RoHS) prescribed the in European Union's Directives:

The Company is RoHS-compliant, and RoHS has no effect on the Company's financial operations.

V. Labor Management Relations

(I) The Company's employee welfare policies, continuing education, training, retirement systems, and implementation status, labor-management agreements, and protective measures for employees' rights and interests:

1.Employee welfare measures:

The Company's salary system determines employees' salaries in accordance with the employees' academic background, expertise, skills, and seniority. It does not discriminate between genders, religions, races, or political affiliations. In addition to fixed wages, employees' salary also includes performance bonus, year-end bonus, etc.

The Company makes annual salary adjustments according to the profitability. The average employee pay rise for 2021 was about 3% Employees' compensation shall not be lower than 1% of the distributable earnings for the current year. The proposal to distribute NT$26,485 thousand for 2021 was adopted by the Board of Directors on March 9, 2022.

The Company regularly arranges health checkups every year. The head office in Taipei is equipped with a gym and shower rooms. The plants are staffed by certified nurses to provide its employees with health care and medical assistance. Female employees are provided with menstrual leave and independent spaces for nursing. We cooperate with childcare services to provide childcare services.

Toufen Plant includes single dormitories and dormitories for family members for employees who are citizens of the country. They can be used by employees who live outside the area for long periods of time. The dormitory is equipped with recreational facilities such as basketball courts, table tennis rooms, and lounges.

Employees' applications for unpaid parental leave can be submitted before their children reach the age of three and the leave can be extended for up to two years.

The Company has established the Employee Welfare Committee and sets aside fund for the welfare fund in accordance with the Employee Welfare Fund Act. The Company manages the use of the employee welfare fund for various beneficial activities to promote the physical and mental health of employees. All employees of the Company are entitled to fair access to all benefits provided by the Employee Welfare Committee. The retention and use of the employee welfare fund are processed by the Employee Welfare Committee.

2.Employee education and training:

(1)The Company has formulated employee training regulations. We regularly conduct surveys on employee training needs every year in accordance with the regulations and formulate annual training plans. The Company also prepares budgets for training and conducts various types of training. All employee training in professional skills, management skills, and seminars are included in the scope of training. Employees can improve their skills and knowledge through supervisors' instructions, onsite instructions, and digital learning.

(2)In order to combine both employee training and promotion, the Company has specifically established general education courses for promotion in order to encourage employees to actively learn and study. Employees must complete the prescribed courses before they can be officially promoted. Employees with potential are administered training courses for trainee supervisors to train base-level supervisors.

(3)For employees who demonstrate a strong willingness to learn and develop their potential, the Company provides grants for further education in local universities, which are supplemented with career adjustments in their respective positions.

(4)Employee training is recorded and archived. Every year, employees have to attend at least 8 hours of internal training, which is taken into account during the employee's performance appraisal. At the end of each course, the Company conducts employee opinion surveys and prepares review reports. Satisfaction surveys are conducted from time to time to collect employees' opinions and recommendations on employee training as a reference for improving training.

(5)Employee training implementation status: A total of 5,061 participants took part in training programs in 2021, and training fees totaled at NT$2,226 thousand.

Training Name	Training Participant		Training Name	Training Participant
(Not Human Resources Manager) Human Resources Management	Supervisors		2021 Plastic Industry Innovation Forum	Engineer
Marketing Management/ Systems Thinking and Team Guidance	Supervisors		API ICP 570 Process Pipeline	Equipment inspector
Leadership and Talent development	Managers/ Senior managers		ISO 18436-2 International Vibration Analyst Training	Equipment inspector
Strategy Management	Managers/ Senior managers		ISO 50001 Internal Auditor Education and Training	ISO 50001 Internal Auditor
VCM Moisture Analyzer Training	Quality Inspection Section personnel		Promotion and Sharing of Implementation of PSM Plan	Process Engineer
Problem Analysis and Solving Practice	All plant personnel		SEW Motor with Decelerator Maintenance Education and Training	Maintenance Personnel
Taiwan Cement’s Road to Digital Transformation in the Post-epidemic Era	All plant personnel		General Loader Training	General Loader Operator
Precautions for Profit-seeking Corporates Reporting Income Tax	Costs Section		Learn to communicate well in one course	General employees
Labor Standards Act Advocacy Meeting	Human Resources		Class B Boiler Operator Training	Class B Boiler Operator
Annual Overhaul Construction Safety and Health and Laws Advocacy Meeting	Manufacturing Management Department/ VCM Plant		Personnel Defensive Driving Education and Training	Maintenance Section personnel
Emergency Response (including Process Overview)	All plant personnel		The Sound of the Earth	General employees
Mitalk Environmental Microbiology Workshop	Special Environmental Testing Section		Truck driving training	Truck Driving
PSI Process Safety Information Education and Training	Supervisors/General employees		Work Safety Training	PVC Sheet Maintenance Section Personnel
Explanation of PVC Factory Process/ Explanation of VCM Factory Process	Equipment Inspection Section		Industrial Acoustic Imager Education and Training	Maintenance Personnel
Instructions on Ethylene Analysis and Calibration Method	Quality Control Section		Introduction of Material Characteristics and Manufacturing Technology of Stainless Steel	Engineering personnel
Study on Labor Act for HR Personnel	Human Resources		Safety and Health On-the-Job Training for Hazardous Operations Supervisors	Hazardous Operations Supervisor

Training Name	Training Participant		Training Name	Training Participant
Human Resources Management Rules and Regulations Formulation Skills and Practice Course	Human Resources		Organic Solvent Operations Supervisor Training	Organic Solvent Operations Supervisor
ISO 13485 Medical Device Quality Management System Internal Auditor Training	Plastic Pellets Engineer		Primary Visual, Fluid Seepage, Ultrasound (VT, PT, UT) inspection	Equipment inspector
Cosmetic Microbiological Inspection and Identification Training	General employees		Anti-rust Technology for Applying on Metal Surfaces	Process Engineer
CommonWealth Magazine LeaderCampus	Supervisors/General employees		Security Inspector Training	Security Inspector
Class C Occupational Safety and Health Business Managers	General employees		Quality and Process Control Training	Rubber Quality Control Personnel
Compulsory Course on Labor Act for Supervisors	Supervisors/General employees		On-the-Job Training for First-aid Personnel	First-aid personnel
Description of Main Transformer Equipment	Instruments and Electrical Section		Food-Grade Product Education and Training	Alkali-Chlorine Section personnel
Emergency Power Supply System Operating Instructions	Instruments and Electrical Section		Pre-Machine Cleaning Power Off Operation Drill	All plant personnel
Instructions, Improvement, Cultivation Planning, and Implementation	Supervisors		Responsible personnel for Class A Waste Water	Responsible personnel
Objectives Management and Performance Evaluation	Supervisors		Class A Occupational Safety and Health Business Managers	Business Managers
Somatosensory training for disassembly and assembly of petrochemical equipment parts	Manufacturing Management Department/ Maintenance Section		Precautions of Hazardous Equipment	Rigid Pipe Management Section personnel
Analysis of Common Problems in Handling Corporate Finance and Taxation	Costs Section		Supervisors of Specific Chemical Operations	Specific Chemical Operations Supervisor
Corporate Human Observation	Supervisors		On-the Job Training for Supervisors of Dust Operations	Supervisor training on dust operations
Description of Operation Procedures Related to Underground Pipeline Maintenance and Transportation	Equipment Inspection Section		Health Risk Evaluator Training	Responsible personnel/ Relevant employees
Material damage analysis	Equipment Inspection Section		Descriptions of Temperature Control and Abnormal Elimination	Rigid Pipe Management Section personnel
Incident Investigation Methods and Case Drills/ Practical Seminar	Supervisors/General employees		Application and Review of Defect Detector	PVC Leather Section 1 personnel
Operation Instructions for Key Equipment Inspection of Two Factories	Equipment Inspection Section		Polyolefin Technology Seminar Series	Plastic Pellets Engineer
Knowledge Management	Supervisors		Process Safety Operation and Quality Training	PVC Compound Section personnel
Construction Safety Management Practice Seminar	Labor Safety Office/ Relevant employees		Inspection and Certification Comparisons and Practices (1~4)	Inspection Section personnel
Operation Instructions for Pump Repair	Maintenance Section		Instrument and Electrical Engineering Training-Introduction of Ball Valves	Engineering personnel
Infrared analysis	Equipment Inspection Section		Instrument and Electrical Maintenance and Repair Training	Instruments and Electrical Maintenance Personnel
Employee Code of Conduct Test	Supervisors/General employees		Ancillary Equipment Calibration Personnel Training	Ancillary Equipment Calibration Personnel
Employee Counseling Skills and Emotion Management Workshop	Human Resources		PVC Sheet Quality Inspection Training	PVC Sheet Quality Control Personnel
Radiographic inspection	Equipment Inspection Section		Raw Materials and Formula of Plastic Sheets	Technical Quality Control Section personnel
Education and Training on the Operations of Gas Cylinders	Equipment Inspection Section		Mechanical Training	Mechanical Maintenance Personnel
Operation Instructions for High-speed Lathe/ Fitter	Maintenance Section		Radiation Protection Workshop	Radioactive equipment operators
Discussions on Leadership and Dominance from the Romance of the Three Kingdoms	Supervisors		Production and application of environmental protection materials	PVC Leather Section 1 personnel
Promotion of Industrial Park Social Responsibility	Human Resources		Advocacy on Areca Nut Health Hazards	Personnel who Consumes Areca Nuts
Seal Monitoring of Electromechanical Device and Gas Sensor Calibration Practice	Maintenance Personnel		Operation Instructions for Portable Electric Welding Machine with Power Generator	Maintenance Section

Training Name	Training Participant
USI Group Linyuan Industrial Park Fire Safety Training with Real Fire	General employees
Formasa Plastics Plant in Mailiao Industrial Park General Examination Outcomes Presentation	Process Engineer
International Trend of Net Zero Carbon Emissions and Green Transition of Chemical Industries	All plant personnel
API 580 Risk Based Inspection RBI Professional Personnel Training	Inspection Section Personnel
Internet Copyright and How to Use Software Legally	All plant personnel
Create High-performance Teams	Supervisors
“Jason's Day - A Compulsory Course for Digital Freshmen” Online Course	General employees
Do you want to buy Tesla? - How digital transformation is subverting industries spoken by Tesla	General employees
Safety and Health On-the-Job Training for Forklift Operators	Forklift Operators
Practical Workshop on On-site Service for Labor Health Service Personnel	Labor Safety Office
Corrosion and Deterioration Assessment Mechanism and Testing Practice Training of Equipment Pipelines	Equipment Inspection Section
Seminar on Knowledge, Ability and Practice Sharing of Labor Health Service	Labor Safety Office
PSM Education and Training Course- Preliminary Manufacturing Process, Panel Control Principle and Operation Training	Manufacturing Section
Safety and Health On-the-job Education and Training for All Business Managers who are in Charge of management, Command, and Supervision	All Supervisors
Continuing Training Class for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	Manager of Accounting Department
Eddy current testing	Equipment Inspection Section
Grievance and Conflict Management	Supervisors
Information Security Awareness Education Training	Information Technology Division
Intergenerational Leadership and Communication Skills	Supervisors
Magnetic particle Inspection	Equipment Inspection Section
Equipment Maintenance Operations Procedures	Maintenance Section
Description for Safe Work Permits, Labels on Equipment, and Description for Blind Sealing Procedures	Maintenance Section
Writing Skills for Engineering Construction Regulations, Engineering Procurement and Bidding and Price Comparison Skills	Engineering Section
Security Supervisors Refresher Course	Relevant employees
Laboratory Operations Guidelines and Training for Improvement of External Audit Deficiencies	Cranes Operations Personnel
Introduction and Case Analysis of Trade Secrets Act	All plant personnel
Insider Trading Practical Cases and Related Legal Liabilities	Supervisors
Hanging Operations Personnel who uses Cranes	Equipment inspector
Small-Sized Boiler Operator Training	Special Environmental Testing Section
Portable GC Education and Training	Application Planning Section
TAF Certification Test Standards (All), Finished Product Inspection Instrumentation and Testing and Calibration Retraining	Inspection Section personnel
Internal Auditors’ Analysis on Legal Compliance Fraud Prevention Practices Related to “Information Security” and “Personal Privacy.”	Internal Auditors
On-the-Job Training for Type I Pressure Vessel Operators	Relevant employees
Training for Operators of Fixed Cranes with Hoisting Capacity of 3 Tons or More	Relevant employees
Operators of Fixed Cranes with Hoisting Capacity of more than 0.5 Tons but less than 3 Tons	Relevant employees
Raw Material/Material Inspection, Test Development and Rubber Inspection and Calibration Retraining	Inspection Section personnel
Safety and Health On-the-job Training for Operators of Oxygen-deficient and Confined Space Operations	Operators/ Supervisors of Oxygen-deficient and Confined Space Operations
Safety and Health On-the-job Education and Training for Special High-Pressure Gas Equipment Operators	Operators of Special High-pressure Gas Equipment Operation/ Supervisors
Transformation DNA: Amazon's Culture of Innovation	Supervisors/General employees
Communication and Effective Leadership within an Organization	Supervisors
Self-Defense and Fire Marshalling Team Training	Self-defense and firefighting team personnel
Instructions on FID, S.S and COD Detecting Instrument Operations	Relevant employees
BYPASS is added on both sides of HE-1201	Relevant employees
ISO 9001 Measuring Instrument Calibration and Management Practice	Relevant employees
Handling Documents- Use of CMMS and ERP	Relevant employees
Workplace Health Promotion Seminar: In-plant health check results analysis/ prevention of common cardiovascular diseases in 2021	Supervisors/General employees
Training of Professional Technical Management Personnel for Class A Toxic and Concerned Chemical Substances.	Responsible personnel
First Aid Personnel Training Course	Relevant employees

Training Name	Training Participant	Training Name	Training Participant
Senior Laboratory Personnel Training for Laboratory Development and Testing	Special Environmental Testing Section	Process Operation Training- Familiar with DCS and PID	Relevant employees
Training of Professional Response Commander for Toxic and Concerned Chemical Substances	All plant personnel	Factory SOP Education and Training	Relevant employees
New Training Course for Kaohsiung City Pipeline Excavation Engineering Management Personnel Certification Program	Equipment Inspection Section	Fire Prevention Personnel	Relevant employees
Latest interpretations of corporate governance policy and audit compliance practices for setting “corporate governance personnel”	Internal Auditors	Workplace Health Promotion Seminar: Embrace a Joyful Life and Carry Out Recommended Practices to Protect Joints	Supervisors/General employees
The 33rd (2021) Environmental Engineering Annual Conference and Various Special Academic Seminars	Application Planning Section	Confirmation of On-site Construction’s Environmental Safety Item by Item, and Description of Operations Procedures for Equipment Maintenance Worksheets	Maintenance Section
Continuing Education Course for Directors and Supervisors The Value of Information Security in the Post-epidemic Era and during the China–United States Trade War and Discussions on Insider Trading	Senior managers	The 1st Collaborative Partnership Seminar on Land and Water Sustainability and Climate Adaptation	Environmental Protection Technology Division personnel
Sampling Drill Operation Training and Establish Practice Training for Well Remediation	Application Planning Section	Negotiation Skills	Supervisors
Description of Equipment Assembling and Disassembling Procedures and Use of Pump Shaft Seal Cooling Water	Maintenance Section	Modify Management Process, Calculation of Chemical Unit Operation Principles, Introduction of Chemical Machinery Devices/ Materials	Technical Section
Basic Training of Cathode Corrosion Protection System Maintenance and Detection	Equipment Inspection Section	Purchase Requisition and Bidding Procedures	Maintenance Section
Implementation of the Management Cycle	Supervisors	Tank Cars Filling Operation, Response and Safety Instructions	Storage and Transportation Section
Manufacturing Section January to August PSM Training	Manufacturing Section/ Utilities Section	Environmental Analysis Quality Assurance and Quality Introduction and Case Analysis	Application Planning Section
Discussion and Training Seminar on Process Hazard Analysis Practice	Technical Section	Storage Tank Operation, Response and Safety Instructions	Storage and Transportation Section
On-the-job Education and Training on Safety and Health for General Labor and for Process Safety Assessment Evaluator	General employees	Calibration of Electromechanical Device Sensor and Computer-aided Simulation of Sealing Practice Training (STC)	Maintenance Section
ISO9001 Introduction	Supervisors	Seminar on 7 Major Guidelines for General Affairs and Procurement Personnel Management	Management Section
Pre-Review Training before Certification	General employees	Screw Bolt Usage Instructions	Maintenance Section

3.Pension scheme Employee Retirement:

(1)The "Labor Pension Act" was effective on July 1, 2005. The retirement pension provisions of the Labor Standards Act continue to apply to incumbent employees and a Labor Pension Reserve Fund Supervision Committee was established. Every month, 10% of each employee's salary is allocated to the pension reserve fund, and retired employees can receive their pension in accordance with the law.

(2)After the implementation of the Labor Pension Act, for all new employees and incumbent employees who choose to follow the applicable retirement pension system stated in the Labor Pension

Statutes, or for incumbent employees who choose to follow the applicable retirement pension system stated in the Labor Standards Act but choose to follow the retirement pension system stated in the Labor Pension Act again within five (5) years, the Company shall allocate and save six (6) percent of each employee's salary every month into the personal labor pension account set up for each employee by the Bureau of Labor Insurance.

(3) Employees can also voluntarily contribute another six (6) percent of their individual salaries every month separately as retirement pension. The voluntary pension contribution shall be fully deducted from the employee's total comprehensive income for the year.

(4) After choosing to follow the retirement pension system stated in the Labor Pension Statutes, employees shall not be allowed to switch to the retirement pension system stated in the Labor Standards Act again.

4. Employer/employee agreement and protection of various employee rights:

The management attends meetings of the corporate union board of directors each month. The Company has established the Regulations Governing the Handling of Employee Complaints, Opinions and Feedback and organizes periodic Labor-Management meetings to listen to employees' opinions and effectively resolve labor-management issues.

5. Related certifications obtained from the relevant competent authorities by personnel associated with the transparency of financial information:

Departments	Name	Relevant Certification
Accounting Division	Kuo, Chien-Chou	Continuing Training Class for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges, Accounting Research and Development Foundation (2021/12/09~2021/12/10)
Auditing Division	Kang-Nien Chiang	International certified internal auditor (CIA)

6.Employee Code of Conduct or Ethics

In accordance with the Labor Standards Act and relevant laws, employees' work rules and various management systems (described below) have been established in order to maintain workplace discipline and order among employees.

(1)Every employee is given an Employee Work Rules Handbook which specifies the behavior or work ethic of employees, including employment, dismissal, working hours, vacation, leave, rewards and punishments, performance appraisal, retirement and welfare.

(2)Pre-employment training for new employees covers education on work ideals, ethics, quality management system, environmental protection, occupational safety and health management.

(3)Signing of Letter of Undertaking by employees: This document establishes the employees' commitment towards maintaining the confidentiality of information regarding the Company's tangible and intangible operating assets, preventing the employees from infringing on the interests of the Company and so on.

(4)Disclosure on the Company's website: The 'Codes of Ethical Conduct for Directors, Supervisors and Managerial Officers', 'Ethical Corporate Management Best Practice Principles', 'Employee Work Rules', 'Code of Conduct for Employees Regarding Concurrent and Part-time Work', and 'Procedures for Handling Material Insider Information'.

7.Protection measures for work environment and employees' personal safety:

(1)With regard to the promotion of environmental protection and occupational safety and health, the Company not only complies with the relevant laws and regulations but also expects to meet internationally recognized standards. The Company has successfully obtained ISO 14001 (environmental management system), ISO 45001(occupational health and safety management system), TOSHMS (Taiwan Occupational Safety & Health Management System), and so on.

(2)Each plant has a corporate labor union. The Occupational Safety and Health Committee has been set up in accordance with the Occupational Safety and Health Act. Labor representatives are appointed by labor unions. The percentage of committee members is above more than one-third of the members, which is higher than the number stipulated by the regulations. The Committee meets once per quarter. Labor representatives voice the opinions of all employees and discuss issues relating to environmental protection and safety and health.

Summary of Discussions of the Occupational Safety and Health Committee in 2021:

2.1 Improvement of Diesel Storage Tanks and Diesel Containers
2.2 Issue of South Plant's Street Lights at Night
2.3 Audit by Contractors
2.4 Evaluation and Installation of Speed Limiter for Forklifts inside the Plant and for Contractor Forklifts
2.5 Replacing the Iron Core Tube of the Winder
2.6 Contractor Forklift Management Issues
2.7 Issues on the management of the contractors loading and unloading vehicles
2.8 How to strengthen epidemic prevention during the epidemic period
2.9 Issues on outsourced personnel who did not wear masks during the epidemic period
2.10 South Plant Parking Lot Entrance and Exit management
2.11 Report of Incidents and Contractor Management Issues
2.12 Establishment and Evaluation of AED
2.13 Road Pothole Repair
2.14 South Plant Parking Lot Ground Repair
2.15 Regulations on Acceptance Test conducted by the Calibration Personnel
2.16 Contractor's Briefing before the start of Operations
2.17 Adjustment of the Meeting Time of the Safety Committee
2.18 Factory Bathroom Floor Cleaning Issues
2.19 Contractor Industrial Accident Issues
2.20 Electric Forklift and Forklift equipped with Reversing Sensor
2.21 Replacement of Wireless Controller for Stationary Crane Controller
2.22 Diesel Drum Reduction Management
2.23 Fire Safety Equipment Management

(3)The Company has established the "Contractor Environmental Safety and Health Management Guidelines" for contractor safety management. The content includes pre-work education and training, hazard awareness during coordination meetings, safety checks and work safety permits must be obtained before giving permits to the construction, and strengthened safety supervision during construction.

CGPC provides safety training for contractors and organizes contractor operation safety and health management training before each construction project to improve construction safety and overall health standards. A total of 369 training sessions were organized to improve construction safety and overall health standards.

(4)The Company has established the "Safety and Health Inspection and Environmental Protection Inspection Guidelines" to conduct inspections on the safety and health-related matters of the plant in order to ensure the safety of the operations as well as the personnel. If any defects are found, notices are given and the deadline for improvement depends on the nature of the event.

4.1. A total of 1,028 items were inspected by on-site supervisors in 2021.

4.2. The rate of improvement of defects found in environmental safety and health inspections in 2021: Deficiencies: 1,328 items; improvements: 1,152 items; improvement rate: 86.7%.

(5)Strengthen enhance self-inspection and actively participate in activities of the Labor Safety and Health Promotion Associations of Toufen and Zhunan Industrial Parks.

(6)Actively attend activities held by Taiwan Responsible Care Association (TRCA) in the chemical engineering industry and improve safety and environmental protection performance, reduce injuries from accidents, ensure financial profitability, increase company output, implement community services, and be a good neighbor to the community based on the spirit.

(7)The Company provides its employees with comprehensive health care. In addition to the formulation of guidelines related to employee assistance services and gender equality in the workplace, the Company also provides group insurance, annual health checkups, sports and fitness equipment, as well as organizes various outdoor recreational activities and talks on mental, emotional and spiritual health.

8.Fulfilling Social Responsibilities:

(1)The Company makes contributions to our social and economic well-being.

(2)The Company encourages its employees to participate in various service activities to promote community and social development.

(3)The Company complies with government regulations and dedicates full effort to reduce the negative impact of business activities on the environment to achieve goals in environmental protection policies (e.g. adoption of environmentally friendly coolants and energy-saving lighting equipment for reducing carbon emissions and greenhouse gases).

(4)The Company does its best to take into account local cultural and social traditions when implementing various business activities.

(5)The Company has always been committed to the principle of equal opportunities and recognizes the contribution of employees from different backgrounds. The Company adopts an open selection process and hires the right talent for the right position, instead of restricting employees' career development based on their race, gender, age, religion, nationality, or political affiliation.

(II) Loss (including labor inspection results in violation of labor standards law, the punishment date, punishment name, violation of laws and regulations, content of violation of laws and regulations, and punishment content shall be listed) sustained as a result of labor disputes in the most recent fiscal year, and during the current fiscal year up to the date of printing of the annual report, disclose an estimate of losses incurred to date and indicate mitigation measures being or to be taken:

The Company has always paid serious attention to communication and harmony between the employer and employees, and labor disputes can be communicated and overcome through mutual trust. Hence, there has not been any labor dispute in recent years. Based on the good relations between the employer and employees, no labor dispute is expected to happen in the future.

6. Information and Communication Security Management

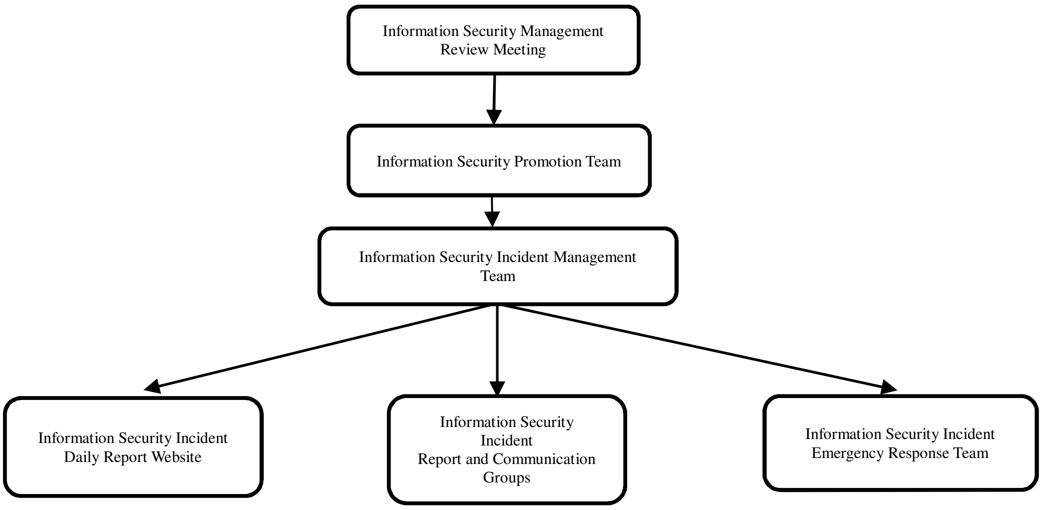
(I) State the information security risk management framework, the information security policy, the specific management plan, and the resources invested in the information security management:

1. Information Security Risk Management Framework:

(1). Information Security Management Organization:

The Company holds an annual "Information Security Management Review Meeting", to make judgments on the six input projects (resolution status of past management reviews, changes to internal and external issues related to the information security management system, feedback on information security performance, feedback from related parties, status of risk assessment results and risk management plans, opportunities for continuous improvement) of the information security management system, and to conclude the two output projects of the information security management system (decisions related to continuous improvement opportunities and any need for changes to the information security management system), to achieve the objectives of the information security management system.

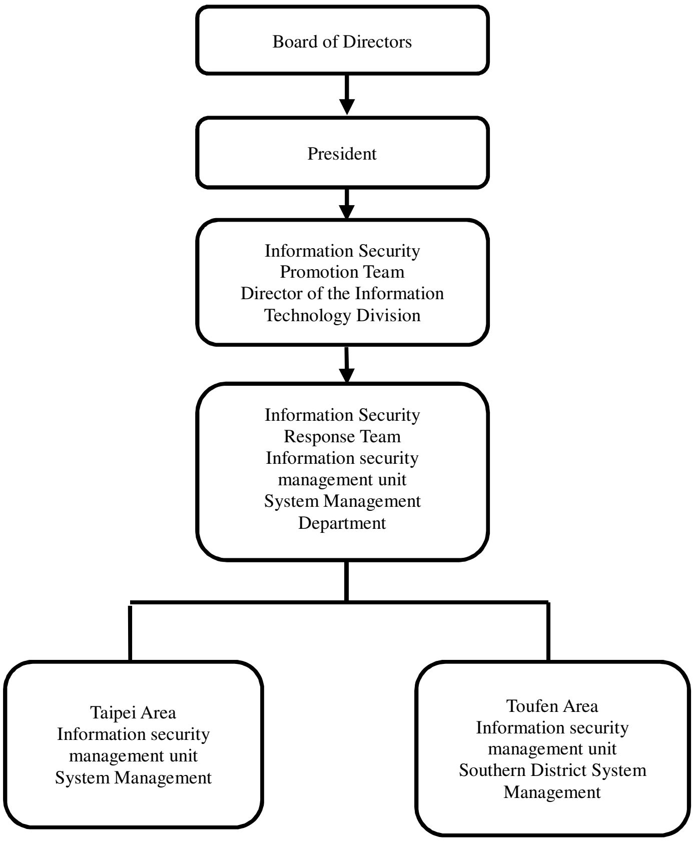
Organizational Structure of Information Security Management Review Meeting



(2).Information Security Organizational Structure:

We established the "Information Security Implementation Team" in accordance with the "Information Security Implementation Organization Regulations" in the Company's internal standard operating procedures to supervise the implementation status of information security management of the Group and clarify the roles and duties of various organizations. The Team convenes one regular meeting each year and meetings can be organized immediately in the event of material information security incidents of the Group. The director of the Information Technology Department serves as the convener of the Team and takes charge of the meetings of the Information Security Implementation Team as well as decisions and arbitration of opinions in the meetings. The supervisors of units under the jurisdiction of the Information Technology Department are members of the Team. In the event of a material information security incident, the director of the Information Technology Department shall report to the general manager or heads of related departments.

Organizational Structure of
Information Security Promotion Team



Responsibilities of Information Security Promotion Team:

- (2.1) Formulate the information security risk management framework and information security policy
- (2.2) Conduct information security risk assessment and analysis
- (2.3) Conduct information security maintenance and implementation
- (2.4) Verify the effectiveness of information security operation implementation

(3) Set up a chief information security officer and a dedicated unit for information security:

According to the “Amendments made to Article 9-1 of the Regulations Governing Establishment of Internal Control Systems by Public Companies” issued by FSC, the Company has set up a dedicated unit for information security before the end of 2023.

2.Information Security Policy:

Information security management policies and frameworks:

(1).ISO 27001 Information Security System:

ISO 27001 is established since 2014: The 2013 information security management system has been continuously operated and promoted. The Company entrusts an external professional information security certification and inspection company to carry out examinations. We have passed the certification and inspection for 7 consecutive years.

(2).NIST CSF Information Security Management Framework:

The Cybersecurity Framework (CSF) developed by the National Institute of Standards and Technology (NIST) is included.

(3).The Company’s mainstay is the ISO 27001 information security management system, supplemented with the NIST CSF information security management framework. This strengthens risk control, improves cyber resilience, gives the Company the ability to withstand, contain and quickly recover from information security incidents, and allows us to continuously provide key operations services.

3.Specific management plan:

(1).Vulnerability Scanning Inspections: Regularly conduct vulnerability scanning inspections on the server’s operating system to identify potential risks for system corrections or propose compensatory measures and improve information security. It has been implemented for 6 consecutive years.

(2).Information Asset Control: Establish an information asset management platform to record the information assets, mark asset items, use status, and maintenance records, and conduct regular inspections and maintenance.

(3).Firewall and industrial control equipment (OT): Adopt Palo Alto networks 3220. The new layer 7 firewall system improves the execution efficiency of filtering incoming and outgoing packets and effectively reduces the risk of exposure due to system vulnerability.

(4).Key Server: Crowd Strike is deployed, using non-feature matching artificial intelligence (AI) and machine learning (ML) modes, to analyze attack behaviors instantly, and block known and unknown potential threats.

(5).Email: Adopt the Microsoft Office 365 plan and Advanced Threat Protection (ATP) against unknown malicious code and viruses. Through operation on mail cloud, the number of AD and Domain Controller (DC) is gradually reduced, thereby reducing attacks.

(6).Office equipment (IT): Use Trend Micro Internet Security to detect abnormal network behavior, such as: Monitor the user’s behavior when logging in to the Active Directory (AD) host to discover abnormalities instantly.

(7).Personnel Information Security Management: To prevent the occurrence of hacker invasion or data leakage, the Company provides information personnel with information security education and training for four hours every year.

(8).Social engineering drill: At least twice a year, the Company entrusts an external professional security consulting company to carry out social engineering drills, so as to enhance employees' awareness of security, and protect data from external intrusion and tampering.

4.Specific management plan:

(1).Guidelines: Formulate 16 guidelines.

(2).Information Security Standards: Passed the ISO27001 certification for 7 consecutive years.

(3).Number of people using mail cloud: Total of 391 people is using mail cloud from 2021/04/28 to 2021/12/30.

(4).Investment Funds for Information Security: A total of about NT$1,568,000.

(5).Information Security Announcement: 9 announcements were issued.

(6).Social engineering drill: A total of 2 drills were held, with a total of 782 people.

(II) List any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided.

Up to the annual report publication date, the Company has not suffered any loss or possible impact due to significant cyber security incidents.

7. Important Contracts

March 31, 2022

Nature of contract	Principal	Contract Start/End Date	Main Content	Restrictive Provisions
Material Purchase Contract	Formosa Plastics Corporation	2021/01/01 ~ 2021/12/31	Taiwan VCM Corporation and Formosa Plastics Corporation signed a contract for the purchase of dichloroethane. The price is agreed upon by both parties.	None
Material Purchase Contract	MITSUI & CO., LTD.	2021/01/01 ~ 2021/12/31	Taiwan VCM Corporation and Mitsui & Co., Ltd. signed a contract for the purchase of dichloroethane, with the price of the material agreed by both the buyer and the seller.	None
Material Purchase Contract	CPC Corporation	2021/01/01 ~ 2021/12/31	Taiwan VCM Corporation and CPC Corporation signed a contract for the purchase of ethylene. The price is agreed upon by both parties.	None
Material Purchase Contract	Dampier Salt Limited	2021/01/01 ~ 2023/12/31	China General Plastics Corporation and Dampier signed a contract for the purchase of industrial salt, with the price of the material agreed by both the buyer and the seller.	None
Medium-term Lending, and issue Commercial Paper Guarantee Comprehensive Limit Contract	Yuanta Bank	2021/07/02 ~ 2024/07/02	CGPC and Yuanta Bank signed a three-year medium-term secured lending and issued a commercial paper guarantee comprehensive limit contract of NT$300 million as a revolving credit facility.	Based on the annual consolidated report of CGPC, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract Limit Contract	Chang Hwa Bank	2021/08/03 ~ 2024/08/03	CGPC and Chang Hwa Bank signed a three-year medium-term lending limit contract worth NT$500 million, which is a revolving loan facility.	None

Nature of contract	Principal	Contract Start/End Date	Main Content	Restrictive Provisions
Medium-term Lending Limit Contract Limit Contract	Chang Hwa Bank	2022/02/15 ~ 2027/02/15	CGPC and Chang Hwa Bank signed a five-year medium-term secured lending limit contract worth NT$646.4 million.	None
Medium-term Lending Limit Contract Limit Contract	Hua Nan Bank	2010/08/28 ~ 2023/08/28	CGPC Polymer Corporation and Hua Nan Bank signed a three-year medium-term lending limit contract worth NT$300 million, which is a revolving loan facility.	None
Medium-term Lending Limit Contract Limit Contract	Taishin International Bank	2010/05/11 ~ 2023/05/11	Taiwan VCM Corporation and Taishin International Bank signed a three-year medium-term secured lending limit contract worth NT$300 million, as a revolving credit facility.	Based on the annual report/semi-annual report of Taiwan VCM Corporation, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract Limit Contract	Cathay United Bank	2021/10/15 ~ 2026/10/15	Taiwan VCM Corporation and Cathay United Bank signed a five-year medium-term secured lending limit contract worth NT$1.071 billion.	None
Medium-term Lending Limit Contract Limit Contract	Taipei Fubon Bank	2021/10/15 ~ 2026/10/15	Taiwan VCM Corporation and Taipei Fubon Bank signed a five-year medium-term secured lending limit contract worth NT$595.2 million.	Based on the annual report of Taiwan VCM Corporation, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Limit Contract Limit Contract	E. SUN Commercial Bank	2021/11/15 ~ 2026/11/15	Taiwan VCM Corporation and E. SUN Commercial Bank signed a five-year medium-term secured lending limit contract worth NT$776 million.	None
Medium-term Lending Limit Contract Limit Contract	Bank of Taiwan	2022/02/15 ~ 2027/02/15	Taiwan VCM Corporation and Bank of Taiwan signed a five-year medium-term secured lending limit contract worth NT$300 million.	None

VI. Financial Summary

1. Condensed Financial Statements in the Most Recent Five Fiscal Years

(1) 1. Condensed balance sheet-International Financial Reporting Standards-consolidated

Unit: NT$ thousand

Year Item		Financial information for the most recent 5 years (audit and certification)					From this year to March 31, 2022 Financial Information (for review)
		2017	2018	2019	2020	2021	
Current assets		5,993,631	6,314,227	4,876,866	5,874,585	7,888,292	7,947,706
Property, plant and equipment		5,729,861	6,009,889	6,157,575	6,570,237	7,666,434	7,864,921
Intangible assets		10,238	2,493	183	0	0	0
Other assets		939,491	897,486	1,296,609	1,448,803	1,420,589	1,381,123
Total assets		12,673,221	13,224,095	12,331,233	13,893,625	16,975,315	17,193,750
Current Liability	Before distribution	1,785,947	2,107,698	1,695,099	2,220,603	2,992,501	2,692,590
	After distribution	2,523,946 (Note 1)	2,867,837 (Note 1)	1,958,614 (Note 1)	3,216,689 (Note 1)	4,445,127 (Note 1)	— (Note 2)
Non-current liabilities		2,686,426	2,305,293	1,923,568	1,369,264	2,147,545	2,157,877
Total liabilities	Before distribution	4,472,373	4,412,991	3,618,667	3,589,867	5,140,046	4,850,467
	After distribution	5,210,372 (Note 1)	5,173,130 (Note 1)	3,882,182 (Note 1)	4,585,953 (Note 1)	6,592,672 (Note 1)	— (Note 2)
Equity attributable to owners of the Company		7,806,341	8,374,640	8,250,812	9,703,515	11,162,977	11,622,778
Source of		4,919,996	5,067,596	5,270,299	5,533,814	5,810,505	5,810,505
Capital surplus		8,236	8,929	10,060	10,338	12,002	11,997
Retained earnings	Before distribution	2,857,342	3,256,098	2,937,187	4,063,848	5,260,198	5,711,032
	After distribution	2,119,343 (Note 1)	2,495,959 (Note 1)	2,673,672 (Note 1)	3,067,762 (Note 1)	3,807,572 (Note 1)	— (Note 2)
Other equity		20,767	42,017	33,266	95,515	80,272	89,244
Treasury stocks		—	—	—	—	—	—
Non-controlling interests		394,507	436,464	461,754	600,243	672,292	720,505
Total equity	Before distribution	8,200,848	8,811,104	8,712,566	10,303,758	11,835,269	12,343,283
	After distribution	7,462,849 (Note 1)	8,050,965 (Note 1)	8,449,051 (Note 1)	9,307,672 (Note 1)	10,382,643 (Note 1)	— (Note 2)

Note 1: Fill in the numbers after distribution based on the actual distribution in accordance with the resolution in the general shareholders' meetings in the following year.

Note 2: It is not presented as quarterly earnings are undistributed.

(1) 2. Condensed consolidated income statement - International Financial Reporting Standards - consolidated

Unit: NT$ thousand

<table>
<tr><th colspan="2" rowspan="2">Year
Item</th><th colspan="5">Financial information for the most recent 5 years (audit and certification)</th><th rowspan="2">From this year to March 31, 2022 Financial Information (for review)</th></tr>
<tr><th>2017</th><th>2018</th><th>2019</th><th>2020</th><th>2021</th></tr>
<tr><td colspan="2">Sales revenue</td><td>14,701,741</td><td>15,192,621</td><td>15,117,855</td><td>13,733,148</td><td>20,221,524</td><td>5,307,072</td></tr>
<tr><td colspan="2">Gross profit</td><td>2,776,931</td><td>2,702,563</td><td>1,969,480</td><td>3,359,290</td><td>5,040,380</td><td>750,905</td></tr>
<tr><td colspan="2">Operating margin</td><td>1,650,788</td><td>1,572,923</td><td>773,899</td><td>2,144,128</td><td>3,317,157</td><td>242,193</td></tr>
<tr><td colspan="2">Non-operating revenue and expenses</td><td>(34,645)</td><td>81,429</td><td>80,109</td><td>21,210</td><td>(10,123)</td><td>321,935</td></tr>
<tr><td colspan="2">Net profit before taxes</td><td>1,616,143</td><td>1,654,352</td><td>854,008</td><td>2,165,338</td><td>3,307,034</td><td>564,128</td></tr>
<tr><td colspan="2">Net income from continuing operations for this period</td><td>1,341,471</td><td>1,348,653</td><td>693,815</td><td>(Note 1)</td><td>(Note 1)</td><td>(Note 1)</td></tr>
<tr><td colspan="2">Income from discontinued operations</td><td>(2,197)</td><td>7,467</td><td>4,175</td><td>(Note 1)</td><td>(Note 1)</td><td>(Note 1)</td></tr>
<tr><td colspan="2">Net income for this period</td><td>1,339,274</td><td>1,356,120</td><td>697,990</td><td>1,791,710</td><td>2,631,418</td><td>499,029</td></tr>
<tr><td colspan="2">Other comprehensive income (income after tax)</td><td>(27,454)</td><td>12,260</td><td>(2,290)</td><td>82,647</td><td>(14,961)</td><td>8,990</td></tr>
<tr><td colspan="2">Total comprehensive income for this period</td><td>1,311,820</td><td>1,368,380</td><td>695,700</td><td>1,874,357</td><td>2,616,457</td><td>508,019</td></tr>
<tr><td colspan="2">Net income attributable to owners of the Company</td><td>1,269,808</td><td>1,276,156</td><td>642,677</td><td>1,634,184</td><td>2,468,676</td><td>450,834</td></tr>
<tr><td colspan="2">Net income attributable to non-controlling interests</td><td>69,466</td><td>79,964</td><td>55,313</td><td>157,526</td><td>162,742</td><td>48,195</td></tr>
<tr><td colspan="2">Total comprehensive income attributable to owners of the Company</td><td>1,242,878</td><td>1,289,043</td><td>639,912</td><td>1,715,940</td><td>2,453,884</td><td>459,806</td></tr>
<tr><td colspan="2">Total comprehensive income attributable to non-controlling interests</td><td>68,942</td><td>79,337</td><td>55,788</td><td>158,417</td><td>162,573</td><td>48,213</td></tr>
<tr><td rowspan="2">Earnings Per Share (EPS)</td><td>Before adjustment</td><td>NT$2.58</td><td>NT$2.52</td><td>NT$1.22</td><td>NT$2.95</td><td>NT$4.25</td><td>NT$0.78</td></tr>
<tr><td>After Adjustment (Note2)</td><td>NT$2.51</td><td>NT$2.42</td><td>NT$1.16</td><td>NT$2.81</td><td>NT$4.25</td><td>NT$0.78</td></tr>
</table>

Note1: On October 24, 2011, the Company's board of directors approved to dispose of Continental General Plastics (Zhong Shan) Co., Ltd. and CGPC Consumer Products Corporation to be listed as discontinued operations. The Group has considered that its discontinued operations was resumed its operating substance, and, therefore, the Group reclassified the discontinued operations as continuing operations since 2021 after an assessment.

Note2: The effects of stock dividends have been retroactively adjusted.

(2) 1. Condensed balance sheet - International Financial Reporting Standards - parent company only

Unit: NT$ thousand

Item \ Year		Financial information for the most recent 5 years (audit and certification)				
		2017	2018	2019	2020	2021
Current assets		2,770,055	2,549,373	2,243,869	2,632,522	3,619,894
Property, plant and equipment		2,914,824	3,046,423	3,082,693	3,248,517	3,454,391
Intangible assets		4,178	1,640	137	46	0
Other assets		4,899,414	5,420,078	5,514,107	6,721,182	7,611,505
Total assets		10,588,471	11,017,514	10,840,806	12,602,267	14,685,790
Current Liability	Before distribution	1,431,739	1,527,754	1,515,916	1,879,546	2,549,421
	After distribution	2,169,738 (Note 1)	2,287,893 (Note 1)	1,779,431 (Note 1)	2,875,632 (Note 1)	4,002,047 (Note 1)
Non-current liabilities		1,350,391	1,115,120	1,074,078	1,019,206	973,392
Total liabilities	Before distribution	2,782,130	2,642,874	2,589,994	2,898,752	3,522,813
	After distribution	3,520,129 (Note 1)	3,403,013 (Note 1)	2,853,509 (Note 1)	3,894,838 (Note 1)	4,975,939 (Note 1)
Share capital		4,919,996	5,067,596	5,270,299	5,533,814	5,810,505
Capital surplus		8,236	8,929	10,060	10,338	12,002
Retained earnings	Before distribution	2,857,342	3,256,098	2,937,187	4,063,848	5,260,198
	After distribution	2,119,343 (Note 1)	2,495,959 (Note 1)	2,673,672 (Note 1)	3,067,762 (Note 1)	3,807,572 (Note 1)
Other equity		20,767	42,017	33,266	95,515	80,272
Treasury stocks		—	—	—	—	—
Total equity	Before distribution	7,806,341	8,374,640	8,250,812	9,703,515	11,162,977
	After distribution	7,068,342 (Note 1)	7,614,501 (Note 1)	7,987,297 (Note 1)	8,707,429 (Note 1)	9,710,351 (Note 1)

Note 1: Fill in the numbers after distribution based on the actual distribution in accordance with the resolution in the general shareholders' meetings in the following year.

(2) 2. Condensed consolidated income statement - International Financial Reporting Standards - parent company only

Unit: NT$ thousand

Item \ Year		Financial information for the most recent 5 years (audit and certification)				
		2017	2018	2019	2020	2021
Sales revenue		8,110,347	8,248,176	8,391,693	8,268,069	11,487,847
Gross profit		1,181,111	1,072,154	715,746	878,914	1,611,101
Operating margin		700,487	570,055	177,311	330,602	801,543
Non-operating revenue and expenses		715,208	813,517	512,380	1,355,736	1,820,422
Net profit before taxes		1,415,695	1,383,572	689,691	1,686,338	2,621,965
Net income for this period		1,269,808	1,276,156	642,677	1,634,184	2,468,676
Other comprehensive income (net income after tax)		(26,930)	12,887	(2,765)	81,756	(14,792)
Total comprehensive income		1,242,878	1,289,043	639,912	1,715,940	2,453,884
Earnings Per Share (EPS)	Before adjustment	NT$2.58	NT$2.52	NT$1.22	NT$2.95	NT$4.25
	After Adjustment (Note)	NT$2.51	NT$2.42	NT$1.16	NT$2.81	NT$4.25

Note: The effects of stock dividends have been retroactively adjusted.

(3) Names of certified public accountants (CPAs) and their opinions

Year	Name of Accounting	Name of CPAs	Audit opinion
2021	Deloitte & Touche	Huang, Hsiu-chun and Chiu, Cheng-chun	Unqualified opinion
2020	Deloitte & Touche	Huang, Hsiu-chun and Chiu, Cheng-chun	Unqualified opinion
2019	Deloitte & Touche	Huang, Hsiu-chun and Chiu, Cheng-chun	Unqualified opinion
2018	Deloitte & Touche	Wu, Shih-Tsung and Kuo, Tzu-Jung	Unqualified opinion
2017	Deloitte & Touche	Wu, Shih-Tsung and Kuo, Tzu-Jung	Unqualified opinion

2. Financial Analysis of the Most Recent Five Fiscal Years

(1) Financial analysis - International Financial Reporting Standards - consolidated

Year (Note 1) Analysis Item (Note 3)			Financial analysis of the most recent five years (audit and certification)					Description	Financial data from this year to March 31, 2022 (for review)
			2017	2018	2019	2020	2021		
Financial structure	Debt-asset Ratio (%)		35.28	33.37	29.34	25.83	30.27		28.21
	Proportion of long-term capital in property, plant, and equipment (%)		190.00	184.96	172.73	175.31	182.39		184.37
Debt-paying ability	Current ratio (%)		335.59	299.57	287.70	264.54	263.60		295.16
	Quick ratio (%)		228.65	215.29	193.16	208.14	151.50	1	163.00
	Interest coverage ratio		124.88	164.74	71.33	294.13	625.68	2	196.34
Operation ability	Receivables turnover ratio (times)		9.45	8.72	9.21	8.12	10.25	3	11.49
	Average days of collection		38.62	41.85	39.63	44.95	35.60	3	31.76
	Inventory turnover ratio (times)		6.66	6.99	8.25	7.75	7.04		5.56
	Average inventory turnover days		54.80	52.21	44.24	47.09	51.84		65.64
	Payables turnover ratio (times)		12.71	12.88	13.66	11.98	16.79	4	17.63
	Property, plant, and equipment turnover ratio (times)		2.68	2.59	2.48	2.14	2.82	5	2.73
	Total assets turnover ratio (times)		1.13	1.17	1.18	1.05	1.31	5	1.24
Profitability	Return on assets (%)		10.39	10.54	5.54	13.71	17.08	6	2.93
	Return on equity (%)		16.79	15.94	7.97	18.84	23.77	6	4.13
	Ratio of net profit before tax to paid-in capital (%) (Note 7)		32.80	32.79	16.28	39.13	56.91	7	9.71
	Net profit margin (%)		9.11	8.93	4.62	13.05	13.01		9.40
	Earnings Per Share (EPS)	Before Adjustment (NTD)	2.58	2.52	1.22	2.95	4.25	6	0.78
		After adjustment (NTD)	2.51	2.42	1.16	2.81	4.25	6	0.78
Cash flow	Cash flow ratio (%)		90.23	86.71	118.96	94.04	73.73	8	28.86
	Cash flow adequacy ratio (%)		97.46	98.42	117.10	124.86	85.39	9	88.27
	Cash reinvestment ratio (%)		3.90	5.39	6.46	8.83	4.90	9	3.30
Leverage	Operating leverage		2.31	2.48	4.16	2.23	1.84		3.60
	Financial leverage		1.01	1.01	1.02	1.00	1.00		1.01

Reasons for the change of various financial ratios in the most recent two fiscal years: (analysis can be exempted if the change of increase or decrease did not reach 20%)

1. Quick ratio decreased mainly due to the decrease of NT$90 million in quick assets, the increase of NT$220 million in other accounts payable (including related parties), and the increase of NT$310 million in income tax payable.
2. Interest coverage ratio increased, mainly due to the increase of NT$1.14 billion in net income before tax and the decrease of NT$2 million in interest expenses.
3. Receivables turnover ratio increased due to the increase of the proportion of sales of plastic material products with shorter payment terms.
4. Payables turnover ratio increased due to the increase of NT$4.81 billion in cost of goods sold and the increase of NT$20 million in notes payable/payables.
5. Property, plant and equipment/total assets turnover rate increased due to the increase of NT$6.49 billion in sales volume.
6. Return on equity and earnings per share increased due to the increase of NT$840 million in net income.
7. Ratio of profit before tax to paid-in capital increased due to the increase of NT$1.15 billion in pre-tax profit.
8. Cash flow ratio decreased due to the increase of NT$120 million in cash flow from operating activities and the increase of NT$770 million in current liabilities (other payables (including related parties) increased by NT$220 million and income tax payable increased by NT$310 million).
9. Cash flow adequacy/cash reinvestment ratio decreased, mainly due to the increase of NT$1.92 billion in inventory, the increase of NT$800 million in cash dividends issued, and the increase of NT$550 million in the acquisition of property, plant, and equipment.

(2) Financial analysis - International Financial Reporting Standards - parent company only

Year (Note 1) Analysis Item (Note 3)			Financial analysis of the most recent five years (audit and certification)					Description
			2017	2018	2019	2020	2021	
Financial structure	Debt-asset Ratio (%)		26.27	23.98	23.89	23.00	23.98	
	Proportion of long-term capital in property, plant, and equipment (%)		314.14	311.50	302.49	330.08	351.33	
Debt-paying ability	Current ratio (%)		193.47	166.87	148.02	140.06	141.98	
	Quick ratio (%)		144.59	112.01	99.27	105.99	87.42	
	Interest coverage ratio		23,595.92	98,827.57	876.24	1,711.28	5,933.05	1
Operation ability	Receivables turnover ratio (times)		8.41	7.81	8.40	7.55	8.47	
	Average days of collection		43.40	46.73	43.45	48.34	43.09	
	Inventory turnover ratio (times)		10.04	9.56	10.02	11.05	9.92	
	Average inventory turnover days		36.35	38.17	36.42	33.03	36.79	
	Payables turnover ratio (times)		9.24	7.46	7.21	5.95	6.42	
	Property, plant, and equipment turnover ratio (times)		2.98	2.77	2.74	2.61	3.43	2
	Total assets turnover ratio (times)		0.78	0.76	0.77	0.71	0.84	
Profitability	Return on assets (%)		12.23	11.81	5.89	13.95	18.10	3
	Return on equity (%)		16.73	15.77	7.73	18.20	23.66	3
	Ratio of net profit before tax to paid-in capital (%) (Note 7)		28.77	27.30	13.09	30.47	45.12	4
	Net profit margin (%)		15.66	15.47	7.66	19.77	21.49	
	Earnings Per Share (EPS)	Before Adjustment (NTD)	2.58	2.52	1.22	2.95	4.25	3
		After adjustment (NTD)	2.51	2.42	1.16	2.81	4.25	3
Cash flow	Cash flow ratio (%)		49.11	53.28	45.51	26.53	26.71	
	Cash flow adequacy ratio (%)		80.25	65.75	65.32	66.48	51.89	5
	Cash reinvestment ratio (%)		(0.80)	0.54	(0.50)	1.56	(1.87)	5
Leverage	Operating leverage		2.73	3.20	7.86	4.94	2.79	6
	Financial leverage		1.00	1.00	1.00	1.00	1.00	

Reasons for the change of various financial ratios in the most recent two fiscal years: (analysis can be exempted if the change of increase or decrease did not reach 20%)

1. Interest coverage ratio increased, mainly due to the increase of NT$940 million in net income before tax in 2021.
2. Property, plant and equipment turnover rate increased due to the increase of NT$3.22 billion in sales volume.
3. Return on equity and earnings per share increased due to the increase of NT$830 million in net income.
4. Ratio of profit before tax to paid-in capital increased due to the increase of NT$940 million in pre-tax profit.
5. Cash flow adequacy/cash reinvestment ratio decreased, mainly due to the increase of NT$750 million in inventory, the increase of NT$730 million in cash dividends issued, and the decrease of NT$30 million in the acquisition of property, plant, and equipment.
6. Degree of operating leverage decreased, mainly due to the increase of NT$70 million in employee welfare and the increase of NT$20 million in depreciation.

If the Company has prepared a parent company only financial report, it should prepare a parent company only financial ratio analysis.

＊ Companies having adopted IFRS for financial reporting for less than five years should compile additional financial data based on the ROC's financial and accounting guidelines. For details, refer to data of table (2) below.

Note 1: Years not audited by CPAs should be noted.

Note 2: As of the publication date of the annual report, companies that have been listed or have been traded at TPEx should analyze the financial information of the most recent period audited or reviewed by CPAs.

Note 3: At the end of the annual report, the following formula should be presented:

1. Financial structure
   (1) Liabilities-to-asset ratio＝ total liabilities / total assets.
   (2) Long-term funds to property, plant and equipment = (stockholders' equity + noncurrent liabilities) / net property, plant and equipment.
2. Debt-paying ability
   (1) Current ratio = current assets / current liabilities.
   (2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities.
   (3) Interest coverage ratio = income before income tax and interest expense / interest expense of the current period.
3. Operating performance
   (1) Accounts receivable (including accounts receivable and notes receivable generated from operations) turnover rate = net sales/average balance of accounts receivable (including accounts receivable and notes receivable generated from operations)for each period.
   (2) Average collection days = 365 / receivables turnover.
   (3) Inventory turnover = cost of sales / average inventories.
   (4) Accounts payable (including accounts payable and notes payable generated from operations) turnover rate = cost of goods sold / average balance of accounts payable (including accounts payable and notes payable generated from operations) for each period.
   (5) Average days for sale = 365 / inventory turnover.
   (6) Property, plant and equipment turnover rate = net sale / average balance of net property, factory and equipment.
   (7) Total asset turnover = net sales / average total assets.
4. Profitability
   (1) Return on assets ratio ＝ [net income + interest expense x (1– tax rate)] / average gross assets.
   (2) Return on equity = net income after taxes / average equity.
   (3) Net profit margin = net income after taxes / net sales.
   (4) Earnings per share = (net income (loss) attributable to owners of the parent company - preferred stock dividend) / weighted average number of shares outstanding. (Note 4)
5. Cash flow
   (1) Cash flow ratio = net cash provided by operating activities / current liabilities.
   (2) Net cash flow adequacy ratio = net cash flow rising from operating activities in the most recent five years / (capital expenditure + inventory increase + cash dividend) in the most recent five years.
   (3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividend) / (gross fixed assets value + long-term investment + other assets + working capital). (Note 5)
6. Leverage:
   (1) Degree of operating leverage = (net operating revenue - variable operating cost and expenses) / operating income. (Note 6).
   (2) Financial leverage = operating income / (operating income - interest expenses).

Note 4: The following items should be noted for the calculation of earnings per share using the above-mentioned formula:

1. Use the weighted average number of common shares, not the number of shares outstanding at the end of year.
2. Where there is cash replenishment or treasury stock transaction, its circulation period should be considered when calculating the weighted average number of shares.
3. Where capital increase transferred from surplus or capital reserves exists, when calculating the earnings per share of previous years and half years, it shall be retroactively adjusted according to the proportion of capital increase, need not to consider the issuance period of such capital increase.
4. If the preferred stock is a non-convertible accumulative preferred stock, its annual dividend (whether or not it is paid) shall be deducted from the net profit after tax, or added to the net loss after tax.If the preferred stock is non-cumulative and when there is a net profit after tax, the preferred stock dividend shall be deducted from the net profit after tax; if it is a loss, no adjustment shall be made.

Note 5: The following items should be noted for the analysis of cash flow:

1. Net cash provided by operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditures refer to the annual cash flow used in capital investment.
3. The increase in inventory is only included when the ending balance is higher than the opening balance. If the inventory is reduced at the end of the year, it shall be treated as zero.
4. Cash dividends include the cash dividends of common stocks and preferred stocks.
5. Gross value of PP&E refers to the total value of PP&E minus accumulated depreciation.

Note 6: The issuer should classify various operating costs and operating expenses into fixed and variable properties. If there is an estimate or subjective judgment, attention should be paid to its rationality and consistency.

Note 7: Where the shares of the Company are of no par value or with par value of not NT$10 per share, the ratio of paid-in capital shall be calculated based on the ratio of equity attributable to the owners of the parent company on the balance sheet instead. The nominal value of the Company's share is NT$10. Therefore, it shall be calculated based on the paid-in capital.

3. Audit Committee's Review Report of the Most Recent Annual Financial Report

China General Plastics Corporation
Audit Committee's Audit Report

The Board of Directors has prepared the Company's 2021 Business Report, financial statements (including parent company only and consolidated financial statements) which were audited by CPAs Huang, Hsiu-Chun and Chiu, Cheng-Chun of Deloitte, Taiwan and earnings distribution proposal. The above-mentioned reports and financial statements have been reviewed and determined to be accurate by the Audit Committee. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

To

2022 Annual Shareholders' Meeting of China General Plastics Corporation

China General Plastics Corporation
Audit Committee

Independent Director: Li, Zu-De

Independent Director: Ying-Pin Cheng

Independent Director: Li, Liang-Xian

March 9, 2022

4. **Consolidated Financial Report and Certified by CPAs for the Most Recent Fiscal Years:** Please refer to page 242
5. **Individual Financial Report and Certified by CPAs for the Most Recent Fiscal Years:** Please refer to page 310
6. **If the Company or its affiliates have experienced financial difficulties in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, the annual report shall explain how said difficulties affect the Company's financial situation. The term "affiliates" as used in above refers to entities meeting the requirements set forth under Article 309-1 of the Company Act:** None.

VII. Review and Analysis of Financial Position and Performance and Risk Items

1. Financial Position

Comparative analysis of financial position

Unit: NT$ thousand

Item / Year	End of 2020	End of 2021	Change (amount)	Change %	Description
Current assets	5,874,585	7,888,292	2,013,707	34.28	1
Investments recognized under the equity method	338,228	396,902	58,674	17.35	
Property, plant and equipment	6,570,237	7,666,434	1,096,197	16.68	
Other assets	1,110,575	1,023,687	(86,888)	(7.82)	
Total assets	13,893,625	16,975,315	3,081,690	22.18	1
Current Liability	2,220,603	2,992,501	771,898	34.76	2
Long-term borrowings	50,000	882,575	832,575	1,665.15	3
Deferred income tax liabilities	594,562	594,632	70	0.01	
Net defined benefit liability	572,981	517,380	(55,601)	(9.70)	
Other liabilities	151,721	152,958	1,237	0.82	
Total Liabilities	3,589,867	5,140,046	1,550,179	43.18	2&3
Share capital	5,533,814	5,810,505	276,691	5.00	
Capital surplus	10,338	12,002	1,664	16.10	
Retained earnings	4,063,848	5,260,198	1,196,350	29.44	4
Other equity	95,515	80,272	(15,243)	(15.96)	
Total owner's equity of the Company	9,703,515	11,162,977	1,459,462	15.04	
Non-controlling interests	600,243	672,292	72,049	12.00	
Total equity	10,303,758	11,835,269	1,531,511	14.86	

I. The main reasons and impact of major changes in assets, liabilities, and shareholders' equity in the last two years (with changes of at least 20% and more than NT$10 million in the beginning and the end periods):

1. Inventory increased by NT$1.9 billion.
2. Short-term borrowings increased by NT$200 million, payable wages and salaries/equipment expenses increased by NT$240 million and income tax payable increased by NT$310 million.
3. Construction of storage tank facilities at the Kaohsiung Intercontinental Container Terminal increased loans by NT$830 million.
4. Net income attributable to owners of the Company for the year amounted to NT$2.47 billion and the 2020 distribution of cash dividends is NT$1.08 billion and stock dividends is NT$280 million.

II. If the impact is significant, describe the future response measures:None.

2. Financial Performance

(1) Comparison and analysis of financial performance

Unit: NT$ thousand

Year Item	2020	2021	Change (amount)	Change %	Description
Net sales revenue	13,733,148	20,221,524	6,488,376	47.25	1
Cost of goods sold	10,373,858	15,181,144	4,807,286	46.34	1
Gross profit	3,359,290	5,040,380	1,681,090	50.04	1
Operating expenses	1,215,162	1,723,223	508,061	41.81	2
Operating margin	2,144,128	3,317,157	1,173,029	54.71	1
Non-operating revenue (expenses)	21,210	(10,123)	(31,333)	(147.73)	3
Net profit before tax	2,165,338	3,307,034	1,141,696	52.73	1
Income tax expenses	373,628	675,616	301,988	80.83	1
Net profit for the year	1,791,710	2,631,418	839,708	46.87	1
Other comprehensive income for the year (net amount after taxes)	82,647	(14,961)	(97,608)	(118.10)	4
Total comprehensive income for the year	1,874,357	2,616,457	742,100	39.59	1

I. Analysis of changes in the ratio of increase or decrease in the most recent two years (if the gross profit of sales changes by more than 20%, the difference analysis shall be made as shown in Table (2); If the change is less than 20%, the analysis shall be exempted):

1. Due to the impact of the winter storm and hurricane on the large factories in the United States, the global supply of PVC was tight. In addition, due to the lack of cabins and containers and the outbreak of demand due to the epidemic, the price of PVC rose sharply. Supply and demand for raw material ethylene is stable since new production capacity was gradually released around the globe. Prices fluctuated within a range. The export volume of raw material EDC dropped sharply since its production was frequently disrupted by natural disasters in the United States, causing prices to spike. Since the price increase of PVC is higher than the cost increase of raw material ethylene/EDC, the spread increased. Thus, profit increased substantially over last year.
2. COVID-19 disrupted the global shipping capacity. The lack of cabins and containers caused ocean freight rates to skyrocket.
3. This is mainly due to the disposal of the damaged VCM reactor, resulting in a loss of NT$70 million.
4. This was mainly due to a decrease of NT$80 million in the unrealized valuation benefits of equity instrument investment measured at fair value through other comprehensive income and a decrease of NT$20 million in the remeasurement of defined benefit plans.

II. The sales volume forecast and the basis, and the possible impact on the Company's future financial operations and response plans for the upcoming year:

The growth of new PVC production capacity lower than demand, sustained high PVC demand from the emerging market, and China's reduction of production in PVC by the calcium carbide method for environmental protection will help promote the positive development of PVC/VCM prices. Production of raw material ethylene was reduced due to profit pressures from high oil prices. Ethylene prices are stuck in a fixed range. In terms of raw material EDC, the global demand for sodium hydroxide has grown and alkali prices are firm. This should push up the opening rate of alkali-chlorine plants and help increase the output of EDC. The supply of EDC should increase, especially in the second half of the year.

Our management team will take overall planning of the vinyl industry chain to get the largest profit space, and make good use of vertical integration mechanism and effective management, implement the improvement and fulfillment of corporate social responsibility associated with work safety environmental protection, and build and expand niche in creating maximize operational performance to achieve the target of sale of 550,000 metric tons during the whole year.

(2) Analysis table of changes in sales margin:

Unit: NT$ thousand

	Increase (decrease) amount between the beginning and the end periods	Reason for the difference			
		Price difference	Difference in cost	Sales mix difference	Quantity difference
Sales Margin	1,681,090	5,858,500	(4,395,526)	55,763	162,353
Description	Due to the impact of the winter storm and hurricane on the large factories in the United States, the global supply of PVC was tight. In addition, due to the lack of cabins and containers and the outbreak of demand due to the epidemic, the price of PVC rose sharply. Supply and demand for raw material ethylene is stable since new production capacity was gradually released around the globe. Prices fluctuated within a range. The export volume of raw material EDC dropped sharply since its production was frequently disrupted by natural disasters in the United States, causing prices to spike. Since the price increase of PVC is higher than the cost increase of raw material ethylene/EDC, the spread increased. Thus, profit increased substantially over last year.				

3. Cash Flow

Cash flow analysis

Unit: NT$ thousand

Initial cash balance	Annual net cash flow from operating activities	Annual cash flows not derived from operating activities	Ending cash balance	Remedial measures for cash inadequacy	
				Investment plan	Financial plan
777,101	2,206,421	(1,763,231)	1,220,291	-	-

1.Analysis of current year's cash flow change:

(1) Operating activities: Net cash inflow (outflow) increased by NT$2.21 billion, the increase (decrease) is mainly attributable to the increase in net profit before tax of NT$3.31 billion, increase in depreciation/amortization expenses increased of NT$710 million, increase in financial assets at fair value through profit or loss of NT$680 million, decrease in notes/accounts receivable of NT$ 140 million, decrease in inventories of NT$1.92 billion, decrease in advance payments of NT$160 million, and decrease in payment of income tax of NT$360 million.

(2) Investment activities: Net cash inflow (outflow) decreased by NT$1.7 billion, mainly due to the decrease in acquisition of real estate, plant and equipment of NT$1.68 billion.

(3) Financing activities: Net cash inflow (outflow) decreased by NT$60 million, mainly due to the increase in bank borrowings of NT$1.05 billion and the decrease in cash dividends of NT$1.08 billion.

2.Liquidity improvement program:Not applicable.

3.Cash liquidity analysis for the following year:

Cash balance at the beginning of the period:	1,220,291	thousand
Expected annual net cash flows from operating activities:	2,134,260	thousand
Expected annual cash flows not derived from operating activities:	(2,527,060)	thousand
Expected annual cash flow:	(392,800)	thousand
Expected cash balance	827,491	thousand

4. Impact of Any Major Capital Expenditures on the Company's Financial Operation During the Most Recent Fiscal Year

(1) Application of major capital expenditures and sources of funds:

Unit: NT$ thousand

	Actual or expected source of funding	Actual or expected date of completion	Total capital required	Actual and expected expenditures		
				2020	2021	2022
(1) Expansion of new product lines						
Silo 17 new project	Own funds	September 30, 2022	28,300	812	213	5,883
Construction of the new Silo 2 and the removal and replacement of the old Silo 1	Own funds	April 30, 2022	45,145	16,171	12,194	0
Improvement of the transportation of powder from the intermediary silo to the product silo	Own funds	October 29, 2021	42,191	3,159	4,042	0
Automatic packaging and stacking system for 25 kg packaged PVC resin	Own funds	August 31, 2022	97,440	22,507	786	6,059
800RT freezer chiller system modification and renewal	Own funds	March 31, 2021	32,857	13,104	3,105	0
#4 dryer renewal	Own funds	March 31, 2023	145,000	4,815	20,747	118,244
Hydrochloric acid furnace renovation	Own funds	May 31, 2022	70,000	84	61	69,596
New construction of automatic storage system	Own funds	December 31, 2022	485,000	77,320	128,337	266,516
Cooling tower pump renewal	Own funds	December 31, 2022	15,000	7,378	4,579	3,002
Expansion of powder warehouse	Own funds	September 30, 2022	37,000	10,260	4,915	6,953
#5 dryer powder transportation pipeline renewal	Own funds	May 31, 2022	20,000	13,192	5,900	873
Pure water deoxygenation improvement	Own funds	December 31, 2021	12,546	3,079	9,467	0
New natural gas steam boiler	Own funds	March 31, 2023	42,400	127	11,275	30,998
Secondary steam recovery system	Own funds	January 31, 2023	15,000	4	81	14,915
#6 dryer powder transportation system improvement	Own funds	December 31, 2022	15,000	0	78	14,922
#7CALA&B rolling turbine replacement and renewal	Own funds	October 31, 2022	12,000	0	3,307	8,693
New 1500-ton water tank	Own funds	February 28, 2022	12,000	0	10,333	1,667

	Actual or expected source of funding	Actual or expected date of completion	Total capital required	Actual and expected expenditures		
				2020	2021	2022
800RT freezer chiller system renewal	Own funds	March 31, 2023	61,500	0	24	61,476
#7 gluing machine replacement and renewal	Own funds	June 30, 2022	26,000	0	35	25,965
Addition of deep well and water purification equipment for the Southern Plant	Own funds	June 30, 2022	16,000	0	1,573	14,427
Construction of original storage tank and ancillary equipment and utilities for Zhouji phase II	Own funds and loans	December 31, 2023	2,178,000	555,479	807,141	607,409
Ethylene external industrial pipeline of Zhouji phase II	Own funds	December 31, 2023	263,000	4,194	55,594	203,109
C-6204VCM stripper	Own funds	December 31, 2023	70,000	900	2,010	64,795
Fixed equipment spares/renewal	Own funds	December 31, 2021	164,445	20,149	6,312	0
Valve replacement procurement	Own funds	December 31, 2021	10,716	2,818	7,898	0
Rotating equipment parts	Own funds	December 31, 2022	32,200	7,276	15,821	9,103
V-6103 magnification (including M-6101 fabrication)	Own funds	October 31, 2022	11,080	2,378	3,950	4,752
E-6151 reactor spare production project	Own funds	December 31, 2022	160,000	1,772	2,345	155,883
Expansion of Zhouji phase II EDC and VCM storage tanks	Own funds	February 28, 2023	478,000	0	198,923	279,077
Renewal of fixed equipment	Own funds	December 31, 2022	130,099	17,558	94,747	17,794
Cracking furnace heat recovery	Own funds	June 30, 2022	14,000	0	5,027	8,973
Annual overhaul of pipelines and equipment maintenance	Own funds	December 31, 2021	71,425	16,035	55,390	0
New 1000-ton circulating cooling tower	Own funds	November 30, 2022	18,850	0	12,171	6,679
Enlargement of supply and return lines of cooling tower to 46” and renew the lines to the process area	Own funds	November 30, 2022	16,000	0	9,559	6,441
LamellaA wastewater treatment system update	Own funds	September 30, 2022	10,000	0	2,605	7,395
(2) Information system update						
Upgrade of coincident DCS version and adding AMS system	Own funds	December 30, 2022	14,158	14	14,144	0
(3) Industrial and security facilities						
F-11 circuit and high-voltage plate replacement	Own funds	December 30, 2022	10,000	1,026	1,399	1,993
PVC Fabric 3rd Warehouse construction	Own funds	August 31, 2021	25,518	19,185	6,241	0

	Actual or expected source of funding	Actual or expected date of completion	Total capital required	Actual and expected expenditures		
				2020	2021	2022
Compliance for the application of the Taiwan VCM Corporation Linyuan Plant building usage license	Own funds	December 31, 2023	30,000	29	0	9,526
(4) Pollution prevention						
Rubber factory hot fuel oil boiler combustion engine renewal	Own funds	December 31, 2022	21,500	2,714	1,100	7,538
S-321A stripper renewal	Own funds	December 30, 2022	43,000	277	11,895	30,782
Rainwater canal construction for the Northern Plant	Own funds	December 31, 2022	30,000	24	70	29,906
Activated carbon fluidized beds VOC control equipment	Own funds	July 30, 2022	65,000	0	18,025	46,975
Construction of a solar power generation system	Own funds	November 30, 2022	40,000	0	34	39,966
Decoration project of Environmental development department office, fermentation plant and certification laboratory and related ancillary equipment purchase	Own funds	August 31, 2021	16,525	9,450	1,311	0
Necessary emergency response measures for soil and groundwater of Tainan	Own funds	December 31, 2021	16,719	16,206	513	0
Total			5,170,614	849,496	1,555,277	2,188,285

(2) Projected potential benefits:

The above major capital expenditures are renewal projects to maintain current production efficiency.

5. Reinvestment Policy for the Most Recent Fiscal Year, the Main Reasons for the Profits/Losses Generated thereby, the Plan for Improving Re-Investment Profitability, and Investment Plans for the Coming Year

(1) The reinvestment of the Company and its subsidiaries in 2021 exceeding 5% of the paid-in capital: None.

(2) Investments expected in the next year that exceed 5% of paid-in capital: None.

6. Risk Analysis and Assessment

(1) Impacts of fluctuations in interest rates and foreign exchange rates and inflation on the Company's profitability and associated action plans:

1. 2021 interest income (payment) and exchange gain (loss):

Item	2021 (NT$1,000)
Net interest income (expenses)	(3,059)
Net currency exchange gain (loss)	(42,924)
Ratio of net interest income (expense) to net revenue	-0.02%
Ratio of net interest income (expenses) to net income before tax	-0.09%
Ratio of net currency exchange gain (loss) to net revenue	-0.21%
Ratio of net foreign exchange gain (loss) to net income before taxes	-1.30%

2. Interest rate:

In order to reduce the risk of interest rate fluctuation, idle funds will be invested in fixed deposit of banks, beneficiary certificates of money market funds, buy back transactions of bonds (bills) and REITs.

Reserve Sufficient short-term funds for operational needs; For medium and long-term capital demand, when the interest rate rises, choose the appropriate time to issue ordinary corporate bonds, or obtain medium and long-term credit from financial institutions, lock in the capital cost with fixed interest rate, avoid the risk of future interest rate rise, and cope with the long-term capital stability.

3. Exchange Rate:

Hedging is based on the net foreign currency position generated by the Company's business. In addition to closely observing the trend of the international foreign exchange market, it also avoids its risks in a timely manner through spot foreign exchange dumping and forward foreign exchange contracts.

4. Inflation:no significant impact on the Company.
   4.1 Some countries (including Taiwan) have not yet experienced hyperinflation, and the inflation is considered moderate.
   4.2 The main cost of the Company is the raw material cost, and the product selling price fluctuates in the same direction as the raw material cost.

(2) Policies regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and future countermeasures to be taken:

1. Engaging in high-risk, highly-leveraged investment and lending funds to other parties:

The Company's Regulations Governing the Acquisition and Disposal of Assets stipulates that it shall not engage in high-risk and high-leverage investments. There is also an "Operational Procedures for Loaning of Company Funds" formulated, which has not yet been carried out.

2. Endorsements and guarantees:

Ensure to implement the prior evaluation and subsequent follow-up according to the company's endorsements and guarantees procedures.

3. Derivatives transactions:

The Company engages in derivative commodity trading for the purpose of avoiding operational management risks. The trading commodities are mainly undertaken as forward foreign exchange and speculative operations are not involved. In addition, the counterparties should choose reputable financial institutions to avoid credit risks.

(3) Future R&D projects and estimated R&D expenditure:

1. Future research and development plan: Planned and implemented by the Materials R&D Department, Product R&D Department, and Production Technology Units.

2.Expected R&D expenditures

Unit: NT$ thousand

Research and development project	Current progress	Research expenses to be reinvested	Estimated time to complete mass production	Major factors that influence the success of R&D in the future
Low VOC PVC/TPE series rubber sheets	50%	15,000	Before the end of 2022	Equipment, formulas and process conditions
Improve whiteness of PVC powder	50%	13,230	Before the end of 2022	Raw materials, formulas and process conditions
Polymerization experiment of 30L PVC	75%	2,000	Before the end of 2022	Equipment, formulas and process conditions
PVC resin moisture content AI control	50%	1,760	At the end of 2023	Equipment, formulas and process conditions
Solvent-free surface treatment leather for PVC/TPE	75%	1,000	By the middle of 2022	Equipment, formulas and process conditions
Transparent PVC tape anti-fouling treatment	0%	500	Before the end of 2022	Raw materials, formulas and process conditions
PVC inkjet printing for advertising fabric	0%	500	Before the end of 2022	Raw materials, formulas and process conditions
Development of benzene-free/solvent-free TPE cloth paste	25%	500	Before the end of 2022	Raw materials, formulas and process conditions
TPE leather products for car seats	25%	500	Before the end of 2022	Raw materials, formulas and process conditions
Soft rubber multi-printing transferring film	50%	500	Before the end of 2022	Raw materials, formulas and process conditions
Low-membrane rapidly gelatinized PVC resin	25%	500	Before the end of 2022	Equipment, formulas and process conditions
Recycled TPE leather for end products	25%	500	Before the end of 2022	Raw materials, formulas and process conditions
Electric bus seat and interior leather	25%	500	Before the end of 2022	Raw materials, formulas and process conditions
TPE shoe series (R-grade) products	25%	300	By the middle of 2022	Raw materials, formulas and process conditions
Development of High Hydrolysis Resistant TPU Materials and Related Products	25%	300	Before the end of 2022	Raw materials, formulas and process conditions
Water-based scratch-resistant soft PVC leather for automobiles	75%	250	By the middle of 2022	Raw materials, formulas and process conditions
Non-p protective layer for floor tiles	0%	200	Before the end of 2022	Raw materials, formulas and process conditions
Low shrinkage PVC masking tape	0%	200	Before the end of 2022	Raw materials, formulas and process conditions
Development of third-generation stain-resistant PVC leather	75%	200	Before the end of 2022	Raw materials, formulas and process conditions
Low temperature resistant PVC film for outdoor door frames	0%	200	Before the end of 2022	Raw materials, formulas and process conditions
UV resistant PVC film for edges of decorative trim	0%	200	Before the end of 2022	Raw materials, formulas and process conditions
Flattened, 100% non-cracking plastic pellets for valves	0%	200	Before the end of 2022	Raw materials, formulas and process conditions
Environmental pipe fittings with 30% recycled materials	0%	100	Before the end of 2022	Raw materials, formulas and process conditions
Waterproof submerged pump cable	75%	50	Before the end of 2022	Raw materials, formulas and process conditions

(4) Impact of changes of the important domestic and foreign policies and laws on the Company's finance and business, and countermeasures:

1.Impact on financial operations:

(1)Please refer Chapter 5 of the Annual Report:Operations Overview(3) for response measures to the European Union's Restriction of Hazardous Substances Directive (RoHS).

(2)Pursuant to Article 23-3 of the Statute for Industrial Innovation, the Company shall apply for a reduction in the taxes applicable to undistributed earnings by using undistributed earnings in substantial investments.

(3)Pursuant to Article 10-1 of the Statute for Industrial Innovation, investment in brand-new smart machines and investment in related brand-new hardware, software, technology, or technical services for introducing 5th-generation mobile networks are applicable to the tax exemption.

(4)Continuously assess the impact of IFRSs issued by IASB but not yet approved and issued in effect by FSC. For example, the amendments to Sale or Contribution of Assets between an Investor and its Associate or Joint Venture in IFRS 10 and IAS 28, the amendments to Insurance Contracts in IFRS 17, and Classification of Liabilities as Current or Non-current in IAS 1.

2.Response measures:

The Company has established the Legal Division to assess legal risks and formulate countermeasures, review important contracts in advance and provide legal advance to handle legal affairs where necessary. In addition, the accounting division, from time to time, evaluates the impact of such changes on the Company's financial operations and relevant measures in response to the changes in relevant accounting and tax laws and regulations, and discuss with the accountant to prepare the advance planning for such changes.

(5) Impacts of changes in technology (information and communication security risks) and industry on the Company's financial operations, and related response measures:

Please refer to Annual Report: V. Operation Overview 6. Information and Communication Security Management.

(6) Impact of changes in corporate image on the Company's risk management, and response measures:

The Company has always uphold the professional and integrity of the operating principles, paid attention to corporate governance, corporate social responsibility, therefore, there is no foreseeable risk associated with changes in corporate image.

(7) Expected benefits and possible risks of mergers and response measures: Not applicable.

(8) Expected benefits and possible risks to expand the plants and the countermeasures:

The Company does not have a plant expansion plan.

(9) Risks resulting from consolidation of purchasing or sales operations and response measures:

The Company has always been focusing on the petrochemical and plastics market information research and evaluation and strengthening the production, marketing and procurement and other operational strategic planning to maximize profits. Therefore, it can minimize the risk of purchase or sales concentration.

(10) Impacts and risks resulted from major equity transfer or replacement of directors, supervisors, or shareholders holding more than 10% of the Company's shares, and related countermeasures: None.

(11) Impact, risk, and response measures related to any change in governance rights in the Company:

1. Implementation and responsible unit: Board of Directors.

2. There have been no changes in management control at the Company in the most recent fiscal year up to the publication date of this annual report.

(12) Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: involve the Company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the Company; and have been concluded by means of a final and unappealable judgment or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the Company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report.

1.Implementation and responsible unit: Legal Division.

2.Concluded or pending major litigious, non-litigious or administrative disputes in the most recent year and as of the date of report:

(1)The Company: None.

(2)Directors, Supervisors, General Managers, persons with actual responsibility in the Company, and major shareholders holding more than 10% of the Company's shares: None.

(3)Investee companies using equity method:

The Company's investee company CGTD Corporation. (hereinafter referred to as CGTD) adopting equity method was entrusted to operate the propylene pipeline of LCY CHEMICAL CORP. (hereinafter referred to as LCY), experienced a gas explosion on the evening of July 31, 2014. On September 15, 2021, the appeal of the criminal part of this gas explosion case was dismissed by the supreme court down and all three CGTD employees were acquitted.

The case is under the hearing of the supreme court through the appealing filed by Kaohsiung Branch of Taiwan Senior Prosecutor Office. CGTD reached an agreement with Kaohsiung City Government on February 12, 2015 and pledged a term deposit NT$227,540 thousand (including interest) to the Government as a guarantee for losses caused by the gas explosions. Kaohsiung City Government has also filed civil lawsuits against CGTD, LCY and CPC Corporation. Taiwan Power Company applied for provisional attachment against CGTD's property on August 27 and November 26, 2015. CGTD had deposited cash of NT$99,207 thousand to the court to avoid provisional attachment. Taiwan Water Corporation also applied for provisional attachment against CGTD's property on February 3 and March 2, 2017. As of April 30, 2022, the value of the seized property of CGTD is about NT$12,498 thousand.

For the deceased, CGTD, LCY and Kaohsiung City Government signed a tripartite agreement on July 17, 2015 agreeing to negotiate the compensation first with the 32 deceased's successors and persons entitled to the claims ("family of the deceased"). Each family was entitled to NT$12 million and the total compensation was NT$384 million. The compensation was first paid by LCY who also represent the three parties in the settlement negotiation and the signing of settlement agreements with family of the deceased.

For the severely injured, CGTD, LCY and the Kaohsiung City Government signed a tripartite agreement for severe injuries on October 25, 2017 agreeing to negotiate the compensation first with the 65 severely injured victims. The compensation was first paid by CGTD, LCY and the Kaohsiung City Government. CGTD also represents the three parties in negotiating settlements with victims who suffered severe injuries in the incident. It has signed settlement agreements with 64 of the victims.

As of April 30, 2022, the injured, victims or their relatives of the Kaohsiung gas explosion case have filed civil (including incidental civil to criminal) lawsuits to claim compensation from CGTD, LCY and CPC Companies in the Taiwan. Based on the consideration of reducing the litigation cost, CGTD has reached a settlement on the claim with the original claim amount of NT$46,677 thousand, and the settlement compensation amount is NT$4,519 thousand. The total amount of the claim in the lawsuit and the settlement of agreement for the victims and the severely injured mentioned in the preceding paragraph is about NT$3,856,447 thousand. The first-instance judgments of some of the above-mentioned civil cases (with a total amount of compensation of approximately NT$1,341,128 thousand) have been gradually announced, starting from June 22, 2018. Many cases have been affirmed. The proportion of fault liability of the Kaohsiung City Government, LCY Chemical Corp., and CGTD is 4: 3: in most judgments. The total amount of compensation that CGTD, LCY Chemical Corp., and the other defendants should pay is around NT$401,979 thousand (in particular, CGTD was exempted from paying NT$6,194 thousand according to the court's judgment). For the civil cases that have been sentenced but not settled, CGTD has filed an appeal and has started the second trial procedure one after another. The remaining cases are still being heard by the court of first instance (with a total amount of compensation of approximately NT$2,012,493 thousand). CGTD has signed a claim settlement agreement with the insurance company in accordance with the proportion of fault liability determined in the first-instance judgment to estimate the amount of settlement for victims and seriously injured and the civil litigation compensation amount (including settled cases). The maximum amount of the insurance compensation was deducted to calculate the amount payable by CGTD and the NT$136,375 thousand has been included in the estimate on the account. However, the actual settlement and compensation amount described above can only be verified after the proportion of fault liability is determined in the civil judgments.

(13) Risk management, policies, and management plans for information security:

Please refer to 6. Information and Communication Security Management under Operations Overview in Chapter 5 of the Annual Report.

(14) Climate change affects the Company's operations, finance, supply chain, policy and investment decisions, etc.:

The Company believes that the impact of extreme climate variation and the increase in the probability of extreme weather occurrence due to climate change is significant to its operations. In recent years, the Company has actively taken steps to mitigate greenhouse gases produced in operations. We continue to promote energy conservation and carbon reduction improvements and respond to government policies for the gradual establishment of renewable energy. In 105, the Group set its own energy management targets with the aim of utilizing all its capacity within a controllable scope. In 2019, CGPC seeks to adapt to the impact caused by climate change and uses the Task Force on Climate-Related Financial Disclosures (TCFD) published by the Financial Stability Board (FSB) to identify risks and opportunities and establish response measures based on the results of evaluations.

1. CGPC's Task Force on Climate-related Financial Disclosures (TCFD) Framework

Governance	Sustainable Development Committee	CCPG's CSR Committee is the Company's highest-governing body for climate change management. It is chaired by an Independent Director and reports the implementation, plans, and actual performance in climate change in meetings every six months.
	Group Management Conference	It is the top management meeting of USI. The Chairman of the Group serves as the chair. Implementation of major policies is reported at the conference from time to time, and the chair shall decide on the implementation direction.
	Preventive Maintenance and Environmental Risk Control Division Quarterly Meeting	The highest-level unit in the implementation of energy management in USI, and it reports to the Group's Chairman every quarter on the planning and progress of implementation for decision making.
Strategy	Risk and Opportunity Identification	According to risk and opportunity items, each company identifies major items based on the probability and impact.
	Potential financial impact evaluation	Potential financial impact evaluation is conducted for major risks and opportunities identified.
Risk management	Introduction of the TCDF framework	The TCDF framework is adopted to identify risks and opportunities, which will be communicated with major responsible units and confirmed by senior executives.
	Presentation of the identification results	The major risks and opportunities identified will be reported and response measures illustrated at the meeting of Sustainable Development Committee held annually.
Indicators and targets	Group energy management goals	The Group sets an average energy conservation rate of 1.2% or more from 109 to 114, and conducts reviews every three years.
	Response strategies for climate change	Equipment replacement, installation of renewable energy equipment, optimization of production schedules, air conditioning planning of buildings, energy management systems, and extreme climate emergency response plan are included.
	Greenhouse gas emissions disclosure	The Scope 1 and Scope 2 emission data are disclosed in the sustainability report every year, and review of the reasons for the increase or decrease is conducted regularly.

2.Identify climate risks and opportunities

The impact of climate change on operations has become increasingly severe. The Company shall carefully assess any possible risks and grasp potential new business opportunities. CGPC has continuously promoted energy conservation and carbon reduction plans in recent years. We have dedicated full efforts into increasing production capacity and efficiency, and replacement of old equipment with high-efficiency energy-saving equipment. The Company adopted the TCFD methodology this year to identify the transformation risks and physical risks in operations and identified 5 major risk items. With regard to emerging opportunities brought forth by climate change, we identified 7 major risk items. We shall continue to review response measures each year and create a resilient climate change culture.

3.Potential financial impact of risks and response measures

Type	Climate Risk	Potential financial impacts	Response measures
Transformation	Rising costs of raw materials	Increased operational costs Reduced revenue	1. Establish safety inventory and regularly review the optimal inventory planning 2. Increase the self-sufficiency rate of raw materials and ensure long-term stable supply 3. Use operation coordination to grasp market changes for use as material purchase strategies. 4. Adopt sound plans for production and sales and implement flexible adjustments for the production plan.
	Stigmatization of the sector	Increased operational costs Increased capital expenditures Reduced revenue	1. The new green R & D thinking (non-toxic) layout is used to develop new products in the market to reduce environmental impact. 2. Research and development of new varieties of non-toxic plasticizer and stabilizer to make PVC products. 3. Research and development of PVC free products, including TPE, TPU, TPO, and other green products. 4. Replace VCM tank car new unloading equipment to reduce VOC emission. (Scheduled to be completed by the end of 2022) 5. Regularly perform inspections, propose improvement measures, and install additional pollution prevention equipment. Process part: Optimize the slotting procedure of reaction tank and reduce VOC emission. (Ongoing)
	Increasing pricing of greenhouse gas emissions	Increased operational costs Reduced revenue	1. Greenhouse gas emissions are monitored through annual inventory. 2. Continue to pay attention to the revision of national climate change related laws and regulations, and actively participate in the public hearing of the new (Revised) Research Institute.
Physical	Changes in rainfall (water) patterns and extreme changes in climate patterns	Increased operational costs Increased capital expenditures Decrease in net asset value Reduced revenue	Reconstruction of old rain ditch in Toufen Plant: Two outfalls and sludge removal are added, and the second phase of the ditch reconstruction planning is under way.
	Severe weather events such as typhoon and floods	Increased operational costs Increased capital expenditures Reduced revenue	

4.Potential financial impact of opportunities and response measures

Type	Climate opportunity	Potential financial impacts	Response measures
Resource efficiency	Reduce water consumption and water consumption rate	Reduced operating costs and increased asset value	The total amount of water recovered is 849.3 million liters per year. Including the dry centrifuge wastewater recovery system (HBF), water from condensed steam, and changing the water used by the sedimentation tanks of coal-fired boilers to effluents. Uses and benefits: The recycled water is supplied to the cooling tower for reuse to reduce the supply of tap water and the discharge of waste water.
	Use of more efficient production and distribution processes	Reduced operating costs, increased asset value, and increased revenue	1. Equipment automation and energy-saving improvement. 2. Replacement of old equipment with new ones 3. Use energy saving lighting. 4. Promote intelligent manufacturing management systems. 5. Build three-dimensional automatic warehouse and improve transportation line.
Energy sources	Usage of low-price and low-carbon energy sources	Reduced operating costs	1. CGPC, Taiwan VCM, and Linyuen Factory of CGPC Polymer Corporation obtained ISO 50001 energy management system verification. 2. The Toufen Plant of CGPC has built a solar photovoltaic power generation system and set up a project team to evaluate the construction of renewable energy power generation equipment and purchase green power.
	Participation in the carbon trading market	Reduced operating costs	
Products and services	R&D and innovation for the development of new products and services	Reduced operating costs and increased revenue	1.Intelligent mechanical automatic control and quality defect detection equipment, collect and build the process data database of PVC powder dryer, establish the setting of the best program operating conditions, improve product quality and ensure energy saving. 2.Cooperate with customers to develop recycled TPU shoe products, and use recycled materials to make shoe leather. 3.Research and development of new varieties of non-toxic plasticizer and stabilizer to make PVC products.
Resilience	Participation in renewable energy programs and adoption of energy conservation measures	Reduced operating costs and increased asset value	1. The roof of the Toufen Plant of CGPC is equipped with parallel solar photovoltaic power generation system. In 2021, the total power consumption of Taiwan power was 1,785,555 kWh. 2. Since 2022, the Company planned to build and install solar photovoltaic power generation system on the roof about 200 kWp, and the remaining insufficient capacity will be planned by the Group. 3. The heavy oil and thermal oil boiler in Toufen Plant was fully converted to natural gas in 2020. 4. In 2021, the three plants saved 28,528 GJ of energy, reduced 2,741 tons of CO2e, which is about 7 Da'an Forest Parks of absorbed carbon.
	Energy substitution/ diversification	Reduced operating costs and increased asset value	

(15) Responding to environmental, social, and corporate governance risks:

Aspects to consider	Risk description	Response measures
Governance	Raw material-related risks	●Establish safety inventory and regularly review the inventory ●Vertical integration and effective management. ●Manage and coordinate material procurement strategies. ●Implement flexible adjustments in production and sales for the production plan.
	Production and operation interruptions caused by disasters/accidents	●Regularly organize occupational safety and fire safety training ●Regular maintenance, PDA inspections, and infrared thermal image inspections of machinery and equipment. ● Purchase property insurance, operation interruption insurance, shipping insurance, and public liability insurance ● In order to ensure the safety of employees, strengthen advocacy and education and training, and continuously improve the safety of on-site operation of employees, the company has entrusted a third party unit to analyze the causes of the accident, conduct in-depth review and improvement, reduce the hazard factors, and put forward corresponding action plans: ■System: (1) The material and time limit of flange gaskets shall be determined, and the flange gaskets shall be replaced according to the time limit. (2) Set up the on-site audit procedures for all levels of personnel to implement the operation safety. (3) Revise relevant SOP and implement education and training. ■Implementation: (1) Check and replace the incompatibilities of pipeline equipment. (2) Implement the MOC and replace the records with CMMS registry. (3) Conduct the education and training of wearing protective equipment at all levels, and test the implementation degree with normal no warning drill. (4) Every year, we will carry out in-house drills of disaster and emergency, including emergency treatment of leakage and fire.
	Other	●Adjust business strategy due to COVID-19: Continue to disperse PVC market to avoid overall sales affected by single market factors. ●Capacity impact and operation interruption countermeasures: Take emergency outsourcing, adjust overlapping production line, arrange equipment maintenance in advance, and strictly control the business order delivery. At the same time, ask the financial department to negotiate with the insurance company for the loss of operation interruption and shutdown.
	Financial risks	●Changes in interest rates: Use short, medium, and long-term loans and sign IRS agreements. ●Exchange rate variation: Use forward foreign exchange contracts to offset risks. ●Property insurance: Purchase fire insurance, operation interruption insurance, and shipping insurance. ●Endorsements and guarantees: Ensure the prior evaluation and subsequent follow-up for endorsements and guarantees. ●Accounts Receivable Risk: Actively care about customers' operating conditions or analyze customers' financial reports. (1) Domestic customers: Add substantial guarantee and qualified joint guarantor. (2) Export customers: Countries that strive to increase the amount of credit insurance and increase the coverage of L/C insurance.

Aspects to consider	Risk description	Response measures
Environmental risks	Inappropriate discharge of sewage and hazardous gases	●Establishment of an environmental management system: Establish ISO 14001 environmental management system and conduct regular internal and external audit to ensure compliance with environmental regulations. ●Regularly perform inspections, propose improvement measures, and install additional pollution prevention equipment. ●Continue to promote energy conservation and carbon reduction. ●Replace VCM tank car new unloading equipment to reduce VOC emission. (Scheduled to be completed by the end of 2022) ●Process part: Optimize the slotting procedure of reaction tank and reduce VOC emission. (Ongoing) ●Regularly plan and inspect pipelines and equipment components and timely repair to reduce pollution caused by equipment damage and failure. (in progress) ●Pollution prevention equipment: Clean the flue regularly and increase the emission chimney pollution treatment equipment to reduce the generation of peculiar smell. (Ongoing)
Society	Transportation and storage operations and safety maintenance	●Tanker trucks must have certificates of qualification in inspections and comply with related control regulations and measures. ●The transportation of toxic chemical substances regulated by the government must be incorporated into the corresponding joint defense organization. ●Contractor vehicles must be regularly inspected and safety meetings must be held in accordance with regulations. ●Develop corresponding risk control measures.
	Impact of infectious diseases on employee health and work	●Establish disease prevention procedures and guidelines for infectious diseases. ●Establish a disease prevention team to execute preventive measures. ●Set up operating standards for relevant technologies and management.
	Passing on the technology and experience of high-level talents	●System of job rotations and agent cultivation.
	Information Security	●Protection of confidential customer information. ●Risk categories and responses-risks and challenges.

Note: Derivative financial products Interest Rate Swap (IRS).

7. Other Important Matters: The Company's key performance indicators

(1)Productivity achievement rate: Compared to the annual target, raw materials products reached 102.4% and processed products reached 97.03%.

(2)Yield: Compared to the annual target, raw materials products reached 99.09% and processed products reached 99.06%.

(3)Customer complaints: In 2021, the ratio of annual losses from customer complaints (excluding quantity discounts) was 0.03% (the losses from customer complaints as a ratio of the revenue) and it was within the Company's control.

(4) Employee proposals: In 2021, there were 435 proposals (established cases) and the estimated savings is NT$14.29 million.

(5) Labor safety incidents:

Injury frequency (number of disability and injury per million hours): 2.86.

Injury severity rate (total number of days of losses due to disability and injury per million hours): 43.

The incidence of work safety is still within a manageable range for the Company.

(6)Pollution prevention:

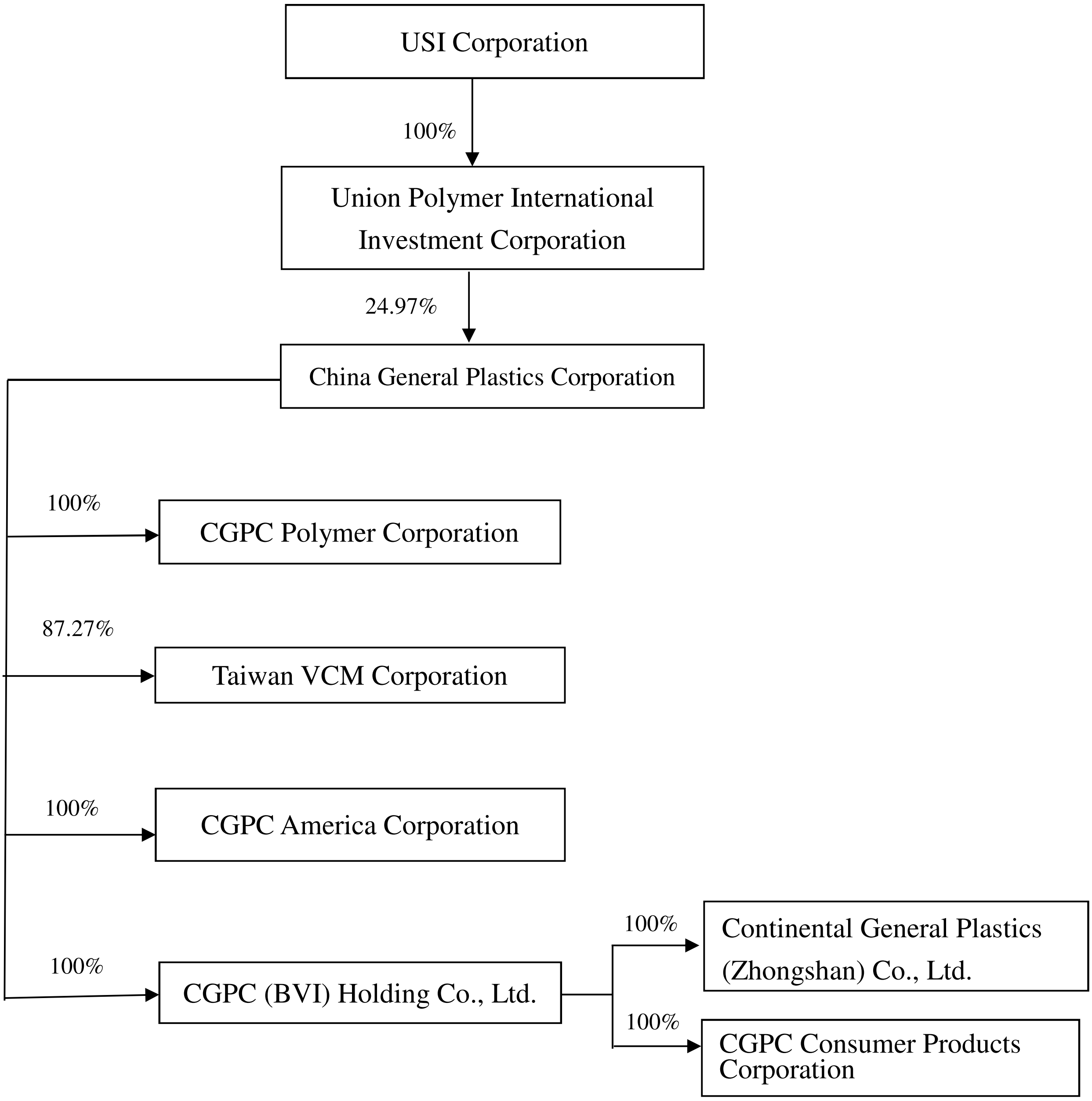
1. The Environmental Development Department of Taiwan VCM Corporation was approved by the EPD of the Executive Yuan approved and obtained the certificate of decontamination technology for contaminated sites. Through promoting the certification and validation of remediation technologies and collecting information from domestic manufacturers and successful cases of separation, the EPD recently announced the remediation technologies of Environmental Development Department of Taiwan VCM Corporation in the "soil and groundwater pollution remediation network" of EPD.
2. Chien, Hua-Yi, Director of Environmental Development Department of Taiwan VCM Corporation was awarded the 2020Outstanding Program Manager Award by Taiwanese Soil and Groundwater Environmental Protection (TASGEP).
3. In 2022, Taiwan VCM Corporation established a 100% subsidiary, Global Green Technology Corporation, to develop integrated green remediation technology, to provide soil and groundwater investigation and remediation services, and to improve the impact of chlorine-containing pollutants on the environment.

VIII. Special Notes

1. Affiliates Information

(1) 2021 Consolidated Business Report of Affiliated Enterprises

1. Organizational Structure of Affiliated Companies



2. Basic information regarding various affiliated companies

Unit: NT$ thousand

Name of Company	Date of Founding:	Address	Actual Paid-in Capital	Main Business or Product
Taiwan VCM Corporation	January 21, 1970	No.1, Gongye 1st Road, Linyuan District, Kaohsiung City	2,974,425	Production and sales of vinyl chloride monomer
CGPC America Corporation	June 21, 1988	1181 California Ave., Suite235, Corona, CA92881	554,984	Sales of PVC secondary processing, third processing products
CGPC (BVI) Holding Co., Ltd.	April 10, 1997	Citco Building, Wickhams Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	451,413	Reinvestment holding Company
Continental General Plastics (Zhongshan) Co., Ltd.	December 2, 1997	Yianjiang East 2nd Road, Zhongshan Torch Hi-Tech Industrial Development Zone, Zhongshan City, Guangdong Province, China	553,600	Manufacturing and sales of PVC secondary processing, three processing products
CGPC Consumer Products Corporation	December 12, 2006	Yianjiang East 2nd Road, Zhongshan Torch Hi-Tech Industrial Development Zone, Zhongshan City, Guangdong Province, China	41,520	Manufacturing and sales of PVC third processing products
CGPC Polymer Corporation	May 19, 2009	12F, No.37, JiHu Road, NeiHu District, Taipei City	800,000	Manufacturing and sales of PVC resin

3. Information of the same legal person shareholder presumed to have relationship of controlled and affiliated: None.

4. Business of affiliates and their relationships

Industry code	Name of Affiliates	Business relationship with other affiliates
Petrochemical manufacturing industry	CGPC Polymer Corporation	Procurement from Taiwan VCM Corporation
	Taiwan VCM Corporation	Sell products to CGPC Polymer Corporation
Plastics manufacturing	Continental General Plastics (Zhongshan) Co., Ltd.	
	CGPC Consumer Products Corporation	
Plastic sales industry	CGPCAmericaCorporation	Sales of products of China General Plastics Corporation
Holding company	CGPC(BVI)HoldingCo.,Ltd.	The Company invested in the following businesses: 1. Continental General Plastics (Zhongshan) Co., Ltd. 2. CGPC Consumer Products Corporation

5. Information regarding the directors, supervisors and general managers of affiliated companies

Unit: unless otherwise specified, all units are share

Company Name or Responsible Unit	Title	Name or representative	Number of shares held by the person/ shareholding percentage	Number of shares/ shareholding percentage of the legal representative
Taiwan VCM Corporation	Chairman	Lin, Han-Fu (Representative of China General Plastics Corporation)	0/0	259,591,005/87.27%
	Director	Wu, Yi-Gui (Appointed by China General Plastics Corporation)	0/0	
	Director	Wang, Ping-I (Appointed by China General Plastics Corporation)	0/0	
	Director	Li, Kuo-Hung (Appointed by China General Plastics Corporation)	0/0	
	Director	Liu, Han-Tai (Appointed by China General Plastics Corporation)	0/0	
	Director	Hu, Chi-Hong (Appointed by China General Plastics Corporation)	0/0	
	Director	Chen, Chin-Yuan (Appointed by Ocean Plastics Co. Ltd.)	0/0	37,062,395/12.46%
	Supervisor	Kuang-Che Huang	0/0	—
	Supervisor	Ya-I Huang	0/0	—
	General Manager	Lin, Han-Fu	0/0	—
CGPC America Corporation	Director	Wu, Yi-Gui	0/0	—
	Director	Lin, Han-Fu	0/0	—
	Director	Hu, Chi-Hong	0/0	—
	Director	Sun, Meng-Wen	0/0	—
	General Manager	Hu, Chi-Hong	0/0	—
CGPC (BVI) Holding Co.,Ltd.	Director	Wu, Yi-Gui	0/0	—
	Director	Lin, Han-Fu	0/0	—
	Director	Hu, Chi-Hong	0/0	—
	Director	Yang, Wen-Li	0/0	—
Continental General Plastics (Zhongshan) Co., Ltd.	Chairman	Lin, Han-Fu (appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	Capital contribution USD20,000,000/100
	Director	Liu, Han-Tai (appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	
	Director	Yang, Li-Wen (appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	
	Director	Hu, Chi-Hong (appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	
	Director	Chen, Yung-Chih (appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	
	Supervisor	Huang, Ya-I (appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	
	General Manager	Lin, Han-Fu	0/0	—

Company Name or Responsible Unit	Title	Name or representative	Number of shares held by the person/ shareholding percentage	Number of shares/ shareholding percentage of the legal representative
CGPC Consumer Products Corporation	Chairman	Lin, Han-Fu (appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	Capital contribution USD1,500,000/100
	Director	Yang, Li-Wen (appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	
	Director	Hu, Chi-Hong (appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	
	Director	Chen, Wan-Ta (appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	
	Director	Huang, Ya-I (appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	
	Supervisor	Chen, Yung-Chih (appointed by CGPC (BVI) Holding Co., Ltd.)	0/0	
	General Manager	Lin, Han-Fu	0/0	—
CGPC Polymer Corporation	Chairman	Wu, Yi-Gui (Appointed by China General Plastics Corporation)	0/0	80,000,000/100%
	Director	Lin, Han-Fu (Representative of China General Plastics Corporation)	0/0	
	Director	Hu, Chi-Hong (Appointed by China General Plastics Corporation)	0/0	
	Supervisor	Huang, Ya-I (Appointed by China General Plastics Corporation)	0/0	
	General Manager	Lin, Han-Fu	0/0	—

Note 1: If the affiliated enterprise is a foreign company, list the personnel holding key positions.

Note 2: If the invested company is a joint stock limited company, please fill in the number of shares and the proportion of shareholding. For other companies, please fill in the amount of capital and the proportion of capital contribution, and give clear indication.

Note 3: If the director or supervisor is a legal person, the related information of the representatives shall be disclosed.

6. 2021 business overview of affiliates

Unit: NT$ thousand

Name of Company	Capital	Total assets	Total liabilities	Net value	Operating revenue Net amount	Operating profit (loss)	Profit (loss) for the current period (after taxes)	Earnings Per Share (EPS) (loss) (NT$) (after taxes)
Taiwan VCM Corporation	2,974,425	8,284,664	2,767,627	5,517,037	14,664,946	1,926,936	1,510,951	5.08
CGPC America Corporation	554,984	485,715	220,154	265,561	781,653	24,872	21,914	219,129.16
CGPC (BVI) Holding Co.,Ltd.	451,413	345,845	0	345,845	0	(71)	(2,505)	(0.15)
Continental General Plastics (Zhongshan) Co., Ltd. (Note 2)	553,600	268,627	6,324	262,303	0	(20,495)	(2,569)	-
CGPC Consumer Products Corporation (Note 2)	41,520	13,594	133	13,461	0	(36)	15	-
CGPC Polymer Corporation	800,000	3,203,776	1,700,027	1,503,749	7,684,205	741,337	580,982	7.26

Note 1: All related enterprises regardless of size, should be disclosed.

Note 2: On October 24, 2011, the board of directors of the Company resolved to dissolve CGPC (ZS) and CGPC (CP). However, considering that the suspended entities have resumed operations, the Company assessed that the suspended entities have continued operations since 2021. The income and expense losses among the merged individuals have been deducted from the profits and losses of the above companies.

(2) Consolidated Financial Statements of Affiliated Enterprises

Statement of Consolidated Financial Statements of Affiliated Enterprises

We hereby state (from January 1, 2021 to December 31 2021) that the companies required to be included in the 2021 consolidated financial statements of affiliates under the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises, are all the same as companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in the International Financial Reporting Standards No. 10 (IFRS 10), and relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the proceeding consolidated financial statements of parent and subsidiary companies, thus the Company is not required to prepare separate consolidated financial statements of affiliates.

Which is thereof declared

Company Name: China General Plastics Corporation

Person in charge: Wu, Yi-Gui

March 9, 2022

(3) Affiliation Reports

1. Affiliation Reports Statement of Affiliation Reports

Statement of Affiliation Reports

The Company's affiliation reports for the fiscal year of 2021 (from January 1, 2021 to December 31, 2021) was prepared in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises", and the disclosed information is not materially inconsistent with the information disclosed in the notes to the financial statements of the above-mentioned period.

Which is thereof declared

Company Name: China General Plastics Corporation

Person in charge: Wu, Yi-Gui

March 9, 2022

2. Independent auditor's opinion on affiliation reports

March 30, 2022 Deloitte & Touche Audit Report No. 11102751

Recipient: China General Plastics Corporation

Subject: We express our opinions on the Company's 2021 affiliation report that it does not contain any material inconsistency.

Note:

(1) The Company's affiliation reports for the fiscal year of 2021 (from January 1, 2021 to December 31) was prepared on March 9, 2022 in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises", and the disclosed information is not materially inconsistent with the information disclosed in the notes to the financial statements of the above-mentioned period. The statement is attached to this letter.

(2) We have audited the affiliation report in accordance with the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises and compared the report to your Company's financial statements for year 2021. No material inconsistency has been found in the abovementioned statement.

Deloitte, Taiwan

CPA：Huang, Hsiu-Chun

CPA：Chiu, Cheng-Chun

3. The general relationship between the subsidiary company and the control company

Unit: Shares

Name of the Controlling Company (Note 1)	Reason for control	Shares Held by the Holding Company and Status of Pledged Shares			Directors, Supervisors or Managers Appointed by the Holding Company	
		Number of Shares Held	Shareholding Ratio	The Number of Pledged Shares	Title	Name
Shing Li Enterprises (Hong Kong) Limited	The major shareholder and representative of USI was elected as the Chairman	—	—	—	—	—
USI Corporation (USI)	The parent company of the major shareholder (Union Polymer Int'l Investment Corp.) and the chairman are the same	—	—	—	—	—
Union Polymer International Investment Corporation (UPIIC)	Major shareholder with more than half of the director seats	145,079,236	24.97%	0	Chairman	Wu, Yi-Gui
					Director	Lin, Han-Fu, Wang, Ke-Shun, Liu, Zhen-Tu, Liu, Han-Tai and Wu, Hung-To

Note 1: Where the controlling company of a subsidiary company is a subsidiary company of another company, the other company's related information shall also be filled in. Where the other company is a subsidiary company of another company, the same shall apply.

Note 2: As of December 31, 2021, Union Polymer Int'l Investment Corp. has not pledged shares; as of the book closure date on April 1, 2022, Union Polymer Int'l Investment Corp. has not pledged shares.

4. Import and Sales Transaction Situation

Unit: NT$ thousand

Name of the controlling company	Transaction status with control company				Transaction terms with the holding company		General trade terms		Reason for the differ-rence	Accounts Receivable (Payable), Notes Receivable (Payable)		Overdue Accounts Receivable (Payable)			Remarks
	Purchases (Sales)	Amount	Percentage to total purchases (sales)	Sales Margin	Unit Price (NTD)	Loan tenor	Unit Price (NTD)	Loan tenor		cash balance	Ratio of total accounts receivable (payable) and notes	Amount	Treatment Method	Amount of Allowance for Bad Debts	
USI Corporation	Purchase	420	0.00	-	198.25	60 days	198.25	60 days	-	(121)	0.01	-	-	-	-

Note: In case of advance receipt (payment), the reasons, contractual terms, amount and difference from the general transaction shall be stated in the Remarks column.

5. Status of property transactions: None.

6. Status of financing: None.

7. Lease of assets

Unit: NT$ thousand

Name of the controlling company	Transaction type (leasing or renting)	Subject		Lease Term	Nature of Leasing	Determination Basis of Leasing Price	Collection (Payment) Method	Comparison With Ordinary Leasing Price Levels	Total rent for this period	Collection/ Payment Status in The Current Period	Other Stipulations
		with the Issuer	Location								
USI Corporation	Lessee	Housing and Parking Lots	Underground Parking and 7F, No.37, JiHu Road, NeiHu District, Taipei City	May 2021 to April 2022	Operating lease	Market price	Monthly Payment	Same	2,780	Normal	None
		Housing	Part of 6F-10F, No. 37 and 39, Jihu Road, Neihu District, Taipei City	January 2021 to December 2021	Operating lease	Market price	Monthly Payment	Same	1,811	Normal	None

8. Other significant transactions: None.

9. Endorsements/guarantees: None.

2. Private Placement of Securities During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report: None.

3. Holding or Disposal of Shares in the Company by the Company's Subsidiaries During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report: None.
4. Other Supplementary Information: None.
5. Situations Listed in Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act Which Might Materially Affect Shareholders' Equity or the Price of the Company's Securities Occurring During the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report: None.

Declaration of Consolidated Financial Statements of Affiliates

In 2021 (from January 1, 2021 to December 31, 2021), the companies required to be included in the consolidated financial statements of affiliates under the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are all the same as companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in the International Financial Reporting Standards (IFRS) 10, and relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. The Company hereby produces this declaration to the effect that no preparation for the separate consolidated financial statements of affiliates is required.

Very truly yours,

CHINA GENERAL PLASTICS CORPORATION

WU, YI-GUI
Chairman

March 9, 2022

Independent Auditors' Report

The Board of Directors and Shareholders
China General Plastics Corporation

Opinion

We have audited the accompanying consolidated financial statements of China General Plastics Corporation and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China ("The Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Matters to Be Emphasized

As stated in Note 12 to the consolidated financial statements, China General Plastics Corporation and Subsidiaries has considered that its discontinued operations was resumed its operating substance. Such discontinued operations have been reclassified to continuing operations since 2021; therefore, when preparing comparative financial statements, it is required to restate the previously stated amounts as well as the financial statements for the comparative periods in accordance with International Financial Reporting Standards No. 5 "Non- current assets held for sale and discontinued operations." The effects of restating the previously stated amounts of the comparative periods are set out in Note 12. As such, we have not modified our audit opinion accordingly.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Group for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Group’s consolidated financial statements for the year ended December 31, 2021 are stated as follows:

Authenticity of revenue recognition for sales to specific customers

The Group's sales revenue of specific products increased significantly in 2021 compared to the same period of last year. The growth of sales revenue from some customers was higher than the average growth rate and the amount was substantial, which had a significant impact on the sales revenue and financial results of the Group. Therefore, authenticity of revenue recognition for the sales to those customers is identified as one of the key audit matters.

Please refer to Notes 4 and 23 to the consolidated financial statements for relevant accounting policies and information in relation to revenue recognition.

We have performed the following audit procedures to validate authenticity of revenue recognition:

1. We studied and tested the internal control mechanism to monitor authenticity of revenue recognition, and assessed the effectiveness of its design and implementation. We evaluated the appropriateness of revenue recognition accounting policies adopted by management.
2. We reviewed original orders, shipping documents, invoice and receipt documents to verify the authenticity of revenue recognition.
3. We inspected the occurrence of sales returns and allowances subsequent to the balance sheet date, and sent letters to confirm whether there were any irregularities in accounts receivable at year-end.

Other Matters

We have also audited the parent company only financial statements of China General Plastics Corporation as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

To ensure that the Consolidated Financial Statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the IFRS, IAS, law and regulation reviews and their announcements recognized and announced by the Financial Supervisory Commission, and for preparing and maintaining necessary internal control procedures pertaining to the consolidated financial statements.

In preparing the consolidated financial statements, the management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the audit committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and evaluate the risk of material misstatements due to fraud or error in the consolidated financial statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Group.
3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to operate as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall expression, structure and contents of the consolidated financial statements (including relevant Notes), and whether the consolidated financial statements fairly present relevant transactions and items.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit and for expressing an opinion on the financial statements of the Group.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine the key audit matters of the Group's the consolidated financial statements for the year ended December 31, 2021. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche,

Taipei, Taiwan, Republic of China

CPA Huang, Hsiu-Chun

CPA Chiu, Cheng-Chun

Securities and Futures Commission
Approved Document No.
Tai Cai Zheng Liu Zi No. 0920123784

Financial Supervisory Commission
Approved Document No.
Jin Guan Zheng Liu Zi No. 0930160267

March 9, 2022

Notice to Readers:

The consolidated financial statement (Chinese version) of our company is audited by the CPA HUANG, HSIU-CHUN and CPA CHIU, CHENG-CHUN of Deloitte Taiwan. For the convenience of reading, the statement has been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail.

China General Plastics Corporation and Subsidiaries

Consolidated Balance Sheets

December 31, 2021 and 2020

Unit: NT$ thousand

		December 31, 2021		December 31, 2020 (Restated)	
CODE	ASSETS	Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 6)	$ 1,220,291	7	$ 777,101	6
1110	Financial assets at fair value through profit or loss (FVTPL) - current (Note 7)	862,460	5	1,524,661	11
1136	Financial assets at amortized cost - current (Notes 9 and 30)	269,291	2	269,224	2
1150	Notes receivables (Note 10)	404,709	2	200,777	1
1170	Trade receivables (Notes 10 and 29)	1,638,291	10	1,703,390	12
1200	Other receivables (Note 10)	135,890	1	126,010	1
1210	Other receivables from related parties (Notes 10 and 29)	1,791	-	2,811	-
1220	Current tax assets (Notes 5 and 25)	-	-	16,481	-
1310	Inventories (Note 11)	3,102,691	18	1,207,129	9
1410	Prepayments	251,816	1	45,425	-
1470	Other current assets	1,062	-	1,576	-
11XX	Total current assets	7,888,292	46	5,874,585	42
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 8)	87,151	1	140,477	1
1550	Investments accounted for using the equity method (Notes 5 and 14)	396,902	2	338,228	3
1600	Property, plant and equipment (Notes 15, 18, 29, and 30)	7,666,434	45	6,570,237	47
1755	Right-of-use assets (Notes 16 and 29)	156,057	1	178,823	1
1760	Investment Properties (Notes 17)	507,848	3	534,465	4
1840	Deferred tax assets (Notes 5 and 25)	228,381	2	216,299	2
1990	Other non-current assets (Note 30)	44,250	-	40,511	-
15XX	Total non-current assets	9,087,023	54	8,019,040	58
1XXX	Total Assets	$ 16,975,315	100	$ 13,893,625	100
CODE	LIABILITIES AND EQUITY				
	Current Liabilities				
2100	Short-term borrowings (Note 18)	$ 200,000	1	$ -	-
2120	Financial liabilities at fair value through profit or loss at FVTPL-current (Note 7)	-	-	4,556	-
2170	Trade payables (Note 19)	676,836	4	786,736	5
2180	Trade payables to related parties (Notes 19 and 29)	237,498	1	107,035	1
2200	Other payables (Note 20)	1,018,080	6	802,869	6
2220	Other payables to related parties (Note 29)	15,197	-	13,471	-
2230	Current tax liabilities (Notes 5 and 25)	687,974	4	374,688	3
2280	Lease liability - current (Notes 16 and 29)	36,404	-	36,029	-
2300	Other current liabilities (Note 23)	120,512	1	95,219	1
21XX	Total current liabilities	2,992,501	17	2,220,603	16
	Non-current liabilities				
2540	Long-term borrowings (Notes 15, 18, and 30)	882,575	5	50,000	1
2570	Deferred tax liabilities (Notes 5 and 25)	594,632	4	594,562	4
2580	Lease liability - current (Notes 16 and 29)	124,307	1	147,189	1
2640	Net defined benefit liabilities (Note 21)	517,380	3	572,981	4
2670	Other non-current liabilities	28,651	-	4,532	-
25XX	Total non-current liabilities	2,147,545	13	1,369,264	10
2XXX	Total Liabilities	5,140,046	30	3,589,867	26
	Equity attributable to owners of the Company (Notes 8, 13, 14, 22, and 25)				
3110	Ordinary shares	5,810,505	34	5,533,814	40
3200	Capital surplus	12,002	-	10,338	-
	Retained earnings				
3310	Legal reserve	870,332	5	704,963	5
3320	Special reserve	408,223	2	408,223	3
3350	Unappropriated earnings	3,981,643	24	2,950,662	21
3300	Total retained earnings	5,260,198	31	4,063,848	29
3400	Other equity	80,272	1	95,515	1
31XX	Total equity attributable to owners of the Company	11,162,977	66	9,703,515	70
36XX	Non-controlling Interests	672,292	4	600,243	4
3XXX	Total equity	11,835,269	70	10,303,758	74
	Total Liabilities and Equity	$ 16,975,315	100	$ 13,893,625	100

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to Deloitte & Touche auditors' report dated March 9, 2022)

Notice to Readers:

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China General Plastics Corporation and Subsidiaries

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2021 and 2020

Unit: NT$ thousand, except Earnings Per Share

		2021		2020 (Restated)	
CODE		Amount	%	Amount	%
4100	Net revenue (Notes 23 and 29)	$ 20,221,524	100	$ 13,733,148	100
5110	Cost of revenue (Notes 11, 21, 24, and 29)	15,181,144	75	10,373,858	75
5900	Gross profit	5,040,380	25	3,359,290	25
	Operating expenses (Notes 12, 21, 24, and 29)				
6100	Selling and marketing expenses	1,353,416	7	874,540	6
6200	General and administrative expenses	292,634	2	271,846	2
6300	Research and development expenses	77,173	-	68,776	1
6000	Total operating expenses	1,723,223	9	1,215,162	9
6900	Profit from Operations	3,317,157	16	2,144,128	16
	Non-operating income and expenses (Notes 7, 12, 14, 24, and 29)				
7100	Interest income	2,235	-	3,882	-
7010	Other income	103,761	1	65,006	-
7020	Other gain and loss	(132,984)	(1)	(63,999)	-
7510	Interest expense	(5,294)	-	(7,387)	-
7060	Share of profit of associates accounted for using the equity method	22,159	-	23,708	-
7000	Total non-operating income and expenses	(10,123)	-	21,210	-
7900	Profit before income tax	3,307,034	16	2,165,338	16
7950	Income tax expense (Notes 5 and 25)	675,616	3	373,628	3
8200	Net Profit for the Year	2,631,418	13	1,791,710	13
	Other comprehensive income (loss) (Notes 8, 14, 21,22 and 25)				
	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	1,171	-	23,527	-
8316	Unrealized gain (loss) on investments in equity instruments at FVTOCI	(42,877)	-	37,096	1
8321	Share of other comprehensive income (loss) of associates accounted for using the equity method- remeasurement of defined benefit plans	(242)	-	241	-
8326	Share of the other comprehensive income of associates accounted for using the equity method unrealized gain on investments in equity instruments at FVTOCI	37,095	-	34,754	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	(906)	-	(3,475)	-
8310		(5,759)	-	92,143	1
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	(11,080)	-	(12,122)	-
8371	Share of the other comprehensive income (loss) of associates accounted for using the equity method - exchange differences on translating the financial statements of foreign operations	(338)	-	203	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	2,216	-	2,423	-
8360		(9,202)	-	(9,496)	-
8300	Other comprehensive income (loss) for the year, net of income tax	(14,961)	-	82,647	1
8500	Total comprehensive income for the year	$ 2,616,457	13	$ 1,874,357	14
	Net profit attributable to:				
8610	Owners of the Company	$ 2,468,676	12	$ 1,634,184	12
8620	Non-controlling Interests	162,742	1	157,526	1
8600		$ 2,631,418	13	$ 1,791,710	13
	Total comprehensive income attributable to:				
8710	Owners of the Company	$ 2,453,884	12	$ 1,715,940	13
8720	Non-controlling Interests	162,573	1	158,417	1
8700		$ 2,616,457	13	$ 1,874,357	14
	Earnings per share (Note 26)				
9750	Basic	$ 4.25		$ 2.81	
9850	Diluted	$ 4.24		$ 2.81	

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

(Please refer to Deloitte & Touche auditors' report dated March 9, 2022)

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China General Plastics Corporation and Subsidiaries

Consolidated Statements of Changes in Equity

For the Years Ended December 31, 2021 and 2020

Unit: NT$ thousand

		Equity attributable to owners of the Company (Notes 8, 13, 14, 22, and 25)													
										Other Equity					
			Capital surplus			Retained earnings									
CODE		Ordinary shares	Unpaid Dividends	Others	Total	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translating the financial statements of foreign operations	Unrealized gain on financial assets at FVTOCI	Total	Total	Non-controlling Interests	Total equity
A1	Balance as of January 1, 2020	$ 5,270,299	$ 9,746	$ 314	$ 10,060	$ 640,570	$ 408,223	$ 1,888,394	$ 2,937,187	($ 33,763)	$ 67,029	$ 33,266	$ 8,250,812	$ 461,754	$ 8,712,566
	Appropriation and distribution of earnings for 2019														
B1	Legal reserve	-	-	-	-	64,393	-	(64,393)	-	-	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	(263,515)	(263,515)	-	-	-	(263,515)	-	(263,515)
B9	Share dividends distributed by the Company	263,515	-	-	-	-	-	(263,515)	(263,515)	-	-	-	-	-	-
O1	Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(19,927)	(19,927)
C17	Other changes in capital surplus	-	278	-	278	-	-	-	-	-	-	-	278	(1)	277
D1	Net profit in 2020	-	-	-	-	-	-	1,634,184	1,634,184	-	-	-	1,634,184	157,526	1,791,710
D3	Other comprehensive income (loss) in 2020, net of income tax	-	-	-	-	-	-	19,507	19,507	(9,496)	71,745	62,249	81,756	891	82,647
D5	Total comprehensive income (loss) in 2020	-	-	-	-	-	-	1,653,691	1,653,691	(9,496)	71,745	62,249	1,715,940	158,417	1,874,357
Z1	Balance as of December 31, 2020	5,533,814	10,024	314	10,338	704,963	408,223	2,950,662	4,063,848	(43,259)	138,774	95,515	9,703,515	600,243	10,303,758
	Appropriation and distribution of earnings for 2020														
B1	Legal reserve	-	-	-	-	165,369	-	(165,369)	-	-	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	(996,086)	(996,086)	-	-	-	(996,086)	-	(996,086)
B9	Share dividends distributed by the Company	276,691	-	-	-	-	-	(276,691)	(276,691)	-	-	-	-	-	-
O1	Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(87,619)	(87,619)
C17	Other changes in capital surplus	-	1,412	-	1,412	-	-	-	-	-	-	-	1,412	-	1,412
M5	Acquisition of part of the equity of subsidiaries	-	-	252	252	-	-	-	-	-	-	-	252	(2,905)	(2,653)
D1	Net profit in 2021	-	-	-	-	-	-	2,468,676	2,468,676	-	-	-	2,468,676	162,742	2,631,418
D3	Other comprehensive income (loss) in 2021, net of income tax	-	-	-	-	-	-	451	451	(9,202)	(6,041)	(15,243)	(14,792)	(169)	(14,961)
D5	Total comprehensive income (loss) in 2021	-	-	-	-	-	-	2,469,127	2,469,127	(9,202)	(6,041)	(15,243)	2,453,884	162,573	2,616,457
Z1	Balance as of December 31, 2021	$ 5,810,505	$ 11,436	$ 566	$ 12,002	$ 870,332	$ 408,223	$ 3,981,643	$ 5,260,198	($ 52,461)	$ 132,733	$ 80,272	$ 11,162,977	$ 672,292	$ 11,835,269

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

(Please refer to Deloitte & Touche auditors' report dated March 9, 2022)

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China General Plastics Corporation and Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2021 and 2020

Unit: NT$ thousand

CODE		2021	2020 (Restated)
	Cash flows from operating activities		
A10000	Profit before income tax	$ 3,307,034	$ 2,165,338
A20010	Adjustments for:		
A20100	Depreciation expenses	681,269	653,933
A20200	Amortization expense	23,761	40,690
A20300	Expected credit loss	967	-
A20400	Net gain on fair value change on financial instruments at FVTPL	(19,628)	(24,501)
A20900	Interest expense	5,294	7,387
A21200	Interest income	(2,235)	(3,882)
A21300	Dividend income	(34,369)	(9,265)
A22300	Share of profit of associates accounted for using the equity method	(22,159)	(23,708)
A22500	Gain on disposal of property, plant and equipment	70,193	(764)
A22600	Property, plant and equipment transferred to expense	-	9,431
A23200	Loss from disposal of investments under equity method	-	173
A23700	Provision for write-downs of inventories and obsolescence losses	22,917	10,404
A30000	Net change in operating assets and liabilities		
A31115	Financial Instruments at FVTPL	677,273	(720,754)
A31130	Notes receivable	(203,932)	9,213
A31150	Trade receivables (including related parties)	60,503	(440,883)
A31180	Other receivables (including related parties)	(8,965)	(41,426)
A31200	Inventories	(1,924,507)	242,839
A31230	Prepayments	(156,391)	88,045
A31240	Other current assets	514	1,242
A32150	Trade payables (including related parties)	20,669	60,083
A32180	Other payables (including related parties)	95,848	188,642
A32230	Other current liabilities	25,293	20,999
A32240	Net defined benefit liabilities	(54,430)	(45,707)
A33000	Cash generated from operations	2,564,919	2,187,529
A33100	Interest received	2,328	4,289
A33300	Interest paid	(4,275)	(7,462)
A33500	Income tax paid	(356,551)	(96,032)
AAAA	Net cash generated from operating activities	2,206,421	2,088,324

(Continued)

CODE		2021	2020 (Restated)
	Cash flows from investing activities		
B00030	Return of capital from financial assets at FVTOCI	$ 10,449	$ 16,423
B00040	Purchase of financial assets at amortized cost	(662,805)	(662,578)
B00050	Proceeds from sale of financial assets at amortized cost	662,738	662,457
B02000	Increase in prepayments for investments	(50,000)	-
B02400	Refund of shares from reduction on investments accounted for using the equity method	-	1,274
B02700	Payments for property, plant and equipment	(1,681,675)	(1,133,190)
B02800	Proceeds from disposal of property, plant and equipment	20,288	4,115
B03700	Increase in refundable deposits	(59,949)	(50,062)
B03800	Decrease in refundable deposits	55,796	50,898
B05400	Acquisition of investment properties	(3,298)	(85,673)
B06700	Increase in other non-current assets	(23,356)	(7,235)
B07600	Dividends received	34,369	9,265
BBBB	Net cash used in investing activities	(1,697,443)	(1,194,306)
	Cash flows from financing activities		
C00100	Proceeds from short-term borrowings	200,000	-
C01600	Proceeds from long-term borrowings	1,350,200	50,000
C01700	Repayments of long-term borrowings	(500,000)	(500,000)
C03000	Proceeds from guarantee deposits received	8,230	15,683
C03100	Refunds of guarantee deposits received	(2,800)	(15,738)
C04020	Repayment of the principal portion of lease liabilities	(34,658)	(34,088)
C04300	Increase in other non-current liabilities	46	3
C04500	Dividends paid	(995,375)	(261,104)
C05400	Acquisition of subsidiaries	(2,653)	-
C05800	Cash dividends paid on non-controlling interests	(87,619)	(19,927)
CCCC	Net cash used in financing activities	(64,629)	(765,171)
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	(1,159)	(5,093)
EEEE	Net increase in cash and cash equivalents	443,190	123,754
E00100	Cash and cash equivalents at the beginning of the year	777,101	653,347
E00200	Cash and cash equivalents at the end of the year	$ 1,220,291	$ 777,101

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to Deloitte & Touche auditors' report dated March 9, 2022)

Notice to Readers:
The consolidated financial statement (Chinese version) of our company is audited by the CPA HUANG, HSIU-CHUN and CPA CHIU, CHENG-CHUN of Deloitte Taiwan. For the convenience of reading, the statement has been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail.

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China General Plastics Corporation and Subsidiaries

Notes to Consolidated Financial Report

For the Years Ended December 31, 2021 and 2020

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

1. Company History

China General Plastics Corporation ("the Company") was incorporated and began operations on April 29, 1964. The Company mainly engages in the production and sale of PVC films, PVC leather, PVC pipes, PVC compounds, PVC resins, construction products, chlor- alkali products and other related products.

The Company's ordinary shares have been listed on the Taiwan Stock Exchange since March 1973.

The consolidated financial statements of the Company and its subsidiaries (collectively referred to as "the Group") are presented in the Company's functional currency, the New Taiwan dollar (NT$).

2. Date and Procedures of Authorization of Financial Statements

The consolidated financial statements have been approved by the Board of Directors on March 9, 2022.

3. Application of New, Amended, and Revised Standards and Interpretations

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

The application of the latest Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC should not result in major changes in the accounting policies of the Group.

(2) IFRSs endorsed by the FSC that are applicable in 2022

New/Amended/Revised Standards and Interpretations	Effective Date Announced by IASB
"Annual Improvements to IFRSs 2018-2020 Cycle"	January 1, 2022 (Note 1)
Amendment to IFRS 3 "Amendments to References to the Conceptual Framework in IFRS Standards"	January 1, 2022 (Note 2)
Amendments to IAS 16 "Property, Plant and Equipment — Proceeds before Intended Use"	January 1, 2022 (Note 3)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 4)

Note 1. The amendments to IFRS 9 are applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods

beginning on or after January 1, 2022. The amendments to IAS 41 "Agriculture" are applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 "First-time Adoptions of IFRSs" are applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2. The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2022.

Note 3. The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4. The amendments are applicable to contracts of which the obligations have not been fulfilled on or after January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group's assessment of the effects of amendments to other standards and interpretations should not cause material effects on the financial conditions and performance.

(3) IFRSs that have been issued by IASB but not yet endorsed by the FSC

New/Amended/Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture"	Yet to be decided
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9—Comparative Information”	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendment to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"	January 1, 2023 (Note 4)

Note 1. Unless otherwise specified, the aforementioned New/Amended/Revised Standards and Interpretations shall be effective for the annual reporting period after the specified dates.

Note 2. The amendments shall be applied prospectively for the annual reporting periods beginning on or after January 1, 2023.

Note 3. The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur during the annual reporting period beginning on or after January 1, 2023.

Note 4. Except for the recognition of deferred income tax on temporary differences between lease and decommissioning obligations on January 1, 2022, the amendments are applicable to transactions that occur after January 1, 2022.

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

4. Summary of Significant Accounting Policies

(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 the IFRSs as endorsed and issued into effect by the FSC.

(2) Basis of preparation

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

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

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

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

(3) Standards for assets and liabilities classified as current and non-current

Current assets include:

1) Assets held primarily for trading purposes;

2) Assets expected to be realized within 12 months after the balance sheet date; and

3) Cash and cash equivalents (excluding assets restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date).

Current liabilities include:

1) Liabilities held primarily for trading purposes;

2) Liabilities with settlement within 12 months after the balance sheet date; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

All other assets or liabilities that are not specified above are classified as non-current.

(4) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. The total comprehensive income of subsidiaries is attributed to the owners of the Company and the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

Please see Note 13 and Tables 7 and 8 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

(5) Foreign currencies

In the preparation of financial statements, transactions denominated in a currency other than the Group’s functional currency (i.e., foreign currency) are translated into the Group's functional currency by using the exchange rate at the date of the transaction.

Monetary items denominated in foreign currencies are translated at the closing rates on the balance sheet date. Exchange differences arising from settlement or translation of monetary items are recognized in profit or loss in the year in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. The resulting exchange difference is recognized in profit or loss. For items whose changes in fair value are recognized in other comprehensive income, the resulting exchange difference is recognized in other comprehensive income.

Non-monetary items measured at historical cost that are denominated in foreign currencies are translated at the rates of exchange prevailing on the transaction dates and are not re-translated.

In the preparation of the consolidated financial statements, the assets and liabilities of foreign operations (including subsidiaries and associates that operate in a country or currency different from the Company) are translated into the New Taiwan dollar at the closing rate of exchange prevailing on the balance sheet date. Income and expenses are translated at the average rate of the year. The exchange differences arising are recognized in other comprehensive income and are attributable to owners of the Company and non-controlling interests respectively.

(6) Inventories

Inventories comprise raw materials, finished goods and work in process. Inventories are measured at the lower of cost and net realizable value. The comparison between costs and net realizable values is based on individual items except for the same type of inventory. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to completion and the estimated cost necessary to make the sale. Inventory costs are calculated using the weighted average method.

(7) Investments in associates

An associate is an entity over which the Group has significant influence other than a subsidiary.

The Group accounts for investments in associates using the equity method.

Under the equity method, the investment is initially recognized at cost. The carrying amount of investment is adjusted thereafter for the post-acquisition changes in the Group's share of profit or loss and other comprehensive income and profit distribution of the associates. In addition, equity changes in associates are recognized based on the shareholding ratio.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (including any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payment on behalf of that associate.

To assess impairment, the Group has to consider the overall carrying amount of the investment as a single asset to compare the recoverable and carrying amounts. The impairment loss recognized is not allocated to any asset that forms part of the carrying amount of the investment. Reversal of the impairment loss is recognized to the extent of subsequent increases in the recoverable amount of investment.

The Group shall cease the use of equity method from the date when its investment is no longer an associate. Its retained interest in the associate is measured at fair value, and the difference between the fair value and the carrying amount of the investment and the carrying amount of the investment at the date of acquisition of the equity method is included in profit or loss for the current period. In addition, the Group shall account for all the amounts recognized in other comprehensive income in relation to that associate on the same basis as would be required if the an associate had directly disposed of the related assets or liabilities.

Profits and losses in upstream, downstream and side-stream transactions between the Group and associates are recognized in the consolidated financial statements only to the extent that the profits and losses are irrelevant to the Group's interests in the associates.

(8) Property, Plant and Equipment

Property, plant, and equipment shall be recognized at cost and subsequently at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are recognized at cost less accumulated impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except freehold land, each significant part of property, plant, and equipment is separately depreciated over its useful life on a straight-line basis. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When property, plant, and equipment is derecognized, the difference between the net disposal proceeds and the carrying amount of the asset shall be recognized in profit or loss.

(9) Investment Properties

Investment properties are real estate held for rent or capital appreciation or both.

Investment properties are initially measured at cost, including transaction cost. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

The investment properties are depreciated on a straight-line basis.

When investment properties are derecognized, the difference between the net disposal proceeds and the carrying amount of the property shall be recognized in profit or loss of the current year.

(10) Impairment of property, plant, equipment, right-of-use assets and investment property

At the end of each reporting date, the Group reviews the carrying amounts of its property, plant, and equipment as well as right-of-use assets and investment property to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. If it is not possible to determine the recoverable amount for an individual asset, the Group shall estimate the recoverable amount of the asset's cash-generating unit. Shared assets are allocated to individual cash-generating units when they can be allocated to the cash-generating units on a reasonable and consistent basis. Otherwise, they can be allocated to the smallest group of cash-generating units on a reasonable and consistent basis.

The recoverable amount is the fair value minus cost of sales or its value in use, whichever is higher. If the recoverable amount of individual asset or the cash-generating unit is lower than its carrying amount, the carrying amount of the asset or the cash-generating unit shall be reduced to the recoverable amount and the impairment loss shall be recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset or the related asset of the cash-generating unit will be reduced to the extent of recoverable amount prior to revision, provided the increased carrying amount does not exceed the carrying amount (minus amortization or depreciation) of the asset or of the related asset of the cash-generating unit not declared as impairment loss in the previous years. A reversal of an impairment loss is recognized in profit or loss.

(11) Financial Instruments

Financial assets and financial liabilities shall be recognized in the consolidated balance sheets when the Group becomes a party of the financial instrument contract.

When showing the original financial assets and liabilities, if their fair value was not assessed based on profit or loss, it is the fair value plus the cost of transaction, that is, of its acquisition or issuance of the financial assets or financial liabilities. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

Regular trading of financial assets shall be recognized and derecognized in accordance with trade date accounting.

I) Types of measurement

The types of financial assets held by the Group are financial assets at FVTPL, financial assets at amortized cost, and investments in equity instruments at FVTOCI

A. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified as at FVTPL. Financial assets that are mandatorily measured at FVTPL include investments in equity instruments that are not designated to be measured at FVTOCI and investments in debt instruments that do not qualify for classification as measured at amortized cost or measured at FVTOCI.

Financial assets at FVTPL are measured at fair value. Any gain or loss of remeasurements (excluding any stock dividends or interests from the said assets) are recognized in profit or loss. Fair value is determined in the manner described in Note 28.

B. Financial assets at amortized cost

When the Group's investments in financial assets match the following two conditions simultaneously, they are classified as financial assets at amortized cost:

a. Financial assets are under a business model whose purpose is to hold financial assets and collecting contractual cash flows; and

b. The terms of the contract generate a cash flow on a specified date that is solely for the payment of interest on the principal and the amount of principal outstanding.

After initial recognition, financial assets measured at amortized (including cash and cash equivalents, notes receivable, trade receivable, other receivables, pledged time deposits, and refundable deposits) are measured at amortized cost using the effective interest method, less any impairment loss, and any foreign currency exchange gain or loss is recognized in profit or loss.

Except for the following two circumstances, interest income is calculated at the value of effective interest rate times the gross carrying amount of financial assets:

a. For purchased or originated credit-impaired financial assets, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial assets.

b. Financial assets that are not credit impairment from purchases or at the time of founding but subsequently become credit impairments shall be calculated by multiplying the effective interest rate in the reporting period after the credit impairment by the cost after the amortization of financial assets.

A credit-impaired financial asset refers to the situation where the issuer or debtor has experienced significant financial difficulties or defaults and therefore the debtor is likely to file for bankruptcy or declare financial restructuring, or the disappearance of an active market for that financial asset due to financial difficulties has occurred.

Cash equivalents include time deposits with high liquidity and relatively low price changes convertible to cash any time. They are used for meeting short-term cash commitments.

C. Investments in Equity Instruments at FVTOCI

The Group may, at initial recognition, make an irrevocable decision to designate an equity instrument that is neither held for trading nor contingent consideration arising from a business combination to be measured at fair value through other comprehensive income.

Investments in equity instruments at fair value through other comprehensive income are measured at fair value, and any subsequent fair value changes are recognized in other comprehensive income and accumulated in other equity. When the investment is disposed of, the cumulative profit or loss is directly transferred to retained earnings and not reclassified to profit or loss.

Dividends of investments in equity instruments at fair value through other comprehensive income are recognized in profit or loss when the Group's right to receive payment is confirmed unless such dividends clearly represent the recovery of a part of the investment cost.

II) Impairment of financial assets

The impairment loss of financial assets at amortized cost (including trade receivables) is measured by the Group on the balance sheet date based on the expected credit losses.

Allowances shall be appropriated for accounts receivable for expected credit losses for the duration of their existence. A loss allowance for the 12-month expected credit losses is required for a financial asset if its credit risk has not increased significantly since initial recognition. A loss allowance for full lifetime expected credit losses is required for a financial asset if its credit risk has increased significantly since initial recognition.

The expected credit loss is the weighted average credit loss determined by the risk of default. The 12-month expected credit losses represent the expected credit losses arising from the possible default of the financial instrument in the 12 months after the balance sheet date, and the expected credit losses during the lifetime represent the expected credit losses arising from all possible defaults of the financial instrument during the expected existence period.

For the purpose of internal credit risk management, under the premise that the collateral held is not under consideration, the Group determines that the financial assets have breached the contract by the following circumstances:

A. Internal or external information indicates that the debtor is unlikely to pay its creditors.

B. The underlying debt is overdue for a specified number of days, unless there is reasonable and supportable information indicating that a delayed basis of default is more appropriate.

The impairment loss of all financial assets is reduced based on the allowance account.

III) Derecognition of financial assets

The Group derecognizes the financial assets when the contractual rights to the cash flow from the said financial assets expire or when the Group transfers almost all the risks and rewards of ownership of the financial assets to other enterprises.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received is recognized in profit or loss. Through the full derecognition of the investments in equity instruments at fair value through other comprehensive income, the cumulative profit or loss is directly transferred to retained earnings and not reclassified to profit or loss.

2) Instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Group are recognized at the proceeds received after deducting direct issue costs.

3) Financial liabilities

I) Subsequent measurement

Except for the following circumstances, financial liabilities are assessed at amortized cost using the effective interest method.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are held for trading.

Financial liabilities held for trading are measured at fair value, and their gains or losses arising from remeasurement are recognized in other gains and losses. Fair value is determined in the manner described in Note 28.

II) Derecognition of financial liabilities

When financial liabilities are derecognized, the difference between their carrying amount and the paid consideration (including any transferred non-cash assets or liabilities assumed) shall be recognized in profit or loss.

4) Derivative financial assets

Derivative instruments entered into by the Group are forward foreign exchange contracts, which are used to manage the Group's exchange rate risk.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss. When the fair value of derivative financial instrument is positive, the derivative is recognized as a financial asset. When the fair value of derivative financial instrument is negative, the derivative is recognized as a financial liability.

(12) Revenue recognition

After the Group identifies its performance obligations in contracts with customers, it shall amortize the transaction costs to each obligation in the contract and recognize revenue upon satisfaction of performance obligations. Refund liabilities are provided based on past experience and other relevant factors to reasonably estimate the amount of future returns.

Sales revenue of commodities

Sales revenue of commodities comes from the sale of VCM, chlor-alkali products, PVC resins, PVC compounds and other related products. When commodities are delivered to the customers, the customers have already obtained the rights to establish the price and usage of the commodities and are primarily liable for the resale of the commodities. The customers shall undertake the related obsolescence risk and the Group will recognize revenue and accounts receivable at that time.

(13) Leases

The Group assesses whether the contract is (or includes) a lease on the date of its establishment.

1. Where the Group is a lessor:

Under operating leases, revenue is recognized on a straight-line basis over the relevant lease term.

2. Where the Group is a lessee:

Except that the lease payments of the low value subject-matter assets and short-term leases applicable to recognition exemption are recognized as expenses on a straight-line basis during the lease period, other leases are recognized as right-of-use assets and lease liabilities on the lease commencement date.

The right-of-use asset is initially measured at cost (including the original measured amount of the lease liability, the lease payment paid before the lease commencement date minus the lease incentive received, the original direct cost and the estimated cost of the recovery target asset), and subsequently measured at cost minus the accumulated depreciation and the accumulated impairment loss and adjusted for the remeasurement of the lease liability. The right-of-use assets are separately expressed in the consolidated balance sheets.

The right-of-use assets shall be depreciated on a straight-line basis from lease commencement date to the end of the useful life or the end of the lease term.

Lease liabilities are initially measured at the present value of the lease payments (including fixed payments). If the implicit interest rate of lease is easy to determine, the interest rate is used to discount the lease payment. If the interest rate is not easy to determine, the lessee's incremental borrowing rate shall be used.

Subsequently, the lease liability is measured on the basis of amortized cost using the effective interest method, and the interest expense is apportioned during the lease period. Lease liabilities are presented separately in the consolidated balance sheets.

(14) Borrowings costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(15) Government subsidies

Government subsidies are recognized only when there is reasonable assurance that the Group will comply with the conditions associated with the subsidies and that the subsidies will be received.

Government subsidies whose condition is that the Group should purchase, construct or otherwise acquire the assets are recognized as deferred income, which should be transferred to profit or loss over the useful lives of the related assets on a reasonable and systematic basis.

For government loan with lower than market interest rates obtained by the Group, the difference between the loan amount received and the fair value of the loan based on the prevailing market interest rate is recognized as a government subsidy.

(16) Employee benefits

1. Short-term employee benefits

   Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2. Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered service entitling them to the contributions.

The costs of defined benefits under the defined benefit pension plan (including service cost, net interest, and the remeasurement) are calculated based on the projected unit credit method. The cost of services (including the cost of services of the current period) and the net interest of the net defined benefit liabilities (assets) are recognized as employee benefit expenses. The remeasurement amount (including actuarial gains and losses and the return on plan assets after deducting interest) is recognized in other comprehensive income and presented in retained earnings when it occurs. It shall not be reclassified to profit or loss in subsequent periods.

Net defined benefit liabilities (assets) are the deficit (surplus) of the contribution made according to the defined benefit pension plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

(17) Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

1. Current tax

The Group determines the income (loss) of the current year in accordance with the laws and regulations in each income tax declaration jurisdiction, and calculates the income tax payable (recoverable) accordingly.

A tax is levied on the unappropriated earnings pursuant to the Income Tax Act of the Republic of China and is recorded as an income tax expense in the year when the shareholders' meeting resolves to appropriate the earnings.

Adjustments to prior year income taxes are shown in the taxes of the current year.

2. Deferred tax

Deferred income tax is calculated based on the temporary difference between the carrying amount of the assets and liabilities and the taxable basis of the taxable income.

Deferred income tax liabilities are generally recognized for all taxable temporary differences and deferred income tax assets are recognized when there are likely taxable income for the deducting temporary differences.

Deferred income tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. For deductible temporary differences associated with such investment, when it is probable that sufficient taxable income will be available to realize such temporary difference, a deferred tax asset is recognized, but only to the extent of the amount that is expected to be reversed in the foreseeable future.

The carrying amount of the deferred income tax assets is re-examined at the end of each reporting period and the carrying amount is reduced for assets that are no longer likely to generate sufficient taxable income to recover all or part of the assets. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rate of the period of expected repayment of liabilities or realization of assets. The rate is based on the tax rate and tax laws that have been enacted prior to the balance sheet date or have been substantially legislated. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. Current and deferred taxes for the year

   Current and deferred taxes are recognized in profit or loss except for those related to items recognized in other comprehensive income or equity that shall be recognized in other comprehensive income or entity, respectively.

5. Critical Accounting Judgments and Key Sources of Estimation and Uncertainty

When the Group adopts accounting policies, the management must make judgments, estimates, and assumptions based on historical experience and other critical factors for related information that are not readily available from other sources. Actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis by the management of the Group. If an amendment of estimates only affects the current period, it shall be recognized in the period of amendment; if an amendment of accounting estimates affects the current year and future periods, it shall be recognized in the period of amendment and future periods.

Key Sources of Estimation and Uncertainty

(1) Taxation

As of December 31, 2021 and 2020, the carrying amounts of deferred tax assets in relation to unused tax losses were $228,381 thousand and $216,299 thousand, respectively. Due to the unpredictability of future profit streams, as of December 31, 2021 and 2020, there were still loss carryforwards and deductible temporary differences of $345,171 thousand and $536,533 thousand respectively, which were not recognized as deferred tax assets. The realizability of deferred tax assets depends primarily on the availability of sufficient future profits or taxable temporary differences. If the actual profits generated in the future are less than expected, there may be a significant reversal of deferred tax assets, and these reversals are recognized as profit or loss in the period in which they occur.

(2) Associate’s estimated of damage compensation for gas explosion incident

The associate, China General Terminal & Distribution Corporation, has recognized the liability provision for civil damages compensation arising from the gas explosion incident. The management has considered the progress of the relevant civil and criminal litigation and settlement with reference to legal advice to estimate the amount of the liability provision. However, actual results may differ from current estimates.

6. Cash and Cash Equivalents

	December 31, 2021	December 31, 2020
Cash on hand and petty cash	$ 416	$ 369
Checking accounts and demand deposits	629,408	342,063
Cash equivalents		
Time deposits	500,485	434,669
Reverse repurchase agreements collateralized by bonds	89,982	-
	$ 1,220,291	$ 777,101

The market rate intervals of time deposits in banks and reverse repurchase agreements at the end of the reporting period were as follows:

	December 31, 2021	December 31, 2020
Time deposits	0.07%-0.77%	0.10%-0.49%
Reverse repurchase agreements collateralized by bonds	0.37%	-

7. Financial Instruments at FVTPL

	December 31, 2021	December 31, 2020
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
－Foreign exchange forward contracts	$ 4,079	$ 3,443
Non-derivative financial assets		
－Mutual Funds	747,243	1,471,300
－Beneficiary securities	52,541	49,918
－Domestic listed equity investments	58,597	-
－Overseas unlisted equity investments	-	-
	$ 862,460	$ 1,524,661
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
－Foreign exchange forward contracts	$ -	$ 4,556

At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Contract Amount (In Thousands)
December 31, 2021			
Buy	NTD/USD	2022.03.07	NTD 128,458 /USD 4,640
Sell	USD/NTD	2022.01.03~2022.03.30	USD 31,290 /NTD 870,183
December 31, 2020			
Buy	NTD/USD	2021.01.04~2021.03.02	NTD 191,350 /USD 6,750
Sell	USD/NTD	2021.01.04~2021.03.18	USD 28,490 /NTD 807,532

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. These contracts did not meet the criteria for hedge accounting. Therefore, the Group did not apply a hedge accounting treatment for these contracts.

8. Financial Assets at FVTOCI - Non-current

Investments in equity instruments

	December 31, 2021	December 31, 2020
Domestic equity investments		
Listed ordinary shares		
Asia Ploymer Corporation	$ 4,774	$ 2,746
Unlisted ordinary share		
KHL IB Venture Capital Co., Ltd.	82,377	137,731
	$ 87,151	$140,477

In order to adjust its capital structure, on August 2021, January 2021, November 2020, and May 2020, the shareholders' meeting of KHL IB Venture Capital Co., Ltd. resolved to respectively reduce its ordinary shares by 50 shares, 130 shares, 59 shares, and 165 shares per 1,000 shares, representing a refund of $500, $1,300, $590 and $1,650. In 2021 and 2020, the Group received a capital refund of $10,449 thousand and $16,423 thousand, respectively.

The Group invested in equity instruments for medium to long-term strategic purposes and expects to make a profit via long-term investment. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as it believes that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. Financial Assets at Amortized Cost - Current

	December 31, 2021	December 31, 2020
Domestic equity investments		
Pledged time deposits	$269,291	$269,224

As of December 31, 2021 and 2020, the interest rates for pledged time deposits ranged from 0.040%~0.765%, and 0.040%~1.015%, respectively.

Refer to Note 30 for information related to financial assets at amortized cost pledged as security.

10. Notes Receivable, Trade Receivables and Other Receivables

	December 31, 2021	December 31, 2020
Notes receivable		
Notes receivable - operating	$ 404,709	$ 200,777
Trade receivables (including related parties)(Note 29)		
At amortized cost		
Total carrying amount	$ 1,651,208	$ 1,716,848
Less: Allowance for impairment loss	(12,917)	(13,458)
	$ 1,638,291	$ 1,703,390
Other receivables (including related parties) (Notes 29)		
Tax refunds receivables	$ 126,882	$ 93,081
Interest receivables	311	404
Lend raw material receivables	-	27,067
Others	10,488	8,269
	$ 137,681	$ 128,821

(1) Trade receivables

The Group's credit period for the sale of goods ranges from 10 days to 60 days. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Before accepting a new customer, the Group surveys the customers' credit history and measures the potential customer's credit quality to set a credit limit. A customer's credit limit and rating are reviewed annually. In addition, the Group reviews the recoverable amount of trade debt at the end of the reporting period to ensure that adequate allowance of impairment loss is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using an allowance matrix by referencing to past default experience with the respective debtors and an analysis of the debtors' current financial positions, adjusted for general economic conditions of the industry and an assessment of economic conditions at the reporting date.

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

The following table details the loss allowance of trade receivables based on the Group ’s allowance matrix.

December 31, 2021

	Credit Rating A	Credit Rating B	Credit Rating C	Others	Total
Gross carrying amount	$ 364,648	$ 695,681	$ 220,017	$ 775,571	$2,055,917
Loss allowance (lifetime ECLs)	-	(6,728)	(4,972)	(1,217)	(12,917)
Amortized cost	$ 364,648	$ 688,953	$ 215,045	$ 774,354	$2,043,000

December 31, 2020

	Credit Rating A	Credit Rating B	Credit Rating C	Others	Total
Gross carrying amount	$ 70,205	$ 560,442	$ 165,823	$1,121,155	$1,917,625
Loss allowance (lifetime ECLs)	-	(4,990)	(3,844)	(4,624)	(13,458)
Amortized cost	$ 70,205	$ 555,452	$ 161,979	$1,116,531	$1,904,167

The aging of notes receivable and trade receivables was as follows:

	December 31, 2021	December 31, 2020
Not past due	$ 1,827,949	$ 1,824,754
Less than and including 60 days	206,426	90,454
Over 61 days	21,542	2,417
	$ 2,055,917	$ 1,917,625

The above aging schedule was based on the number of days past due from the end of the credit term.

The movements of the loss allowance of trade receivables were as follows:

	2021	2020
Balance at January 1	$ 13,458	$ 13,600
Add: Allowance of impairment loss	967	-
Less: Amounts written off	(1,435)	-
Foreign exchange gains and losses	(73)	(142)
Balance at December 31	$ 12,917	$ 13,458

(2) Other receivables

As of December 31, 2021 and 2020, the Group assessed the impairment loss of other receivables using expected credit losses.

11. Inventories

	December 31, 2021	December 31, 2020
Finished goods	$ 2,384,405	$ 593,470
Work in progress	43,483	48,411
Raw materials	674,803	565,248
	$ 3,102,691	$ 1,207,129

For the years ended December 31, 2021 and 2020, the costs of goods sold for inventories amounted to $15,181,144 thousand and $10,373,858 thousand, respectively. For the years ended December 31, 2021 and 2020, the costs of goods sold included provisions of allowance for write-downs of inventories and obsolescence losses amounted to $22,917 thousand and $10,404 thousand, respectively.

12. Discontinued Operations

On October 24, 2011, the Company's board of directors approved to dispose of Continental General Plastics (Zhong Shan) Co., Ltd. and CGPC Consumer Products Corporation to be listed as discontinued operations. The Group has considered that its discontinued operations was resumed its operating substance, and, therefore, the Group reclassified the discontinued operations as continuing operations since 2021 after an assessment, when preparing a set of comparative financial statements, the Group is required to restate the previously stated amounts in accordance with International Financial Reporting Standards No. 5 "Non-current assets held for sale and discontinued operations." The effects of restating the consolidated statement of comprehensive income for the year ended December 31, 2020 are stated below:

2020

Effect on Comprehensive Income	Amount Before Restatement	Profit or Loss from Discontinued Operations	Amount After Restatement
General and administrative expenses	($ 262,422)	($ 9,424)	($ 271,846)
Interest income	3,621	261	3,882
Other income	36,181	28,825	65,006
Other gain and loss	(48,610)	(15,389)	(63,999)
Effects on net profit for the year	($ 271,230)	$ 4,273	($ 266,957)

13. Subsidiary

Subsidiaries included in the consolidated financial statements:

Investor Company	Subsidiary	Nature of Activities	Proportion of Ownership (%)		Note
			December 31, 2021	December 31, 2020	
The Company	CGPC Polymer Corporation ("CGPCPOL")	Manufacturing and marketing of PVC resins	100.00%	100.00%	Subsidiary
The Company	Taiwan VCM Corporation ("TVCM")	Manufacturing and marketing of VCM	87.27%	87.22%	Subsidiary (Note 1)
The Company	CGPC (BVI) Holding Co., Ltd. ("CGPC (BVI)")	Reinvestment	100.00%	100.00%	Subsidiary
The Company	CGPC America Corporation ("CGPC-America")	Marketing of PVC film and leather products	100.00%	100.00%	Subsidiary
CGPC (BVI)	Continental General Plastics (Zhong Shan) Co., Ltd. ("CGPC (ZS)")	Manufacturing and marketing of PVC film and consumer products	100.00%	100.00%	Subsidiary of CGPC (BVI) (Note 2)
CGPC (BVI)	CGPC Consumer Products Corporation ("CGPC (CP)")	Manufacturing and marketing of PVC consumer products	100.00%	100.00%	Subsidiary of CGPC (BVI) (Note 2)

Note 1. Based on the medium- and long-term investment strategy, the Company acquired 157 thousand shares of TVCM from external shareholders from March to September 2021, with $2,653 thousand, increasing its shareholding ratio in TVCM from 87.22% to

87.27%. On May 12, 2021 and May 6, 2020, the shareholders' meeting of TVCM resolved to re-capitalize earnings of $220,328 thousand and $155,892 thousand to issue new shares of 22,033 thousand and 15,589 thousand with a record date set on July 2, 2021 and July 3, 2020, respectively.

Note 2. The board of directors of the Company passed a resolution in October 2011 to dissolve CGPC (ZS) and CGPC (CP). The Company has considered that its discontinued operations was resumed its operating substance, and, therefore, the Company reclassified the discontinued operations as continuing operations since 2021 after an assessment. Please refer to Note 12 for details.

The subsidiaries included in the consolidated financial statements are recognized according to the audited financial statements of each subsidiary for the same years.

14. Investment Accounted for Equity Method

Investments in associates that are not individually material

	December 31, 2021	December 31, 2020
Listed companies		
Acme Electronics Corporation ("ACME")	$ 23,171	$ 22,517
Unlisted companies		
China General Terminal & Distribution Corporation ("CGTD")	373,731	315,711
	$396,902	$338,228

Aggregate information of associates that are not individually material

	2021	2020
The Group's share of:		
Net profit for the year	$ 22,159	$ 23,708
Other comprehensive income	36,515	35,198
Total comprehensive income	$ 58,674	$ 58,906

At the end of the reporting periods, the percentage of ownership and voting rights held by the Group in the associates were as follows:

Company name	December 31, 2021	December 31, 2020
ACME	1.74%	1.74%
CGTD	33.33%	33.33%

Refer to Table 7 "Information on Reinvestment" for the nature of activities, principal places of business and countries of incorporation of the associates.

On April 12, 2019, the board of directors of Thintec Materials Corporation (“TMC”) approved the proposal for the dissolution and liquidation starting from the dissolution date of May 25, 2019. The liquidation and dissolution process was completed on July 22, 2020. In May 2020, the Group received the proceeds distribution of $1,274 thousand derived from the residual assets in the liquidation process, and thus recognized a disposal loss of $173 thousand. In February 2021, the refund of business tax of TMC was approved by the National Taxation Bureau of Taipei, Ministry of Finance. In April 2021, the Group recovered $153 thousand according to the shareholding ratio before liquidation and recognized it as other income.

The Group in conjunction with its affiliates jointly held more than 20% of each of the shareholdings of ACME and had significant influence over each entity. Therefore, the Group adopted the equity method to evaluate the above investments.

Fair values (Level 1) of investments in associates with open market quotations are summarized as follows:

Company name	December 31, 2021	December 31, 2020
ACME	$169,917	$ 60,027

Except ACME's financial statement as of and for the year ended December 31, 2020, the Group's investments accounted for using the equity method and its share of profit or loss and other comprehensive income or loss as of and for the years ended December 31, 2021 and 2020 were based on the associates' financial statements which have been audited for the same years; The management considered ACME's Financial Statements not yet be audited by CPA might not generate material effect.

15. Property, Plant and Equipment

	Freehold Land	Buildings and Improvements	Machinery and Equipment	Transportation Equipment	Miscellaneous Equipment	Construction in Progress and Machinery in Transit	Total
Cost							
Balance as of January 1, 2021	$ 2,090,707	$ 1,731,563	$ 10,492,526	$ 68,699	$ 399,588	$ 1,346,787	$ 16,129,870
Additions	-	-	271	-	469	1,803,407	1,804,147
Disposal	-	(1,014)	(305,577)	-	(11,567)	(7,396)	(325,554)
Reclassification	-	51,468	489,772	1,020	8,399	(550,659)	-
Effect of foreign currency exchange differences	-	(6)	(279)	(49)	(128)	(4)	(466)
Balance as of December 31, 2021	$ 2,090,707	$ 1,782,011	$ 10,676,713	$ 69,670	$ 396,761	$ 2,592,135	$ 17,607,997
Accumulated depreciation and impairment							
Balance as of January 1, 2021	$ -	$ 994,562	$ 8,213,075	$ 45,866	$ 298,312	$ 7,818	$ 9,559,633
Depreciation expenses	-	65,812	517,301	6,754	27,514	-	617,381
Disposal	-	(1,014)	(215,113)	-	(11,550)	(7,396)	(235,073)
Effect of foreign currency exchange differences	-	(7)	(247)	(29)	(93)	(2)	(378)
Balance as of December 31, 2021	$ -	$ 1,059,353	$ 8,515,016	$ 52,591	$ 314,183	$ 420	$ 9,941,563
Net amount as of December 31, 2021	$ 2,090,707	$ 722,658	$ 2,161,697	$ 17,079	$ 82,578	$ 2,591,715	$ 7,666,434
Cost							
Balance as of January 1, 2020	$ 2,090,707	$ 1,694,505	$ 10,218,539	$ 58,694	$ 343,686	$ 763,535	$ 15,169,666
Additions	-	-	-	-	123	1,120,046	1,120,169
Disposal	-	(15,715)	(118,325)	(3,666)	(6,980)	-	(144,686)
Reclassification	-	52,795	392,029	13,719	62,935	(536,801)	(15,323)
Effect of foreign currency exchange differences	-	(22)	283	(48)	(176)	7	44
Balance as of December 31, 2020	$ 2,090,707	$ 1,731,563	$ 10,492,526	$ 68,699	$ 399,588	$ 1,346,787	$ 16,129,870
Accumulated depreciation and impairment							
Balance as of January 1, 2020	$ -	$ 946,821	$ 7,827,294	$ 43,683	$ 284,379	$ 7,811	$ 9,109,988
Depreciation expenses	-	63,438	500,435	5,849	21,041	-	590,763
Disposal	-	(15,681)	(115,009)	(3,666)	(6,979)	-	(141,335)
Effect of foreign currency exchange differences	-	(16)	355	-	(129)	7	217
Balance as of December 31, 2020	$ -	$ 994,562	$ 8,213,075	$ 45,866	$ 298,312	$ 7,818	$ 9,559,633
Net amount as of December 31, 2020	$ 2,090,707	$ 737,001	$ 2,279,451	$ 22,833	$ 101,276	$ 1,338,969	$ 6,570,237

The additions to the construction in progress and machinery to be inspected during the current year were mainly due to the civil engineering works of the Company's plant and warehouse and terminal facilities and the back-line land works of the petrochemical oil storage and transportation center of the subsidiary, TVCM, for phase II of the Port of Kaohsiung Intercontinental Container Terminal.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and Improvements	3~60 years
Machinery and Equipment	2~26 years
Transportation Equipment	2~10 years
Miscellaneous Equipment	2~21 years

The Group's property, plant and equipment were assessed and there was no impairment as of December 31, 2021 and 2020.

16. Lease Arrangements

(1) Right-of-use assets

	December 31, 2021	December 31, 2020
Carrying amount of right-of-use assets		
Land	$ 142,776	$ 152,350
Buildings	4,164	8,239
Machinery and Equipment	9,117	18,234
	$ 156,057	$ 178,823

	2021	2020
Depreciation expense of right-of-use assets		
Land	$ 21,914	$ 21,451
Buildings	3,889	4,103
Machinery and Equipment	9,117	9,117
	$ 34,920	$ 34,671

Except for the recognition of depreciation expenses, the Group's right- of-use assets did not experience significant sublease and impairment for the years ended December 31, 2021 and 2020.

(2) Lease liabilities

	December 31, 2021	December 31, 2020
Carrying amount of lease liabilities		
Current	$ 36,404	$ 36,029
Non-current	$ 124,307	$ 147,189

Range of discount rate for lease liabilities was as follows:

	December 31, 2021	December 31, 2020
Land	0.8244%-1.0392%	0.8244%-1.0392%
Buildings	1.0392%	1.0392%
Machinery and Equipment	1.0392%	1.0392%

(3) Material lease activities and contractual terms and conditions

The Group has leased certain land and buildings from others for use as factories and offices, with lease term ranging from 4 to 14 years. At the end of the lease term, the Group has no preferential right to purchase the leased land and buildings.

The Group has also leased certain machinery and equipment from others for use as product manufacturing and company operations, with a lease term of 5 years. At the end of the lease term, the Group has no preferential right to purchase leased machinery and equipment.

The Group adjusted its lease payments arising from the lease contract of land located in Kaohsiung for the change in the publicly announced land price.

(4) Other lease information

	2021	2020
Expenses relating to short-term leases	$ 11,272	$ 12,101
Expenses relating to low-value asset leases	$ 635	$ 616
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 41,454	$ 36,421
Total cash outflow for leases	($ 89,843)	($ 85,322)

The Group selects to apply the recognition exemptions to leases of buildings and transportation equipment that qualify as short-term leases, and land and office equipment that qualify as leases of low-value assets. Consequently, the Group does not recognize any right-of-use assets or lease liabilities for the said leases.

17. **Investment Property**

	Land	Buildings and Improvements	Right-of-use assets	Total
Cost				
Balance as of January 1, 2021	$ 113,388	$ 607,576	$ 96,140	$ 817,104
Additions	3,298	-	-	3,298
Effect of foreign currency exchange differences	-	(1,680)	(513)	(2,193)
Balance as of December 31, 2021	$ 116,686	$ 605,896	$ 95,627	$ 818,209
Accumulated depreciation				
Balance as of January 1, 2021	$ -	$ 276,028	$ 6,611	$ 282,639
Depreciation expenses	-	25,405	3,563	28,968
Effect of foreign currency exchange differences	-	(1,210)	(36)	(1,246)
Balance as of December 31, 2021	$ -	$ 300,223	$ 10,138	$ 310,361
Net amount as of December 31, 2021	$ 116,686	$ 305,673	$ 85,489	$ 507,848
Cost				
Balance as of January 1, 2020	$ 27,715	$ 602,724	$ 94,658	$ 725,097
Additions	85,673	-	-	85,673
Effect of foreign currency exchange differences	-	4,852	1,482	6,334
Balance as of December 31, 2020	$ 113,388	$ 607,576	$ 96,140	$ 817,104
Accumulated depreciation				
Balance as of January 1, 2020	$ -	$ 247,244	$ 3,255	$ 250,499
Depreciation expenses	-	25,255	3,244	28,499
Effect of foreign currency exchange differences	-	3,529	112	3,641
Balance as of December 31, 2020	$ -	$ 276,028	$ 6,611	$ 282,639
Net amount as of December 31, 2020	$ 113,388	$ 331,548	$ 89,529	$ 534,465

The Group's investment properties are located in Toufen industrial districts. Due to the characteristics of the districts, the market for comparable properties is inactive and alternative reliable measurements of fair value were not available. Therefore, the Group determined that the fair value of its investment properties is not reliably measurable.

CGPC (ZS), a subsidiary of CGPC (BVI), which is a subsidiary of the Group, leases land located in Huoju Development Zone, Zhongshan City, Guangdong Province and sub-leases to other companies under operating leases. The corresponding right-of-use assets are accounted for as investment properties.

The total amount of lease payments to be collected in the future for investment properties as operating lease as of December 31, 2021 and 2020 were as follows:

	December 31, 2021	December 31, 2020
Year 1	$ 38,389	$ 32,578
Year 2	25,649	17,620
Year 3	10,983	12,608
Year 4	10,776	6,622
Year 5	10,776	6,622
Over 5 years	26,940	23,178
	$123,513	$ 99,228

The investment properties are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and Improvements	5~26 years
Right-of-use assets	50 years

The Group's investment properties were assessed and there was no impairment as of December 31, 2021 and 2020.

18. Borrowings

(1) Short-term borrowings

	December 31, 2021	December 31, 2020
Unsecured borrowings		
Bank loans	$ 200,000	$ -
The range of interest rate	0.74%	-

(2) Long-term borrowings

	December 31, 2021	December 31, 2020
Unsecured borrowings		
Bank loans	$ 882,575	$ 50,000
The range of interest rate	0.10%-0.29%	0.82%

In order to enrich medium- and long-term working capital, the Company entered into a long-term credit contract with a bank, with a credit limit of $1,000,000 thousand and a credit period due in July 2023. Any revolving drawdown within the credit limit can be made before the expiration date of the contract. However, the Company had canceled the credit facility in November 2020, For the details, please refer to Note 30. In addition, the Company entered into a medium- and long-term credit contract with a bank in July and August 2021, with a credit limit of $800,000 thousand and a credit period due in August 2024 and onwards, and any revolving drawdown within the credit limit can be made before the expiration date of the contract. As of December 31, 2021, the Company has not made any drawdown from its credit limit.

In order to enrich medium- and long-term working capital, CGPCPOL entered into long-term credit contracts with banks, with a total credit limit of $1,800,000 thousand and credit periods due in August 2023 and onwards. Any revolving drawdown within the credit limit can be made before the expiration dates of the contracts. However, CGPCPOL had respectively canceled a credit facility of $500,000 thousand and $800,000 thousand in August 2021 and November 2020, respectively. For the details, please refer to Note 30. As of December 31, 2021, CGPCPOL has not made any drawdown from its credit limit.

In order to enrich medium- and long-term working capital, TVCM entered into long-term credit contracts with banks, with a credit limit of $300,000 thousand and a credit period due in May 2023 and onwards. Any revolving drawdown within the credit limit can be made before the expiration dates of the contracts. As of December 31, 2021, TVCM has not made any drawdown from its credit limit.

Through "Action Plan of Accelerated Investment by SMEs" TVCM obtained a low-interest bank loan of $2,442,200 thousand. The difference between the market interest rate of 0.80% to 0.99% recognized and measured for the bank loan and the actual interest paid at preferential rate of 0.10% to 0.29% was recognized as government subsidy. As of December 31, 2021, TVCM has made drawdowns of $900,200 thousand.

Some of the Group's credit contracts stipulate that the current ratio and debt ratio as stated on the financial statements shall not be less than a certain percentage, and that if such a percentage fails to be met, the Group shall propose improvement measures to the bank concerned. As of December 31, 2021, the Group has not defaulted on any of the aforementioned financial ratios.

19. Trade Payables

	December 31, 2021	December 31, 2020
Trade payables (including related parties) (Note 29)		
Operating	$ 914,334	$ 893,771

The average payment period of trade payables was 2 months. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

20. Other Payables - Current

	December 31, 2021	December 31, 2020
Payables for salaries and bonuses	$ 464,418	$ 343,379
Payables for purchases of equipment	169,719	47,247
Payables for utilities and fuel fees	127,285	114,259
Payables for freight	91,462	133,405
Payables for business taxes	30,678	40,305
Others	134,518	124,274
	$ 1,018,080	$ 802,869

21. Retirement Benefit Plans

(1) Defined contribution plans

The Company, CGPCPOL and TVCM adopt a pension plan under the Labor Pension Act, which is a state-managed defined contribution plan. According to the Labor Pension Act, and make monthly contributions to employees' individual pension accounts at 6% of their monthly salaries.

The employees of the Group's CGPC-America are the members of a retirement benefit plan operated by the local government. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit plan to fund the plan. The obligation of the Group with respect to the state-run retirement benefit plan is merely to make the specified contributions.

(2) Defined benefit plans

The pension system adopted by the Company and TVCM under the "Labor Standards Act" is a state-managed defined benefit plan. The payment of the employee's pension is based on the period of service and the average salary in a specific period before the approved retirement date. The Company and TVCM allocate 10% of employees' monthly salaries respectively to the Supervisory Committee of Labor Retirement Reserve's dedicated account in the Bank of Taiwan as pension reserve funds. The Bureau of Labor Funds, Ministry of Labor administers the account. The Group has no right over its investment and administration strategies.

The amounts of defined benefit plans included in the consolidated balance sheets are as follows:

	December 31, 2021	December 31, 2020
Present value of defined benefit obligation	$ 1,399,384	$ 1,485,005
Fair value of plan assets	(882,004)	(912,024)
Net defined benefit liabilities	$ 517,380	$ 572,981

Changes in net defined benefit liabilities (assets) are as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities (assets)
Balance as of January 1, 2020	$ 1,597,593	($ 955,378)	$ 642,215
Service costs for the current period	14,707	-	14,707
Interest expense (income)	9,988	(6,126)	3,862
Components recognized in profit or loss	24,695	(6,126)	18,569
Remeasurement			
Return on plan assets (excluding amounts included in net interest expense)	-	(32,914)	(32,914)
Actuarial loss - changes in financial assumptions	28,991	-	28,991
Actuarial gain - experience adjustments	(19,604)	-	(19,604)
Components recognized in other comprehensive income	9,387	(32,914)	(23,527)
Contribution by the employer	-	(64,276)	(64,276)
Benefits	(146,670)	146,670	-
Balance as of December 31, 2020	1,485,005	(912,024)	572,981
Service costs for the current period	13,224	-	13,224
Interest expense (income)	5,902	(3,756)	2,146

(Continued)

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities (assets)
Components recognized in profit or loss	19,126	(3,756)	15,370
Remeasurement			
Return on plan assets (excluding amounts included in net interest expense)	-	(13,250)	(13,250)
Actuarial loss - changes in demographic assumptions	34,618	-	34,618
Actuarial gain - changes in financial assumptions	(9,962)	-	(9,962)
Actuarial gain - experience adjustments	(12,577)	-	(12,577)
Components recognized in other comprehensive income	12,079	(13,250)	(1,171)
Contribution by the employer	-	(61,779)	(61,779)
Benefits	(116,826)	108,805	(8,021)
Balance as of December 31, 2021	$ 1,399,384	($ 882,004)	$ 517,380

(Concluded)

Amounts recognized in profit or loss for defined benefit plan are summarized by functions as follows:

	2021	2020
Operating costs	$ 12,635	$ 14,879
Selling and marketing expenses	1,306	1,546
General and administrative expenses	963	1,547
Research and development expenses	466	597
	$ 15,370	$ 18,569

The Group has the following risks owing to the implementation of the pension system under the Labor Standards Act:

1. Investment risk: The Bureau of Labor Funds, Ministry of Labor invests the labor pension fund in equity securities, debt securities, and bank deposits in domestic (foreign) banks through independent implementation and commissioned operations. However, the distributed amount from the plan assets received by the Group shall not be lower than interest on a two-year time deposit at a local bank.
2. Interest rate risk: The decrease in the interest rate of government bonds/corporate bonds will increase the present value of defined benefit obligations, but the yield on debt investment of plan assets will also increase accordingly, which will partially offset the impact on net defined benefit liabilities.
3. Salary risk: The present value of defined benefit obligations is calculated with reference to future salaries of plan members. Therefore, the salary increase of plan members will increase the present value of the defined benefit obligation.

The present value of the Group's defined benefit obligations is calculated by certified actuaries and the major assumptions on the assessment date are as follows:

	December 31, 2021	December 31, 2020
Discount rate	0.500%	0.375%-0.500%
Average long-term salary adjustment rate	2.500%	2.500%

If changes occur in major actuarial assumptions with other assumptions unchanged, the present value of defined benefit obligations will increase (decrease) as follows:

	December 31, 2021	December 31, 2020
Discount rate		
Increase by 0.25%	($ 25,862)	($ 28,991)
Decrease by 0.25%	$ 26,656	$ 29,910
Average long-term salary adjustment rate		
Increase by 0.25%	$ 25,675	$ 28,781
Decrease by 0.25%	($ 25,046)	($ 28,050)

As actuarial assumptions may be related to one another, the likelihood of fluctuation in a single assumption is not high. Therefore, the aforementioned sensitivity analysis may not reflect the actual fluctuations of the present value of defined benefit obligations.

	December 31, 2021	December 31, 2020
Expected amount of contribution within 1 year	$ 62,962	$ 67,809
Average duration of defined benefit obligations	7.4~8.1 years	7.8~8.6 years

22. Equity

(1) Ordinary shares

	December 31, 2021	December 31, 2020
Number of shares authorized (in thousands)	650,000	650,000
Share capital authorized	$ 6,500,000	$ 6,500,000
Number of shares issued and fully paid (in thousands)	581,050	553,381
Share capital issued	$ 5,810,505	$ 5,533,814

The holders of issued ordinary shares with a par value of $10 are entitled to the right to one vote and to receive dividends.

(2) Capital surplus

Capital surplus relating to unclaimed dividends of which the claim period has expired may be used only to offset previous deficits.

Capital surplus generated from investments in associates accounted for using the equity method may not be used for any purposes.

Capital surplus generated from the difference between the acquisition price of a subsidiary's equity and the book value may be used to offset deficits, be distributed in cash, or be appropriated to share capital.

(3) Retained earnings and dividends policy

Under the dividends policy as set forth in the Company's Articles of Incorporation, where the Company makes a net income in a fiscal year, the profit shall be used first for offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. The shareholders' meeting may retain part or all of such earnings depending on the operating circumstances. The industry that the Company operates in is in the maturity stage. Consequently, in order to take R&D needs and diversification into consideration, shareholders' dividends shall not be less than 10% of the distributable earnings in the current year, of which the cash dividends shall not be less than 10% of the total dividends. However, if the distributable earnings of the year is less than $0.1 per share, it shall not be distributed. For the policies on the distribution of employees' compensation and remuneration of directors after amendment, refer to "Employees' compensation and remuneration of directors" in Note 24(7).

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

Items referred to under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Company.

The shareholders' meetings approved the earnings distribution proposal for years ended December 31, 2020 and 2019 on July 27, 2021 and May 28, 2020 as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	2020	2019	2020	2019
Legal reserve	$ 165,369	$ 64,393		
Cash dividends	996,086	263,515	$ 1.8	$ 0.5
Share dividends	276,691	263,515	0.5	0.5

On March 9, 2022, the Board of Directors proposed the distribution of earnings for the year ended December 31, 2021 as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 246,913	
Cash dividends	1,452,626	$ 2.5

The distribution of earnings for the year ended December 31, 2021 is subject to the resolution in the shareholders' meeting on May 30, 2022.

(4) Special reserve

The Company appropriated a special reserve in the amount of $408,223 thousand after offsetting a deficit of $428,727 thousand, which was from the net increase of retained earnings arising from the initial adoption of IFRSs. As of December 31, 2021, there was no change.

(5) Other Equity

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

	2021	2020
Balance at January 1	($ 43,259)	($ 33,763)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	(11,080)	(12,122)
Related income tax	2,216	2,423
Share of exchange of differences of associates accounted for using the equity method	(338)	203
Balance at December 31	($ 52,461)	($ 43,259)

2. Unrealized gain (loss) on financial assets at FVTOCI

	2021	2020
Balance at January 1	$138,774	$ 67,029
Recognized for the year		
Unrealized gain (loss) equity Instruments	(43,136)	36,991
Share of gain (loss) of associates accounted for using the equity method	37,095	34,754
Balance at December 31	$132,733	$138,774

(6) Non-controlling Interests

	2021	2020
Balance at January 1	$600,243	$461,754
Net profit attributable to non-controlling interests	162,742	157,526
Other comprehensive income		
Adjustment to changes in capital surplus from investment in subsidiaries accounted for using the equity method	-	(1)
Unrealized gains on financial assets at FVTOCI	259	105
Gains on remeasurements of defined benefit plans	(428)	786
Acquisition of part of the equity of subsidiaries	(2,905)	-
Distribution of Cash dividends	(87,619)	(19,927)
Balance at December 31	$672,292	$600,243

23. Revenue

(1) Revenue from contracts with customers

	2021	2020
Revenue from the sale of goods		
PVC products	$ 19,214,128	$ 13,428,666
VCM products	1,007,396	304,482
	$ 20,221,524	$ 13,733,148

Revenue from the sale of goods mainly comes from the sale of VCM, chlor-alkali products, PVC resins, PVC compounds and other related products.

For the details, please refer to Note 34 for information about revenue from contracts with customers.

(2) Contract balances

Please refer to Note 10 for information related to notes receivable and trade receivables.

	December 31, 2021	December 31, 2020	January 1, 2020
Contract liabilities (presented in other current liabilities)	$ 76,557	$ 64,270	$ 32,763

The changes in the balance of contract liabilities primarily result from the timing difference between the Group's fulfillment of performance obligation and the respective customers' payment.

(3) Refunds liabilities

	December 31, 2021	December 31, 2020
Refunds liabilities (presented in other current liabilities)	$ 21,833	$ 9,612

Refund liabilities relating to sales return and discount are estimated based on historical experience, management judgment, and other known factors, and are presented as a deduction to operating revenue in the period in which the goods are sold.

24. Net Profit for the Year

(1) Interest income

	2021	2020
Bank deposits (Note 12)	$ 898	$ 2,251
Financial assets at FVTPL	902	1,077
Financial assets at amortized cost	305	441
Others	130	113
	$ 2,235	$ 3,882

(2) Other income

	2021	2020
Rental income (Note 12)	$ 47,279	$ 37,628
Dividend income	34,369	9,265
Others (Note 12)	22,113	18,113
	$103,761	$ 65,006

(3) Other gain and loss

	2021	2020
Gain (loss) on disposal of property, plant and equipment	($ 70,193)	$ 764
Gross foreign exchange gains	114,165	73,989
Gross foreign exchange losses	(157,089)	(126,261)
Net gain on financial instruments at FVTPL (Note 7)	19,628	24,501
Depreciation expenses from investment properties (Note 12)	(28,968)	(28,499)
Loss from disposal of investments under equity method	-	(173)
Others (Note 12)	(10,527)	(8,320)
	($132,984)	($ 63,999)

(4) Interest expense

	2021	2020
Interest on bank loans	$ 3,470	$ 5,323
Interest on lease liabilities	1,824	2,096
Less: Capitalized interest (presented under construction in progress)	-	(32)
	$ 5,294	$ 7,387

Information about capitalized interest is as follows:

	2021	2020
Capitalized interest	$ -	$ 32
Capitalization rate	-	0.76%

(5) Depreciation and amortization

	2021	2020
Property, Plant and Equipment	$ 617,381	$ 590,763
Right-of-use assets	34,920	34,671
Investment Property	28,968	28,499
Intangible assets	61	122
Others	23,700	40,568
	$ 705,030	$ 694,623
An analysis of depreciation by function		
Operating costs	$ 630,865	$ 607,953
Operating expenses	21,436	17,481
Other gain and loss	28,968	28,499
	$ 681,269	$ 653,933
An analysis of amortization by function		
Operating costs	$ 23,700	$ 40,568
Operating expenses	61	122
	$ 23,761	$ 40,690

(6) Employee benefits expense

	2021	2020
Retirement benefits (Note 21)		
Defined contribution plans	$ 29,779	$ 28,725
Defined benefit plans	15,370	18,569
	45,149	47,294
Other employee benefits	1,346,866	1,247,421
Total employee benefits expenses	$ 1,392,015	$ 1,294,715
An analysis of employee benefits expense by function		
Operating costs	$ 1,100,151	$ 1,022,595
Operating expenses	291,864	272,120
	$ 1,392,015	$ 1,294,715

(7) The remuneration of employees and directors

The Company accrued remuneration of employees and directors at rates of no less than 1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The remuneration of employees and directors for 2021 and 2020, which have been approved by the Company's board of directors on March 9, 2022 and March 5, 2021, respectively, were as follows:

Accrual rate

	2021	2020
Remuneration of Employees	1%	1%
Remuneration of Directors	-	-

Amount of Cash

	2021	2020
Remuneration of Employees	$ 26,485	$ 17,034

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

There was no difference between the actual amounts of remuneration of employees and directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2020 and 2019.

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

25. Taxation

(1) Major components of income tax expense recognized in profit or loss

Major components of income tax expenses are as follows:

	2021	2020
Current tax		
In respect of the current year	$691,290	$375,803
Income tax unappropriated earnings	-	2
Adjustments for prior years	(4,972)	(15,074)
	686,318	360,731
Deferred tax		
In respect of the current year	(11,458)	15,783
Adjustments for prior years	756	(390)
Others	-	(2,496)
	(10,702)	12,897
Income tax expense recognized in profit or loss	$675,616	$373,628

Reconciliation between accounting income and current income tax expenses is as follows:

	2021	2020
Profit before income tax	$ 3,307,034	$ 2,165,338
Income tax expenses calculated at the statutory rate	$ 1,049,782	$ 705,388
Domestic investments recognized under equity method	(358,518)	(267,161)
Tax-exempted income	(6,541)	(17,952)
Gains (loss) on financial assets	(190)	13,876
Fees that cannot be deducted from taxes	429	294
Unrecognized deductible temporary differences	(4,850)	(5,177)
Unrecognized deductible of investments	-	(1,636)
Income tax on unappropriated earnings	-	2
Loss carryforwards	-	(38,549)
Effect of tax rate changes	(280)	7
Adjustments of current income tax expenses in previous years	(4,216)	(15,464)
Income tax expense recognized in profit or loss	$ 675,616	$ 373,628

(2) Income tax recognized in other comprehensive income

	2021	2020
Deferred tax		
In respect of the current year		
- Translation of foreign operations	$ 2,216	$ 2,423
- Gains on remeasurements of defined benefit plans	(906)	(3,475)
Income tax recognized in other comprehensive income	$ 1,310	($ 1,052)

(3) Current income tax assets and liabilities

	December 31, 2021	December 31, 2020
Current income tax assets		
Tax refunds receivables	$ -	$ 16,481
Current income tax liabilities		
Income tax payable	$687,974	$374,688

(4) Deferred income tax assets and liabilities

Changes in deferred income tax assets and liabilities are as follows:

2021

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
Deferred income tax assets				
Temporary differences				
Allowance for inventory write-down	$ 17,656	$ 3,557	$ -	$ 21,213
Investments accounted for under equity method	72,361	(1,829)	2,216	72,748
Deferred revenue	8,994	13,770	-	22,764
Refunds liabilities	1,923	2,532	-	4,455
Defined benefit plans	104,188	(8,789)	(906)	94,493
Holiday benefits payable	8,976	549	-	9,525
Others	2,201	982	-	3,183
	$ 216,299	$ 10,772	$ 1,310	$ 228,381
Deferred income tax liabilities				
Temporary differences				
Revaluation increments of land	$ 592,084	$ -	$ -	$ 592,084
Others	2,478	70	-	2,548
	$ 594,562	$ 70	$ -	$ 594,632

2020

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
Deferred income tax assets				
Temporary differences				
Loss on allowance for inventory write-down	$ 16,311	$ 1,345	$ -	$ 17,656
Investments accounted for under equity method	73,424	(3,486)	2,423	72,361
Deferred revenue	9,137	(143)	-	8,994
Refunds liabilities	4,169	(2,246)	-	1,923
Defined benefit plans	115,125	(7,462)	(3,475)	104,188
Holiday benefits payable	8,219	757	-	8,976
Others	4,611	(2,410)	-	2,201
	$ 230,996	($ 13,645)	($ 1,052)	$ 216,299
Deferred income tax liabilities				
Temporary differences				
Revaluation increments of land	$ 592,084	$ -	$ -	$ 592,084
Others	3,226	(748)	-	2,478
	$ 595,310	($ 748)	$ -	$ 594,562

(5) Deductible temporary differences and unused loss carryforwards, which were not recognized in deferred tax assets of the consolidated balance sheets

	December 31, 2021	December 31, 2020
Loss carryforwards	$ 115,483	$ 300,680
Deductible temporary difference		
Investment loss using foreign equity method	$ 181,158	$ 194,414
Defined benefit plans	(1,944)	(965)
Write-downs of inventories and obsolescence losses	15,663	12,808
Differences on depreciation period between finance and tax	8,216	11,719
Others	26,595	17,877
	$ 229,688	$ 235,853

As of December 31, 2021, the Group's unused loss carryforwards are $115,483 thousand which will expire in succession before 2028.

(6) Income tax assessments

The income tax returns of the Company, CGPCPOL and TVCM through 2019 have been assessed by the tax authorities.

(7) Income tax related to subsidiaries:

CGPC (BVI) had no income tax expense for years ended December 31, 2021 and 2020 due to relevant tax exemptions in compliance with the regulations of the location where the entities were established. CGPC-America ‘s applicable state tax rate is 9%, and the federal tax rate is 21%.

26. Earnings per share

Unit: NT$ Per Share

	2021	2020
Basic earnings per share	$ 4.25	$ 2.81
Diluted earnings per share	$ 4.24	$ 2.81

The weighted average number of shares outstanding used in the earnings per share computation was adjusted retroactively for the issuance of bonus shares, for which the record date was set on September 10, 2021. The basic and diluted earnings per share adjusted retrospectively for the year ended December 31, 2020 were as follows:

	Before Retrospective Adjustment	After Retrospective Adjustment
Basic earnings per share	$ 2.95	$ 2.81
Diluted earnings per share	$ 2.95	$ 2.81

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

Net Profit for the Year

	2021	2020
Earnings used in the computation of basic and diluted earnings per share	$ 2,468,676	$ 1,634,184

Ordinary Shares Outstanding

Unit: Thousands of shares

	2021	2020
Weighted average number of ordinary shares used in the computation of basic earnings per share	581,050	581,050
Effect of potentially dilutive ordinary shares:		
Remuneration of Employees	859	732
Weighted average number of ordinary shares used in the computation of diluted earnings per share	581,909	581,782

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

27. Capital Management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

28. **Financial Instruments**

(1) Fair value of financial instruments not measured at fair value

The management of the Group believes the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair value or their fair value cannot be reliably measured.

(2) Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 4,079	$ -	$ 4,079
Mutual Funds	747,243	-	-	747,243
Beneficiary securities	52,541	-	-	52,541
Investments in equity instruments				
— Domestic listed equity investments	58,597	-	-	58,597
— Overseas unlisted equity investments	-	-	-	-
	$ 858,381	$ 4,079	$ -	$ 862,460
Financial assets at FVTOCI				
Investments in equity instruments				
— Domestic listed equity investments	$ 4,774	$ -	$ -	$ 4,774
— Domestic unlisted equity investments	-	-	82,377	82,377
	$ 4,774	$ -	$ 82,377	$ 87,151

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 3,443	$ -	$ 3,443
Mutual Funds	1,471,300	-	-	1,471,300
Beneficiary securities	49,918	-	-	49,918
Investments in equity instruments				
— Overseas unlisted equity investments	-	-	-	-
	$ 1,521,218	$ 3,443	$ -	$ 1,524,661
Financial assets at FVTOCI				
Investments in equity instruments				
— Domestic listed equity investments	$ 2,746	$ -	$ -	$ 2,746
— Domestic unlisted equity investments	-	-	137,731	137,731
	$ 2,746	$ -	$ 137,731	$ 140,477
Financial liabilities at FVTPL				
Derivative financial assets	$ -	$ 4,556	$ -	$ 4,556

There were no transfers between Levels 1 and 2 for the years ended December 31, 2021 and 2020.

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

2021

	Financial assets at FVTOCI
Balance at January 1,2021	$137,731
Components recognized in other comprehensive income	(44,905)
Return of capital reduction	(10,449)
Balance at December 31,2021	$ 82,377

2020

	Financial assets at FVTOCI
Balance at January 1,2020	$117,882
Components recognized in other comprehensive income	36,272
Return of capital reduction	(16,423)
Balance at December 31,2020	$137,731

3) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Technique and Inputs
Derivatives - foreign exchange forward contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

4) Valuation techniques and inputs applied for Level 3 fair value measurement

To determine the fair value for Level 3 financial instruments, the Group's financial department conducts independent fair value verification using independent resources so as to better reflect the market conditions, as well as periodically reviewing the valuation results in order to guarantee the rationality of the measurement. For unlisted domestic equity investments, the Group utilizes the asset approach and takes into account the most recent net asset value, observable financial status as well as the financing activities of investees in order to determine their net asset value. The unobservable input used was a discount for the lack of marketability of 15% on December 31, 2021 and 2020. When other inputs remain unchanged, the fair value will decrease by $969 thousand and $1,620 thousand, respectively, if the discount for lack of marketability increases by 1%.

(3) Categories of financial instruments

	December 31, 2021	December 31, 2020
Financial assets		
Financial assets at FVTPL		
Mandatorily classified at FVTPL	$ 862,460	$ 1,524,661
Financial assets at amortized cost		
Cash and Cash Equivalents	1,220,291	777,101

(Continued)

Financial assets	December 31, 2021	December 31, 2020
Pledged time deposits	$ 269,291	$ 269,224
Notes receivable	404,709	200,777
Trade receivables (including related parties)	1,638,291	1,703,390
Other receivables (including related parties and excluding tax refund receivable)	10,799	35,740
Refundable deposits	29,929	25,785
Financial assets at FVTOCI－Equity instruments	87,151	140,477
Financial liabilities		
Financial liabilities at FVTPL-Held for trading	-	4,556
Financial liabilities measured at amortized cost		
Short-term borrowings	200,000	-
Trade payables (including related parties)	914,334	893,771
Other payables (Note 1)	538,181	432,656
Long-term borrowings	882,575	50,000
Guarantee deposits	9,615	4,185
		(Concluded)

Note: Other payables (including related parties) do not include the amount of salary payable and business tax payable.

(4) Financial risk management objectives and policies

The Group's conduct of risk control and hedging strategy is influenced by the operational environment. The Group monitors and manages the financial risk by business nature and risk dispersion. These risks include market risk (including foreign currency risk, interest rate risk and other price risks), credit risk and liquidity risk.

1) Market risk

The Group's operating activities exposed itself primarily to the market risks of changes in foreign currency exchange rates and interest rates.

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

a) Foreign currency risk

The Group conducted foreign currency sales and purchases, which exposed the Group to foreign currency risk. In order to avoid the impact of foreign currency exchange rate changes, which lead to deductions in foreign currency denominated assets and fluctuations in their future cash flows, the Group maintains a balance of hedged net foreign currency denominated assets and liabilities. The Group also utilizes foreign exchange forward contracts to hedge the currency exposure. The use of foreign exchange forward contracts is regulated by the policies passed by the Group's board of directors. Internal auditors focus on reviewing the observance of the policies and the quota of risk exposures. The foreign exchange forward contracts that the Group engaged in were not for speculation purposes.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 32.

Sensitivity analysis

The Group's sensitivity analysis mainly focuses on the foreign currency risk of U.S. dollars at the end of the reporting period. Assuming a 3% strengthening/weakening of the functional currency against USD, the net income before tax for the years ended December 31, 2021 and 2020 would have decreased/increased by $41,795 thousand and $43,491 thousand, respectively.

In management's opinion, the sensitivity analysis was unrepresentative of the inherent foreign currency risk because the exposure at the end of the reporting period did not reflect the exposure during the period.

b) Interest rate risk

The Group was exposed to the fair value risk of interest rate fluctuations for the fixed interest rate bearing financial assets and financial liabilities; the Group was exposed to the cash flow risk of interest rate fluctuations for the floating interest rate bearing financial assets and financial liabilities. The Group's management regularly monitors the fluctuations in market rates and then adjusted its balance of floating rate bearing financial liabilities to make the Group's interest rates more closely approach market rates in response to the interest rate risk.

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

	December 31, 2021	December 31, 2020
Fair value interest rate risk		
- Financial assets	$ 884,246	$ 723,227
- Financial liabilities	360,711	183,218
Cash flow interest rate risk		
- Financial assets	546,712	300,025
- Financial liabilities	882,575	50,000

Sensitivity analysis

The fixed-rate financial assets and liabilities held by the Group are not included in the analysis as they are all measured at amortized cost. For floating rate assets and liabilities, the analysis was prepared to assume that the amount of the assets and liabilities outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point fluctuation in interest rate was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

When reporting to the management, the Group considers any interest rate fluctuation within 50 basis points reasonable. If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2021 and 2020 would have increased/decreased by $1,679 thousand and $1,250 thousand, respectively.

c) Other price risks

The Group was exposed to the equity price risk through its investments in domestic listed shares, domestic unlisted shares, mutual funds and other equity securities investments. The Group manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Group has appointed a special team to monitor the price risk.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to securities price risk at the end of the reporting period. As such, the Group's money market funds recognized under financial assets at FVTPL were not included in the analysis because their price fluctuation risk is extremely low.

If marketable securities price had increased/decreased by 5%, the pre-tax profit for the years ended December 31, 2021 and 2020 would have increased/decreased by $5,557 thousand and $2,496 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL (excluding investment in money market funds); If the equity securities price had increased/decreased by 5%, the pre-tax other comprehensive income for the years ended December 31, 2021 and 2020 would have increased/decreased by $4,358 thousand and $7,024 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations and result in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of counterparties to discharge an obligation and financial guarantees provided by the Group, could arise from:

a) The carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets; and

b) The maximum amount the Group would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

The Group adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

The counterparties of the Group's trade receivable included numerous clients distributed over a variety of areas and were not centered on a single client or location. Furthermore, the Group continuously assesses the financial condition of its clients, and then the Group's credit risk was limited. As of the end of the reporting period, the Group's largest exposure to credit risk is approximately that of the carrying amounts of its financial assets.

3) Liquidity risk

The Group managers maintain working capital and mitigate liquidity risk by maintaining a level of cash and cash equivalents and financing facilities deemed adequate.

a) Liquidity and interest rate risk tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table was drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

December 31, 2021

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	Over 5 Years
Non-derivative financial liabilities				
Non-interest bearing liabilities		$1,462,130	$ -	$ -
Lease liabilities	0.82%-1.04%	36,606	61,891	69,520
Floating interest rate liabilities	0.82%	1,362	910,414	-
Fixed interest rate liabilities	0.80%-0.85%	200,077	-	-
		$1,700,175	$ 972,305	$ 69,520

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1~5 years	5-10 Years	Over 10 Years
Lease liabilities	$ 36,606	$ 61,891	$ 62,259	$ 7,261

December 31, 2020

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	Over 5 Years
Non-derivative financial liabilities				
Non-interest bearing liabilities		$1,330,612	$ -	$ -
Lease liabilities	0.82%-1.04%	36,389	80,953	73,891
Floating interest rate liabilities	0.82%	412	50,412	-
		$1,367,413	$ 131,365	$ 73,891

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1~5 years	5-10 Years	Over 10 Years
Lease liabilities	$ 36,389	$ 80,953	$ 73,410	$ 481

b) Financing facilities

The Group relies on bank loans as a significant source of liquidity. As of December 31, 2021 and 2020, the unused amounts of bank loan facilities were as follows:

	December 31, 2021	December 31, 2020
Bank loan facilities		
—Amount unused	$ 7,394,679	$ 6,664,900

29. **Transactions with Related Parties**

As of December 31, 2021 and 2020, USI Corporation held through its subsidiary, Union Polymer International Investment Corporation, 24.97% of the Company's outstanding ordinary shares.

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

(1) Related party names and categories

Related Party Name	Related Party Category
USI Corporation	Ultimate parent company
Union Polymer Int'l Investment Corp. ("UPIIC")	Parent company
Taita Chemical Company, Limited ("TTC")	Investor with significant influence
Asia Polymer Corporation (“APC”)	Investor with significant influence
China General Terminal & Distribution Corporation ("CGTD")	Associate
Acme Electronics Corporation	Associate
USI Optronics Corporation ("USIO")	Fellow subsidiary
USI Management Consulting Corporation ("UM")	Fellow subsidiary
Swanson Plastics Corporation ("SP")	Fellow subsidiary
Swanson Technologies Corporation	Fellow subsidiary
Taiwan United Venture Management Corporation	Fellow subsidiary
Chong Loong Trading Co., Ltd.	Fellow subsidiary
Dynamic Ever Investments Limited	Fellow subsidiary
Taita Chemical (Zhong Shan) Co., Ltd. ("TTC (ZS)")	Subsidiary of investor with significant influence
APC Investment Corporation	Subsidiary of investor with significant influence
USI Educational Foundation ("USIF")	Related party in substance
Fujian Gulei Petrochemical Co., Ltd.	Related party in substance

(2) Sales of goods

Related Party Category	2021	2020
Investor of significant influence	$ 2,339	$ 2,370
Fellow subsidiary	601	661
	$ 2,940	$ 3,031

The sales of goods to related parties had no material differences from those of general sales transactions.

(3) Purchases of goods

Related Party Category	2021	2020
Related party in substance	$ 97,974	$ -
Fellow subsidiary	59,721	35,817
Ultimate parent company	420	143
Investor of significant influence	-	24
	$158,115	$ 35,984

Purchases from related parties had no material differences from those of general purchase transactions.

(4) Trade receivables

Related Party Category	December 31, 2021	December 31, 2020
Investor of significant influence	$ -	$ 511

The outstanding trade receivables from related parties were unsecured. For the years ended December 31, 2021 and 2020, no impairment loss was recognized for trade receivables from related parties.

(5) Trade payables to related parties

Related Party Category	December 31, 2021	December 31, 2020
Ultimate parent company	$227,135	$ 95,761
Fellow subsidiary	10,363	11,274
	$237,498	$107,035

TVCM appointed Ultimate parent company (USI) to import ethylene, and the trade payables to USI are to be paid off when USI makes a payment.

The outstanding trade payables to related parties were unsecured.

(6) Other receivables from related parties

Related Party Category	December 31, 2021	December 31, 2020
Investor of significant influence	$ 981	$ 1,964
Ultimate parent company	786	783
Fellow subsidiary	20	59
Associate	3	4
Subsidiary of investor with significant influence	1	1
	$ 1,791	$ 2,811

(7) Other payables to related parties

Related Party Category	December 31, 2021	December 31, 2020
Associate	$ 11,289	$ 8,440
Ultimate parent company	3,044	4,567
Subsidiary of investor with significant influence	409	18
Investor of significant influence	307	236
Fellow subsidiary	148	210
	$ 15,197	$ 13,471

(8) Acquisitions of property, plant and equipment

Related Party Category	2021	2020
Ultimate parent company	$ 6,070	$ -

(9) Lease arrangements

Related Party Category/Name	December 31, 2021	December 31, 2020
Lease liabilities		
Investor of significant influence		
APC	$123,733	$136,780
TTC	12,104	21,560
Associate	7,844	15,607
	$143,681	$173,947

Related Party Category/Name	2021	2020
Interest expense		
Investor of significant influence		
APC	$ 1,360	$ 1,494
TTC	179	277
Associate	125	206
	$ 1,664	$ 1,977

Related Party Category	2021	2020
Lease expenses		
Ultimate parent company	$ 6,807	$ 7,880
Investor of significant influence	2,687	3,192
	$ 9,494	$ 11,072

The Company leases offices in Neihu from Ultimate parent company and Investor of significant influence. The rentals are paid on a monthly basis.

The factory belonging to the Company's subsidiaries located on the land in Linyuan was rented from Investor of significant influence. The original lease term expired in December 2011. However, if neither counterparties argued, the lease term would automatically extend for another year.

The Company's subsidiaries leased storage tanks for vinyl chloride monomer from Investor of significant influence. The original lease term expired in December 2010 and was renewed at both parties' discretion.

The Company's subsidiary leased land for their warehouses from Investor of significant influence. The lease term will expire in May 2026. The lease contract is renewable, and the rental is paid on a monthly basis.

(10) Storage tank operating expenses

Related Party Category/Name	2021	2020
Associate		
CGTD	$ 92,143	$ 74,062

The Company's subsidiaries appointed CGTD to handle the storage tank used to transport, store and load vinyl chloride monomer, ethylene and dichloroethane. The storage tank operating expenses are paid by the end of next month following such services.

(11) Management service revenue

Related Party Category	2021	2020
Ultimate parent company	$ 3,152	$ 3,038
Investor of significant influence	76	75
	$ 3,228	$ 3,113

(12) Management service expenses

Related Party Category/Name	2021	2020
Fellow subsidiary		
UM	$ 75,588	$ 74,028
Others	-	29
Ultimate parent company	4,450	4,316
	$ 80,038	$ 78,373

UM and Ultimate parent company provide labor support, equipment and other related services to the Company and its subsidiaries. The service expenses were based on the actual quarterly expenses which should be paid in the subsequent quarter following the related service.

(13) Donations

Related Party Category/Name	2021	2020
Related party in substance		
USIF	$ 4,000	$ 1,250

(14) Rental income

Related Party Category/Name	2021	2020
Fellow subsidiary		
USIO	$ 3,337	$ 3,379
Others	26	-
Subsidiary of investor with significant influence	1,132	-
Investor of significant influence	280	266
	$ 4,775	$ 3,645

USIO signed a factory lease contract with the Company with a lease term until April 15, 2022. The Company collects fixed rental amounts on a monthly basis. USIO does not have a bargain purchase option to acquire the leased factory at the expiry of the lease period.

(15) Other income

Related Party Category	2021	2020
Investor of significant influence	$ 1,627	$ 1,482

(16) Compensation of key management personnel

The compensation of directors and key executives for the years ended December 31, 2021 and 2020 were as follows:

	2021	2020
Salaries and others	$ 31,700	$ 27,416
Retirement benefits	216	289
	$ 31,916	$ 27,705

The compensation of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

30. Assets Pledged as Collateral or for Security

The following assets were provided as collateral for the performance guarantee for the tariffs of imported raw materials and use of fuel:

	December 31, 2021	December 31, 2020
Pledge time deposits (classified at amortized cost and other non-current assets)	$ 293,779	$ 288,558

The Company pledged land and plants as collateral against a medium-and long-term secured loan contract with a revolving credit limit of $1,000,000 thousand signed with a bank to enrich working capital. Any drawdown within the limit can be made during the life of the contract. However, the Company had canceled the financing facility and removed the liens on the land and plants in November 2020.

The Company's subsidiary, CGPCPOL, pledged its land, plants, machinery and equipment as collateral against a medium- and long-term credit contract with a bank. However, CGPCPOL had canceled the financing facilities and removed the liens placed on its land, plants, and machinery and equipment in November 2020.

31. Significant Contingent Liabilities and Unrecognized Commitments

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of the end of the reporting period were as follows:

(1) As of December 31, 2021 and 2020, the Group's unused letters of credit amounted to $1,463,309 thousand and $623,494 thousand, respectively.

(2) Description of Kaohsiung gas explosions:

Regarding the associate, China General Terminal & Distribution Corporation (hereinafter "CGTD"), who was commissioned to operate the LCY Chemical Corp.'s propylene pipeline resulting in a gas explosion on July 31, 2014, the appeal was dismissed by the Supreme Court on September 15, 2021, and all three employees of CGTD were innocent.

CGTD reached an agreement with Kaohsiung City Government on February 12, 2015 and pledged a term deposit $227,540 thousand (including interests) to the Government as a guarantee for losses caused by the gas explosions. The Kaohsiung City Government has also filed civil litigation against LCY Chemical Corp. CGTD, and CPC Corporation, Taiwan. Taiwan Power Company applied for provisional attachment against CGTD's property on August 27 and November 26, 2015. CGTD had deposited cash of $ 99,207 thousand to the court to avoid provisional attachment. Taiwan Water Corporation also applied for provisional attachment against CGTD's property on February 3 and March 2, 2017. Assets under attachment amounted to approximately $12,472 thousand as of February 28, 2022.

As for the victims, CGTD, LCY Chemical Corp. and Kaohsiung City Government signed a tripartite agreement on July 17, 2015 agreeing to negotiate the compensation first with the 32 victim's successors and persons entitled to the claims ("family of the victim"). Each victim's family was entitled to $12,000 thousand and the total compensation was $384,000 thousand. The compensation was first paid by LCY who also represent the three parties in the settlement negotiation and the signing of settlement agreements with family of the victim.

As for the seriously injured victims, CGTD, LCY Chemical Corp. and the Kaohsiung City Government signed a tripartite agreement for serious injuries on October 25, 2017 agreeing to negotiate the compensation first with the 65 seriously injured victims. The compensation was first paid by CGTD and the Kaohsiung City Government. CGTD also represents the three parties in negotiating settlements with victims who suffered serious injuries in the incident. It has signed settlement agreements with 64 of the victims.

As of February 28, 2022, victims and their families have filed civil (including supplementary civil action) lawsuits against LCY Chemical Corp., CGTD and CPC for compensation. To reduce the lawsuit costs, CGTD had reached a settlement on the original claim of $46,677 thousand, and the amount of the settlement was $4,519 thousand. Along with the case still under litigation and the above-mentioned compensation, the accumulated amount of compensation is $3,856,447 thousand. The first-instance judgments of some of the above-mentioned civil cases (with a total amount of compensation of approximately $1,341,128 thousand) have been gradually announced, starting from June 22, 2018. The proportion of fault liability of the Kaohsiung City Government, LCY Chemical Corp. and CGTD is 4: 3: 3 in most judgments. The total amount of compensation that CGTD, LCY Chemical Corp. and the other defendants should pay is around $401,979 thousand. (In particular, CGTD was exempted to pay $6,194 thousand according to the court's judgment.) For the civil cases that have been sentenced but not settled, CGTD has filed an appeal and has started the second trial procedure one after another. The rest cases are still under trial in the Court of First Instance (the amount of compensation requested is approximately $2,012,493 thousand). CGTD has signed a claim settlement agreement with the insurance company in accordance with the proportion of fault liability determined in the first-instance judgment to estimate the amount of settlement for victims and seriously injured and the civil litigation compensation amount (including settled cases). The maximum amount of the insurance compensation was deducted to calculate the amount payable by CGTD and the $136,375 thousand has been included in the estimate on the account. However, the actual settlement and compensation amount described above can only be verified after the proportion of fault liability is determined in the civil judgments.

(3) TVCM signed a dichloroethane purchase contract with CPC Corporation, Formosa Plastics Corporation and Mitsui Corp. The purchase price was negotiated by both parties according to a pricing formula.

32. Significant Assets and Liabilities Denominated in Foreign Currencies

The group entities' significant financial assets and liabilities denominated in foreign currencies and aggregated by foreign currencies other than functional currencies and the related exchange rates Assets and liabilities with significant impact recognized in foreign currencies are as follows:

Unit: Except for the exchange rate, all in thousands

December 31, 2021

	Foreign currencies	Exchange Rate (In Single Dollars)	Functional Currencies	NT$
Foreign currency assets				
Monetary items				
USD	$ 63,223	27.680 (USD:NTD)	$ 1,750,011	$ 1,750,011
AUD	1,000	20.080 (AUD:NTD)	20,078	20,078
EUR	662	31.320 (EUR:NTD)	20,724	20,724
USD	293	6.3757 (USD:CNY)	1,865	8,098
GBP	91	37.300 (GBP:NTD)	3,398	3,398
Foreign currency liabilities				
Monetary items				
USD	13,184	27.680 (USD:NTD)	364,934	364,934

December 31, 2020

	Foreign currencies	Exchange Rate (In Single Dollars)	Functional Currencies	NT$
Foreign currency assets				
Monetary items				
USD	$ 62,580	28.480 (USD:NTD)	$ 1,782,265	$ 1,782,265
AUD	853	21.950 (AUD:NTD)	18,716	18,716
EUR	392	35.020 (EUR:NTD)	13,731	13,731
USD	293	6.5249 (USD:CNY)	1,909	8,331
GBP	73	38.900 (GBP:NTD)	2,834	2,834
Foreign currency liabilities				
Monetary items				
USD	11,970	28.480 (USD:NTD)	340,904	340,904
GBP	67	38.900 (GBP:NTD)	2,623	2,623

For the years ended December 31, 2021 and 2020, net foreign exchange losses were $42,924 thousand, and $52,272 thousand, respectively. It is impractical to disclose net foreign exchange losses by each significant foreign currency due to the variety of the foreign currency transactions and various functional currencies.

33. Supplementary Disclosures

(1) (1) Information on Significant Transactions

1) Financing provided to others: None;

2) Endorsements/guarantees provided: Table 1.

3) Marketable securities held: Table 2.

4) Marketable securities acquired and disposed of at costs or prices of at least $300 million or 20% of the paid-in capital: Table 3.

5) Acquisitions of individual real estate at costs of at least $300 million or 20% of the paid-in capital: None;

6) Disposals of individual real estate at prices of at least $300 million or 20% of the paid-in capital: None;

7) Total purchases from or sales to related parties amounting to at least $100 million or 20% of the paid-in capital: Table 4.

8) Receivables from related parties amounting to at least $100 million or 20% of the paid-in capital: Table 5.

9) Trading in derivative instruments: Note 7.

10) Intercompany relationships and significant intercompany transactions: Table 6.

(2) Information on Reinvestment: Table 7.

(3) Information on Investments in Mainland China

1) Information on any investee company in mainland China (name, main business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income, carrying amount of investment at end of period, repatriations of investment income, and limit on the amount of investment in mainland China): Table 8.

2) The following information on any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None.

   a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

   b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

   c) The amount of property transactions and the amount of the resultant gains or losses.

   d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and their purposes.

   e) The highest balance during the period, the end of period balance, the interest rate range, and total current period interest with respect to the financing of funds.

   f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

(4) Information of major shareholders: List of all shareholders with ownership of 5% or greater showing the names and the number shares and percentage of ownership held by each shareholder: Table 9.

34. Segment Information

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group's reportable segments, including departments of VCM products and PVC products, under IFRS 8 "Operating Segments" were as follows:

(1) Segment revenue and results

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

2021

	VCM Products	PVC Products	Total
Revenue from external customers	$ 1,007,396	$ 19,214,128	$ 20,221,524
Inter-segment revenue	13,657,550	739,576	14,397,126
Segment revenue	$ 14,664,946	$ 19,953,704	34,618,650
Eliminations			(14,397,126)
Consolidated revenue			$ 20,221,524
Segment income	$ 132,369	$ 3,184,788	$ 3,317,157
Interest income			2,235
Other income			103,761
Other gain and loss			(132,984)
Share of profit of associates accounted for using the equity method			22,159
Interest expense			(5,294)
Profit before income tax			$ 3,307,034

2020

	VCM Products	PVC Products	Total
Revenue from external customers	$ 304,482	$ 13,428,666	$ 13,733,148
Inter-segment revenue	8,160,549	450,212	8,610,761
Segment revenue	$ 8,465,031	$ 13,878,878	22,343,909
Eliminations			(8,610,761)
Consolidated revenue			$ 13,733,148
Segment income	$ 54,213	$ 2,089,915	$ 2,144,128
Interest income			3,882
Other income			65,006
Other gain and loss			(63,999)
Share of profit of associates accounted for using the equity method			23,708
Interest expense			(7,387)
Profit before income tax			$ 2,165,338

Segment profit represented the profit before tax earned by each segment without the share of profit (loss) of associates, interest income, rental income, gain (loss) on disposal of property, plant and equipment, foreign exchange gains (losses), gain (loss) arising from the valuation of financial instruments, and financing costs. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Since the Group's individual segment assets and liabilities were not included in the segment information provided to the chief operating decision-maker, the measured amount of operating segment assets and liabilities was not disclosed herein.

(2) Product information

The Company and its subsidiaries are mainly engaged in the manufacturing and marketing of petrochemical products, which is a single product category. As a result, there is no need to disclosure product information

(3) Region information

The amounts of the Group's revenue from continuing operations from external customers and non-current assets by location are detailed below:

	Revenue from external customers		Non-current assets	
	2021	2020	December 31, 2021	December 31, 2020
Asia	$ 15,578,658	$ 10,996,729	$ 8,337,701	$ 7,286,849
America	3,361,005	2,149,161	6,959	11,402
Middle East	510,226	261,751	-	-
Africa	461,107	83,629	-	-
Europe	190,176	81,984	-	-
Oceania	120,352	159,894	-	-
	$ 20,221,524	$ 13,733,148	$ 8,344,660	$ 7,298,251

Non-current assets exclude those which were classified as financial instruments, investment accounted for equity method, deferred tax assets, and guarantee deposits

(4) Information about major customers

No revenue from a single customer amounted to 10% of the Group’s revenue for the years ended December 31, 2021 and 2020.

China General Plastics Corporation and Subsidiaries

Endorsements/Guarantees Provided

For the Year Ended December 31, 2021

Table 1

Unit: NT$ thousand

Number	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Made for Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note 2)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/Guarantee Made by Parent for Subsidiaries	Endorsement/Guarantee Made by Subsidiaries for Parent	Endorsement/Guarantee Made for Companies in Mainland China
		Company name	Relationship										
0	China General Plastics Corporation	CGPC Polymer Corporation	Subsidiary	$ 6,697,786	$ 2,450,000	$ 1,000,000	$ -	None	8.96%	$ 11,162,977	Yes	No	No

Note 1. The ratio is calculated using the ending balance of equity of the Company as of December 31, 2021.

Note 2. The total amount of guarantee that may be provided by the Company shall not exceed 100% of the Company's net worth stated on the latest financial statements; the total amount of guarantee provided by the Company to any single entity shall not exceed 60% of the Company's net worth stated on the latest financial statements.

China General Plastics Corporation and Subsidiaries

Marketable Securities Held

December 31, 2021

Table 2

Unit: NT$ thousand

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Unit / Share	Carrying Amount	Percentage of Ownership (%)	Fair value	
China General Plastics Corporation	Beneficiary securities							
	Cathay No. 1 Real Estate Investment Trust	-	Financial assets at FVTPL - current	2,898,000	$ 52,541	-	$ 52,541	Note 1
	Mutual Funds							
	FSITC Taiwan Money Market Fund	-	Financial assets at FVTPL - current	5,172,035	80,018	-	80,018	Note 1
	Cathay Taiwan Money Market Fund	-	〃	3,981,272	50,000	-	50,000	Note 1
	Hua Nan Phoenix Money Market Fund	-	〃	2,740,627	45,000	-	45,000	Note 1
	Ordinary shares							
	China Steel Corporation	-	Financial assets at FVTPL - current	650,000	22,978	-	22,978	Note 1
	Quanta Computer Incorporated	-	〃	125,000	11,837	-	11,837	Note 1
	Tungho Steel Corporation	-	〃	167,500	11,239	-	11,239	Note 1
	United Microelectronics Corporation	-	〃	120,000	7,800	-	7,800	Note 1
	ShunSin Technology Holdings Limited	-	〃	51,000	4,743	-	4,743	Note 1
	KHL IB Venture Capital Co., Ltd.	-	Financial assets at FVTOCI - non-current	4,977,475	82,377	5.95%	82,377	Note 1
Taiwan VCM Corporation	Ordinary shares							
	Asia Polymer Corporation	The major shareholders are the same as the those of the Company	Financial assets at FVTOCI - non-current	130,244	4,774	0.02%	4,774	Note 1
CGPC Polymer Corporation	Mutual Funds							
	Hua Nan Phoenix Money Market Fund	-	Financial assets at FVTPL - current	8,774,597	144,075	-	144,075	Note 1
	FSITC Taiwan Money Market Fund	-	〃	6,464,876	100,020	-	100,020	Note 1
	Taishin Ta-Chong Money Market Fund	-	〃	6,968,690	100,003	-	100,003	Note 1
	Prudential Financial Money Market Fund	-	〃	4,384,646	70,118	-	70,118	Note 1
	Taishin 1699 Money Market Fund	-	〃	4,386,606	60,003	-	60,003	Note 1
	Hua Nan Kirin Money Market Fund	-	〃	4,715,381	57,000	-	57,000	Note 1
	Taiwan Cooperative Bank Money Market Fund	-	〃	2,437,835	25,000	-	25,000	Note 1
	Yuanta De-Li Money Market Fund	-	〃	971,782	16,006	-	16,006	Note 1
CGPC (BVI) Holding Co., Ltd.	Ordinary shares							
	Teratech Corporation	-	Financial assets at FVTPL - non-current	112,000	-	0.67%	-	(Notes 1 and 3)
	SOHOware, Inc - preferred shares	-	〃	100,000	-	-	-	(Notes 1, 2, and 3)

Note 1. The marketable securities were not pledged as guarantees or collateral for borrowings and are not subject to restrictions.

Note 2. The preferred shares are not used in the calculation of the shareholding ratio and net worth.

Note 3. As of December 31, 2021, the Company evaluates the fair value of the equity instrument as $0.

China General Plastics Corporation and Subsidiaries

Marketable Securities Acquired and Disposed of at Costs and Prices of at Least NT$300 Million or 20% of the Paid-in Capital

For the Year Ended December 31, 2021

Table 3

Unit: NT$ thousand

Buyer/Seller	Type and Name of Marketable Securities	Financial Statement Account	Related Parties	Relationship	Beginning Balance (Note)		Acquisition		Disposal				Ending Balance (Note)	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Amount	Gain on disposal	Shares	Amount
China General Plastics Corporation	Mutual Funds													
	Taishin Ta-Chong Money Market Fund	Financial assets at FVTPL - current	-	-	4,190,295	$ 60,000	40,879,691	$ 586,000	45,069,986	$ 646,101	$ 646,000	$ 101	-	$ -
	FSITC Money Market Fund	〃	-	-	-	-	3,109,635	560,000	3,109,635	560,061	560,000	61	-	-
	CTBC Hua-Win Money Market Fund	〃	-	-	4,501,666	50,000	46,771,745	520,000	51,273,411	570,046	570,000	46	-	-
	Hua Nan Phoenix Money Market Fund	〃	-	-	-	-	27,133,187	445,000	24,392,560	400,077	400,000	77	2,740,627	45,000
	FSITC Taiwan Money Market Fund	〃	-	-	-	-	27,031,631	418,000	21,859,596	338,047	338,000	47	5,172,035	80,000
	Nomura Taiwan Money Market Fund	〃	-	-	-	-	24,661,509	406,000	24,661,509	406,049	406,000	49	-	-
Taiwan VCM Corporation	Mutual Funds													
	FSITC Taiwan Money Market Fund	Financial assets at FVTPL - current	-	-	3,240,147	50,000	25,887,463	400,000	29,127,610	450,075	450,000	75	-	-
	Taishin Ta-Chong Money Market Fund	〃	-	-	6,983,874	100,000	22,338,288	320,000	29,322,162	420,059	420,000	59	-	-
CGPC Polymer Corporation	Mutual Funds													
	Hua Nan Kirin Money Market Fund	Financial assets at FVTPL - current	-	-	3,315,451	40,000	48,446,772	585,000	47,046,842	568,067	568,000	67	4,715,381	57,000
	FSITC Taiwan Money Market Fund	〃	-	-	3,178,916	49,000	36,160,381	559,000	32,874,421	508,400	508,000	400	6,464,876	100,000
	Taishin Ta-Chong Money Market Fund	〃	-	-	8,941,582	128,000	37,239,820	534,000	39,212,712	562,343	562,000	343	6,968,690	100,000
	Taiwan Cooperative Bank Money Market Fund	〃	-	-	-	-	50,169,944	514,000	47,732,109	489,062	489,000	62	2,437,835	25,000
	FSITC Money Market Fund	〃	-	-	250,312	45,000	1,999,223	360,000	2,249,535	405,209	405,000	209	-	-
	Taishin 1699 Money Market Fund	〃	-	-	15,393,455	210,000	17,554,151	240,000	28,561,000	390,140	390,000	140	4,386,606	60,000

Note: The beginning and ending amount denote the original acquisition cost.

China General Plastics Corporation and Subsidiaries

Total Purchases from or Sales to Related Parties Amounting to at Least NT$100 Million or 20% of the Paid-in Capital

For the Year Ended December 31, 2021

Table 4

Unit: NT$ thousand

Buyer/Seller	Related Parties	Relationship	Transaction Details				Abnormal Transaction		Notes/Trade Receivables (Payables)	
			Purchase / Sales	Amount (Note)	Ratio to Total Purchase / Sales	Payment terms	Unit Price	Payment terms	Financial Statement Account and Ending Balance (Note)	Ratio to Total Notes or Trade Receivable (payable)
China General Plastics Corporation	Taiwan VCM Corporation	Subsidiary	Purchases	$ 7,071,763	79%	45 days	No major difference	No major difference	Trade payables to related parties ($ 1,489,862)	(87%)
	CGPC America Corporation	Subsidiary	Sales	(679,417)	(6%)	90 days	No major difference	No major difference	Trade receivables from related parties 189,714	14%
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Sales	(7,071,763)	(48%)	45 days	No major difference	No major difference	Trade receivables from related parties 1,489,862	47%
	CGPC Polymer Corporation	Fellow subsidiary	Sales	(6,585,350)	(45%)	75 days	No major difference	No major difference	Trade receivables from related parties 1,361,638	43%
CGPC Polymer Corporation	Taiwan VCM Corporation	Fellow subsidiary	Purchases	6,585,350	97%	75 days	No major difference	No major difference	Trade payables to related parties (1,361,638)	(98%)
CGPC America Corporation	China General Plastics Corporation	Parent company	Purchases	679,417	89%	90 days	No major difference	No major difference	Trade payables to related parties (189,714)	(98%)

Note: All the transactions were written off when preparing the consolidated financial statements.

China General Plastics Corporation and Subsidiaries

Receivables from Related Parties Amounting to at Least NT$100 Million or 20% of the Paid-in Capital

December 31, 2021

Table 5

Unit: NT$ thousand

Company Name	Related Parties	Relationship	Financial Statement Account and Ending Balance (Note 3)	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Treatment Method		
China General Plastics Corporation	CGPC America Corporation	Subsidiary	Trade receivables from related parties $ 189,714	4.52	$ -	-	$ 84,313	Note 1
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Trade receivables from related parties $1,489,862	5.53	-	-	1,489,862	Note 1
	CGPC Polymer Corporation	Fellow subsidiary	Trade receivables from related parties $1,361,638	4.70	-	-	1,361,638	Note 1

Note 1. There is no allowance for impairment loss after an impairment assessment.

Note 2. The subsequent period is between January 1 and February 24, 2022.

Note 3. All the transactions were written off when preparing the consolidated financial statements.

China General Plastics Corporation and Subsidiaries

Intercompany Relationships and Significant Intercompany Transactions

For the Year Ended December 31, 2021

Table 6

Unit: NT$ thousand

Number (Note 1)	Investee Company	Related Parties	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount	Transaction Terms	% of Total Sales or Asset (Note 3)
0	China General Plastics Corporation	Taiwan VCM Corporation	1	Trade payables to related parties	$ 1,489,862	No major difference	9%
			1	Purchases	7,071,763	No major difference	35%
		CGPC America Corporation	1	Trade receivables from related parties	189,714	No major difference	1%
			1	Sales revenue	679,417	No major difference	3%
		CGPC Polymer Corporation	1	Other receivables from related parties	1,523	No major difference	-
			1	Trade payables to related parties	9,521	No major difference	-
			1	Purchases	59,991	No major difference	-
1	CGPC Polymer Corporation	Taiwan VCM Corporation	3	Trade payables to related parties	1,361,638	No major difference	8%
			3	Other payables to related parties	23,212	No major difference	-
			3	Purchases	6,585,350	No major difference	33%
			3	Rental income	1,752	No major difference	-

Note 1. The information correlation between the numeral and the entity are stated as follows:

1. The parent company: 0.
2. The subsidiaries: 1 onward.

Note 2. The direction of the investment is as follows:

1. The parent company to its subsidiary.
2. The subsidiary to the parent company.
3. Between subsidiaries.

Note 3. The ratio of transactions related to total sales revenue or assets is calculated as follows:

a. Assets or liabilities: The ratio was calculated based on the ending balance of total consolidated assets; and

b. Income or loss: The ratio was calculated based on the midterm accumulated amount of total consolidated sales revenue.

China General Plastics Corporation and Subsidiaries

Information on Investee

For the Year Ended December 31, 2021

Table 7

Unit: In Thousands of New Taiwan Dollars, Unless Stated Otherwise

Investor Company	Investee Company	Location	Business Content	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of Investee	Share of Profit (Loss)	Note
				December 31, 2021	December 31, 2020	Shares	%	Carrying Amount			
China General Plastics Corporation	Taiwan VCM Corporation	No. 1, Gongye 1st Rd., Linyuan Dist., Kaohsiung City 832, Taiwan (R.O.C.)	Manufacturing and marketing of VCM	$ 2,933,648	$ 2,930,995	259,591,005	87.27%	$ 4,610,674	$ 1,510,951	$ 1,189,448	Subsidiary
	CGPC Polymer Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Manufacturing and marketing of PVC resins	800,000	800,000	80,000,000	100%	1,503,749	580,982	580,982	Subsidiary
	CGPC (BVI) Holding Co., Ltd.	Citco Building, Wickhams Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	Reinvestment	1,073,906	1,073,906	16,308,258	100%	345,845	(2,505)	(2,505)	Subsidiary
	China General Terminal & Distribution Corporation	No. 1, Jianji St., Qianzhen Dist., Kaohsiung City 806, Taiwan (R.O.C.)	Warehousing and transportation of petrochemical raw materials	41,106	41,106	22,009,594	33.33%	373,731	63,389	21,129	Associate accounted for using the equity method
	CGPC America Corporation	1181 California Ave., Suite 235 Corona, CA 92881 U.S.A	Marketing of PVC film and leather products	648,931	648,931	100	100%	194,709	21,914	21,914	Subsidiary
	Acme Electronics Corporation	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Manufacturing and marketing of Mn-Zn and Ni-Zn ferrite cores	33,995	33,995	3,176,019	1.74%	23,171	59,329	1,030	Associate accounted for using the equity method

Note: All the transactions were written off when preparing the consolidated financial statements.

China General Plastics Corporation and Subsidiaries

Information on Investments in Mainland China

For the Year Ended December 31, 2021

Table 8

Unit: In Thousands of New Taiwan Dollars, Unless Stated Otherwise

Investee Company	Business Content	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021 (Note 1)	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021 (Note 1)	Net Income (Loss) of Investee	Ownership Percentage of Direct or Indirect Investment	Investment Gain (Loss) (Note 5)	Carrying Amount as of December 31 (Note 1)	Accumulated Repatriation of Investment Income as of December 31
					Outflow	Inflow						
Continental General Plastics (Zhong Shan) Co., Ltd. ("CGPC (ZS)") (Note 4)	Manufacturing and marketing of PVC film and consumer products	$ 553,600 (US$20,000 thousand)	Investment through CGPC (BVI) Holding Co., Ltd. ("CGPC (BVI)")	$ 553,600 (US$20,000 thousand)	$ -	$ -	$ 553,600 (US$20,000 thousand)	($ 2,569) (US$-93 thousand)	100%	($ 2,569) (US$-93 thousand)	$ 262,303 (US$9,476 thousand)	$ -
CGPC Consumer Products Corporation ("CGPC (CP)") (Note 4)	Manufacturing and marketing of PVC and consumer products	41,520 (US$1,500 thousand)	Investment through CGPC (BVI) Holding Co., Ltd. ("CGPC (BVI)")	41,520 (US$1,500 thousand)	-	-	41,520 (US$1,500 thousand)	15 (US$1 thousand)	100%	15 (US$1 thousand)	13,461 (US$487 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2021 (Notes 1 and 3)	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 2)
$ 749,630 (US$ 27,082 thousand)	$ 869,152（US$ 31,400 thousand）	$-

Note 1. The calculation was based on the spot exchange rate of December 31, 2021.

Note 2. As the Company has obtained the certificate of qualification for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10920426850 on September 8, 2020, the upper limit on investment is not applicable.

Note 3. QuanZhou Continental General Plastics Co., Ltd. ("CGPC (QZ)") and Union (Zhong Shan) Co., Ltd. ("Union (ZS)") completed dissolution procedures, and CGPC (BVI) retrieved the residual assets. The shares of Continental General Plastics (San He) Co., Ltd. ("CGPC (SH)") were fully sold, and CGPC (BVI) retrieved the residual assets. However, the amount of capital has not been wired back to Taiwan. The accumulated amount includes the investment amount of CGPC (QZ) of US$684 thousand, the investment amount of Union (ZS) of US$898 thousand, and the investment amount of CGPC (SH) of US$4,000 thousand.

Note 4. The board of directors of the Company passed a resolution on October 24, 2011 to dissolve CGPC (ZS) and CGPC (CP). The Company has considered that its discontinued operations was resumed its operating substance, and, therefore, the Company reclassified the discontinued operations as continuing operations since 2021 after an assessment. Please refer to Note 12.

Note 5.The investment income (loss) recognized in 2021 is based on the financial statements audited by the parent company's CPA.

Note 6. All the transactions were written off when preparing the consolidated financial statements.

China General Plastics Corporation

Information on Major Shareholders

December 31, 2021

Table 9

Names of Major Shareholders	Shares	
	Number of Shares	Percentage of Ownership
Union Polymer International Investment Corporation	145,079,236	24.97%
Asia Polymer Corporation	46,886,185	8.07%

Note: The information in this table refers to a total of holding shares of more than 5 percent of the Company's non- physical shares of common stock and preferred stock that have completed registration and delivery (including treasury shares), in accordance with the last business day of the end of the quarter of the Taiwan Depository & Clearing Corporation. The share capital recorded in the Company's consolidated financial report and the actual number of non-physical shares that have been registered and delivered may be different due to the different calculation basis.

Independent Auditors' Report

The Board of Directors and Shareholders
China General Plastics Corporation

Opinion

We have audited the accompanying financial statements of China General Plastics Corporation (the “Company”), which comprise the balance sheets as of December 31, 2021 and 2020, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further describe in the Auditor’s Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China ("The Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the Company for the year ended December 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the financial statements of the Company for the year ended December 31, 2021 are stated as follows:

Authenticity of revenue recognition for sales to specific customers

The Company's sales revenue of specific products increased significantly compared to the same period of last year. The growth of sales revenue from some customers was higher than the average growth rate and the amount was substantial, which had a significant impact on the sales revenue and financial results of the Company. Therefore, authenticity of revenue recognition for the sales to those customers is identified as one of the key audit matters for the year ended December 31, 2021.

Please refer to Notes 4 and 18 for relevant accounting policies and information in relation to revenue recognition.

We have performed the following audit procedures to validate authenticity of revenue recognition:

1. We studied and tested the internal control mechanism to monitor authenticity of revenue recognition, and assessed the effectiveness of its design and implementation. We evaluated the appropriateness of revenue recognition accounting policies adopted by management.

2. We reviewed original orders, shipping documents, invoice and receipt documents to verify the authenticity of revenue recognition.
3. We inspected the occurrence of sales returns and allowances post sales, and sent letters to confirm whether there were any irregularities in accounts receivable at year-end.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

To ensure that the financial statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for preparing and maintaining necessary internal control procedures pertaining to the financial statements.

In preparing the financial statements, the management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the audit committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and evaluate the risk of material misstatements due to fraud or error in the financial statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company.
3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to operate as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such

disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall expression, structure and contents of the financial statements (including relevant Notes), and whether the financial statements fairly present relevant transactions and items.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the audit and for expressing an opinion on the financial statements of the Company.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine the key audit matters of the Company's the financial statements for the year ended December 31, 2021. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche,

Taipei, Taiwan, Republic of China

CPA Huang, Hsiu-Chun	CPA Chiu, Cheng-Chun
Securities and Futures Commission Approved Document No. Tai Cai Zheng Liu Zi No. 0920123784	Financial Supervisory Commission Approved Document No. Jin Guan Zheng Liu Zi No. 0930160267

March 9, 2022

Notice to Readers:

The financial statement (Chinese version) of our company is audited by the CPA HUANG, HSIU-CHUN and CPA CHIU, CHENG-CHUN of Deloitte Taiwan. For the convenience of reading, the statement has been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail.

China General Plastics Corporation

Balance Sheets

December 31, 2021 and 2020

Unit: NT$ thousand

CODE	ASSETS	December 31, 2021		December 31, 2020	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 6)	$ 472,412	3	$ 245,740	2
1110	Financial assets at fair value through profit or loss (FVTPL) - current (Note 7)	289,388	2	362,101	3
1150	Notes receivables (Note 9)	195,162	2	162,639	1
1170	Trade receivables (Note 9)	1,008,006	7	1,044,989	8
1180	Trade receivables from related parties (Notes 9 and 24)	189,714	1	111,124	1
1200	Other receivables (Notes 9)	70,964	1	46,206	1
1210	Other receivables from related parties (Notes 9 and 24)	2,208	-	2,265	-
1220	Current tax assets (Notes 5 and 20)	-	-	15,941	-
1310	Inventories (Note 10)	1,363,980	9	626,446	5
1410	Prepayments	27,299	-	13,895	-
1470	Other current assets	761	-	1,176	-
11XX	Total current assets	3,619,894	25	2,632,522	21
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 8)	82,377	1	137,731	1
1550	Investments accounted for using the equity method (Notes 5 and 11)	7,051,879	48	6,096,700	48
1600	Property, plant and equipment (Note 12)	3,454,391	23	3,248,517	26
1760	Investment properties (Note 13)	257,019	2	271,158	2
1840	Deferred tax assets (Notes 5 and 20)	210,021	1	204,427	2
1990	Other non-current assets (Note 25)	10,209	-	11,212	-
15XX	Total non-current assets	11,065,896	75	9,969,745	79
1XXX	Total Assets	$ 14,685,790	100	$ 12,602,267	100
CODE	LIABILITIES AND EQUITY				
	Current Liabilities				
2120	Financial liabilities at fair value through profit or loss at FVTPL-current (Note 7)	$ -	-	$ 2,507	-
2170	Trade payables (Note 14)	211,195	1	256,825	2
2180	Trade payables to related parties (Notes 14 and 24)	1,509,369	10	1,100,365	9
2200	Other receivables (Note 15)	561,648	4	420,564	3
2220	Other payables to related parties (Note 24)	3,263	-	4,779	-
2230	Current tax liabilities (Notes 5 and 20)	161,641	1	48,917	1
2399	Other current liabilities (Note 18)	102,305	1	45,589	-
21XX	Total current liabilities	2,549,421	17	1,879,546	15
	Non-current liabilities				
2570	Deferred tax liabilities (Notes 5 and 20)	485,251	4	484,721	4
2640	Net defined benefit liabilities (Note 16)	481,726	3	530,197	4
2670	Other non-current liabilities	6,415	-	4,288	-
25XX	Total non-current liabilities	973,392	7	1,019,206	8
2XXX	Total Liabilities	3,522,813	24	2,898,752	23
	Equity (Notes 8, 11, 16 and 17)				
3110	Ordinary shares	5,810,505	40	5,533,814	44
3200	Capital surplus	12,002	-	10,338	-
	Retained earnings				
3310	Legal reserve	870,332	6	704,963	6
3320	Special reserve	408,223	3	408,223	3
3350	Unappropriated earnings	3,981,643	27	2,950,662	23
3300	Total retained earnings	5,260,198	36	4,063,848	32
3400	Other equity	80,272	-	95,515	1
3XXX	Total equity	11,162,977	76	9,703,515	77
	Total Liabilities and Equity	$ 14,685,790	100	$ 12,602,267	100

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

Notice to Readers:

The financial statement (Chinese version) of our company is audited by the CPA HUANG, HSIU-CHUN and CPA CHIU, CHENG-CHUN of Deloitte Taiwan. For the convenience of reading, the statement has been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail.

China General Plastics Corporation

Statements of Comprehensive Income

For the Years Ended December 31, 2021 and 2020

Unit: NT$ thousand, except Earnings Per Share

CODE		2021		2020	
		Amount	%	Amount	%
4100	Net revenue (Notes 18 and 24)	$ 11,487,847	100	$ 8,268,069	100
5110	Cost of revenue (Notes 10, 19, and 24)	9,876,746	86	7,389,155	89
5900	Gross profit	1,611,101	14	878,914	11
5910	Realized (unrealized) gains from sales	(28,022)	-	681	-
5950	Realized gross profit	1,583,079	14	879,595	11
	Operating expenses (Notes 19 and 24)				
6100	Selling and marketing expenses	610,061	6	382,926	5
6200	General and administrative expenses	139,521	1	135,053	2
6300	Research and development expenses	31,954	-	31,014	-
6000	Total operating expenses	781,536	7	548,993	7
6900	Profit from Operations	801,543	7	330,602	4
	Non-operating income and expenses (Notes 5, 7, 11, 19 and 24)				
7100	Interest income	1,126	-	1,434	-
7010	Other income	53,569	-	27,917	-
7020	Other gain and loss	(45,829)	-	(33,826)	-
7510	Interest expense	(442)	-	(986)	-
7060	Share of profit of associates accounted for using the equity method	1,811,998	16	1,361,197	17
7000	Total non-operating income and expenses	1,820,422	16	1,355,736	17
7900	Profit before income tax	2,621,965	23	1,686,338	21
7950	Income tax expense (Notes 5 and 20)	153,289	2	52,154	1
8200	Net Profit for the Year	2,468,676	21	1,634,184	20
	Other comprehensive income (loss) (Notes 8, 11, 16, 17 and 20)				
	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	4,532	-	17,376	-
8316	Unrealized gain (loss) on investments in equity instruments at FVTOCI	(44,905)	-	36,272	1
8326	Share of the other comprehensive income of subsidiaries and associates accounted for using the equity method unrealized gain on investments in equity instruments at FVTOCI	38,864	-	35,473	-
8331	Share of other comprehensive income of subsidiaries and associates accounted for using the equity method- remeasurement of defined benefit plans	(3,175)	-	5,606	-
8349	Income tax relating to items that will not reclassified subsequently to profit or loss	(906)	-	(3,475)	-
8310		(5,590)	-	91,252	1
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	(11,080)	-	(12,122)	-
8371	Share of the other comprehensive gain (loss) of associates accounted for using the equity method - exchange differences on translating the financial statements of foreign operations	(338)	-	203	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	2,216	-	2,423	-
8360		(9,202)	-	(9,496)	-
8300	Other comprehensive income (loss) for the year, net of income tax	(14,792)	-	81,756	1
8500	Total comprehensive income for the year	$ 2,453,884	21	$ 1,715,940	21
	Earnings per share (Note 21)				
9750	Basic	$ 4.25		$ 2.81	
9850	Diluted	$ 4.24		$ 2.81	

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

(Concluded)

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China General Plastics Corporation

Statements of Changes in Equity

For the Years Ended December 31, 2021 and 2020

Unit: NT$ thousand

		Ordinary shares	Capital surplus (Note 17)			Retained earnings (Notes 16, 17 and 20)				Other equity (Notes 8, 11, 17 and 20)			
CODE		(Note 17)	Unpaid Dividends	Others	Total	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translating the financial statements of foreign operations	Unrealized gain on financial assets at FVTOCI	Total	Total equity
A1	Balance as of January 1, 2020	$ 5,270,299	$ 9,746	$ 314	$ 10,060	$ 640,570	$ 408,223	$ 1,888,394	$ 2,937,187	($ 33,763)	$ 67,029	$ 33,266	$ 8,250,812
	Appropriation and distribution of earnings for 2019												
B1	Legal reserve	-	-	-	-	64,393	-	(64,393)	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	(263,515)	(263,515)	-	-	-	(263,515)
B9	Share dividends distributed by the Company	263,515	-	-	-	-	-	(263,515)	(263,515)	-	-	-	-
C17	Other changes in capital surplus	-	278	-	278	-	-	-	-	-	-	-	278
D1	Net profit in 2020	-	-	-	-	-	-	1,634,184	1,634,184	-	-	-	1,634,184
D3	Other comprehensive income (loss) in 2020, net of income tax	-	-	-	-	-	-	19,507	19,507	(9,496)	71,745	62,249	81,756
D5	Total comprehensive income (loss) in 2020	-	-	-	-	-	-	1,653,691	1,653,691	(9,496)	71,745	62,249	1,715,940
Z1	Balance as of December 31, 2020	5,533,814	10,024	314	10,338	704,963	408,223	2,950,662	4,063,848	(43,259)	138,774	95,515	9,703,515
	Appropriation and distribution of earnings for 2020												
B1	Legal reserve	-	-	-	-	165,369	-	(165,369)	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	(996,086)	(996,086)	-	-	-	(996,086)
B9	Share dividends distributed by the Company	276,691	-	-	-	-	-	(276,691)	(276,691)	-	-	-	-
C17	Other changes in capital surplus	-	1,412	-	1,412	-	-	-	-	-	-	-	1,412
M5	Acquisition of part of the equity of subsidiaries	-	-	252	252	-	-	-	-	-	-	-	252
D1	Net profit in 2021	-	-	-	-	-	-	2,468,676	2,468,676	-	-	-	2,468,676
D3	Other comprehensive income (loss) in 2021, net of income tax	-	-	-	-	-	-	451	451	(9,202)	(6,041)	(15,243)	(14,792)
D5	Total comprehensive income (loss) in 2021	-	-	-	-	-	-	2,469,127	2,469,127	(9,202)	(6,041)	(15,243)	2,453,884
Z1	Balance as of December 31, 2021	$ 5,810,505	$ 11,436	$ 566	$ 12,002	$ 870,332	$ 408,223	$ 3,981,643	$ 5,260,198	($ 52,461)	$ 132,733	$ 80,272	$ 11,162,977

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China General Plastics Corporation
Statements of Cash Flows
For the Years Ended December 31, 2021 and 2020

Unit: NT$ thousand

CODE		2021	2020
	Cash flows from operating activities		
A10000	Profit before income tax	$ 2,621,965	$ 1,686,338
A20010	Adjustments for:		
A20100	Depreciation expenses	225,571	209,482
A20200	Amortization expense	46	91
A20400	Net (gain) loss on financial instruments at FVTPL	(17,239)	68,860
A20900	Interest expense	442	986
A21200	Interest income	(1,126)	(1,434)
A21300	Dividend income	(34,216)	(9,192)
A22400	Share of profit of subsidiaries and associates accounted for using the equity method	(1,811,998)	(1,361,197)
A22500	Gains on disposal of property, plant and equipment	(2,663)	(2,027)
A23200	Loss from disposal of investments under equity method	-	173
A23700	Write-downs of inventories and obsolescence losses	15,598	3,798
A23900	Unrealized (Realized) gains from sales	28,022	(681)
A30000	Changes in operating assets and liabilities		
A31115	Financial Instruments at FVTPL	87,445	(36,869)
A31130	Notes receivable	(32,523)	(29,506)
A31150	Trade receivables	36,983	(415,227)
A31160	Trade receivables from related parties	(78,590)	(1,654)
A31180	Other receivables	(24,743)	(11,500)
A31190	Other receivables from related parties	57	33
A31200	Inventories	(753,132)	80,896
A31230	Prepayments	(13,404)	13,938
A31240	Other current assets	415	17
A32150	Trade payables	(45,630)	6,925
A32160	Trade payables to related parties	409,004	225,786
A32180	Other payables	87,110	125,368
A32190	Other payables to related parties	(1,516)	2,613
A32230	Other current liabilities	56,716	(20,415)
A32240	Net defined benefit liabilities	(43,939)	(37,311)
A33000	Cash generated from operations	708,655	498,291

(Continued)

CODE		2021	2020
A33100	Interest received	$ 1,111	$ 1,444
A33300	Interest paid	(442)	(986)
A33500	Income tax paid	(28,378)	(129)
AAAA	Net cash generated from operating activities	680,946	498,620
	Cash flows from investing activities		
B00030	Return of capital from financial assets at FVTOCI	10,449	16,423
B02400	Refund of shares from liquidation on investments accounted for using the equity method	-	1,274
B02700	Payments for property, plant and equipment	(362,945)	(392,253)
B02800	Proceeds from disposal of property, plant and equipment	2,977	2,952
B03700	Increase in refundable deposits	(43,515)	(39,029)
B03800	Decrease in refundable deposits	44,472	39,978
B07600	Dividends received	890,189	181,958
BBBB	Net cash generated from (used in) investing activities	541,627	(188,697)
	Cash flows from financing activities		
C03000	Increase in guarantee deposits received	2,395	461
C03100	Decrease in guarantee deposits received	(314)	(330)
C04400	Increase (decrease) in other non-current liabilities	46	(2)
C04500	Dividends paid	(995,375)	(261,146)
C05400	Acquisition of subsidiaries	(2,653)	-
CCCC	Net cash used in financing activities	(995,901)	(261,017)
EEEE	Net increase in cash and cash equivalents	226,672	48,906
E00100	Cash and cash equivalents at the beginning of the year	245,740	196,834
E00200	Cash and cash equivalents at the end of the year	$ 472,412	$ 245,740

(Concluded)

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China General Plastics Corporation

Notes to Financial Statements

For the Years Ended December 31, 2021 and 2020

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

1. Company History

China General Plastics Corporation ("the Company") was incorporated and began operations on April 29, 1964. The Company mainly engages in the production and sale of PVC films, PVC leather, PVC pipes, PVC compounds, PVC resins, construction products, chlor- alkali products and other related products.

The Company's ordinary shares have been listed on the Taiwan Stock Exchange since March 1973.

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

2. Date and Procedures of Authorization of Financial Statements

The financial statements have been approved by the Board of Directors on March 9, 2022.

3. Application of New, Amended, and Revised Standards and Interpretations

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

The application of the latest Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC should not result in major changes in the accounting policies of the Company.

(2) IFRSs endorsed by the FSC that are applicable in 2022

New/Amended/Revised Standards and Interpretations	Effective Date Announced by IASB
"Annual Improvements to IFRSs 2018-2020 Cycle"	January 1, 2022 (Note 1)
Amendment to IFRS 3 "Amendments to References to the Conceptual Framework in IFRS Standards"	January 1, 2022 (Note 2)
Amendments to IAS 16 "Property, Plant and Equipment — Proceeds before Intended Use"	January 1, 2022 (Note 3)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 4)

Note 1. The amendments to IFRS 9 are applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 "Agriculture" are applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The

amendments to IFRS 1 "First-time Adoptions of IFRSs" are applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2. The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2022.

Note 3. The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

Note 4. The amendments are applicable to contracts of which the obligations have not been fulfilled on or after January 1, 2022.

As of the date the financial statements were authorized for issue, the Company's assessment of the effects of amendments to other standards and interpretations should not cause material effects on the financial conditions and performance.

(3) IFRSs that have been issued by IASB but not yet endorsed by the FSC

New/Amended/Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture"	To be announced
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendment to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"	January 1, 2023 (Note 4)

Note 1. Unless otherwise specified, the aforementioned New/Amended/Revised Standards and Interpretations shall be effective for the annual reporting period after the specified dates.

Note 2. The amendments shall be applied prospectively for the annual reporting periods beginning on or after January 1, 2023.

Note 3. The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur during the annual reporting period beginning on or after January 1, 2023.

Note 4. Except for the recognition of deferred income tax on temporary differences between lease and decommissioning obligations on January 1, 2022, the amendments are applicable to transactions that occur after January 1, 2022.

As of the date the financial statements were authorized for issue, the Company has continued to assess the effects of amendments to other standards and interpretations on its financial conditions and performance. Related impacts will be disclosed upon completion of the assessment.

4. Summary of Significant Accounting Policies

(1) Statement of compliance

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

(2) Basis of preparation

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

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

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

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

When preparing the financial statements, the Company adopts the equity method for investments in subsidiaries, associates, or joint ventures. In order to align profit or loss, other comprehensive income, and equity from the current year in the financial statements with those attributable to the Company's owners, the differences in accounting treatment with individual and consolidated basis have led to adjustments in "investments accounted for using the equity method", "share of profit or loss of subsidiaries and associates accounted for using the equity method", "share of other comprehensive income of subsidiary and associates accounted for using the equity method" and related equity items.

(3) Standards for assets and liabilities classified as current and non-current

Current assets include:

1) Assets held primarily for trading purposes;

2) Assets expected to be realized within 12 months after the balance sheet date; and

3) Cash and cash equivalents (excluding assets restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date).

Current liabilities include:

1) Liabilities held primarily for trading purposes;

2) Liabilities with settlement within 12 months after the balance sheet date; and

3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

All other assets or liabilities that are not specified above are classified as non-current.

(4) Foreign currencies

In the preparation of financial statements, transactions denominated in a currency other than the Company’s functional currency (i.e., foreign currency) are translated into the Company's functional currency by using the exchange rate at the date of the transaction.

Monetary items denominated in foreign currencies are translated at the closing rates on the balance sheet date. Exchange differences arising from settlement or translation of monetary items are recognized in profit or loss in the year in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. The resulting exchange difference is recognized in profit or loss. For items whose changes in fair value are recognized in other comprehensive income, the resulting exchange difference is recognized in other comprehensive income.

Non-monetary items measured at historical cost that are denominated in foreign currencies are translated at the rates of exchange prevailing on the transaction dates and are not re-translated.

In the preparation of the financial statements, the assets and liabilities of foreign operations (including subsidiaries and associates that operate in a country or currency different from the Company) are translated into the New Taiwan dollar at the closing rate of exchange prevailing on the balance sheet date. Income and expenses are translated at the average rate of the year. The exchange differences arising are recognized in other comprehensive income.

(5) Inventories

Inventories comprise raw materials, finished goods and work in process. Inventories are measured at the lower of cost and net realizable value. The comparison between costs and net realizable values is based on individual items except for the same type of inventory. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to completion and the estimated cost necessary to make the sale. Inventory costs are calculated using the weighted average method.

(6) Investments in subsidiaries

The Company has adopted the equity method for investments in subsidiaries.

Subsidiaries refer to entities controlled by the Company.

Under the equity method, the investment is initially recognized at cost. The carrying amount of investment is adjusted thereafter for the post-acquisition changes in the Company's share of profit or loss and other comprehensive income and profit distribution of the subsidiaries. In addition, changes in the Company’s share of subsidiaries' other equity are recognized in proportion to its shareholding ratio.

Changes in the Company's ownership interests in subsidiaries that do not result in the Company losing control over the subsidiaries are accounted for as equity transactions. Any difference between the carrying amount of the investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of losses of a subsidiary equals or exceeds its interest in that subsidiary (including any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company shall continue to recognize losses based on the shareholding percentage.

When the Company assesses impairment, the test shall be performed on the basis of cash generating units within the financial statements. The recoverable amount and the carrying amount of cash generating units shall be compared. Subsequently, if the recoverable amount of an asset increases, the recovery of the impairment loss shall be recognized as an advantage, provided that the carrying amount of the asset recovered from the impairment loss shall not exceed the carrying amount of the asset to be amortized if the impairment loss is not recognized.

The unrealized profit or loss in downstream transactions between the Company and the subsidiary shall be eliminated in the financial statements. The gains and losses arising from the countercurrent and side current transactions between the Company and its subsidiaries shall be recognized in the financial statements only to the extent not related to the Company's equity in the subsidiaries.

(7) Investments in associates

An associate is an entity over which the Company has significant influence other than a subsidiary.

The Company accounts for investments in associates using the equity method.

Under the equity method, the investment is initially recognized at cost. The carrying amount of investment is adjusted thereafter for the post-acquisition changes in the Company's share of profit or loss and other comprehensive income and profit distribution of the associates. In addition, equity changes in associates are recognized based on the shareholding ratio.

When the Company's share of losses of a associate equals or exceeds its interest in that associate (including any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payment on behalf of that associate.

To assess impairment, the Company has to consider the overall carrying amount of the investment as a single asset to compare the recoverable and carrying amounts. The impairment loss recognized is not allocated to any asset that forms part of the carrying amount of the investment. Reversal of the impairment loss is recognized to the extent of subsequent increases in the recoverable amount of investment.

The Company shall cease the use of equity method from the date when its investment is no longer an associate. Its retained interest in the associate is measured at fair value, and the difference between the fair value and the carrying amount of the investment and the carrying amount of the investment at the date of acquisition of the equity method is included in profit or loss for the current period. In addition, the Company shall account for all the amounts recognized in other comprehensive income in relation to that associate on the same basis as would be required if the an associate had directly disposed of the related assets or liabilities.

Profits and losses in upstream, downstream and side-stream transactions between the Company and associates are recognized in the financial statements only to the extent that the profits and losses are irrelevant to the Company's interests in the associates.

(8) Property, Plant and Equipment

Property, plant, and equipment shall be recognized at cost and subsequently at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are carried at cost, less any recognized accumulated impairment loss. The cost includes professional services fees and borrowing costs eligible for capitalization. Such assets are classified to the appropriate categories of property, plant and equipment and start to depreciate when completed and ready for their intended use.

Except freehold land, each significant part of property, plant, and equipment is separately depreciated over its useful life on a straight-line basis. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When property, plant, and equipment is derecognized, the difference between the net disposal proceeds and the carrying amount of the asset shall be recognized in profit or loss.

(9) Investment Properties

Investment properties are real estate held for rent or capital appreciation or both.

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

The investment properties are depreciated on a straight-line basis.

When investment properties are derecognized, the difference between the net disposal proceeds and the carrying amount of the property shall be recognized in profit or loss of the current year.

(10) Impairment of property, plant, equipment and investment property

On each balance sheet date, the Company reviews the carrying amounts of its property, plant, and equipment as well as investment property to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. If it is not possible to determine the recoverable amount for an individual asset, the Company shall estimate the recoverable amount of the asset's cash-generating unit. Shared assets are allocated to individual cash-generating units when they can be allocated to the cash-generating units on a reasonable and consistent basis. Otherwise, they can be allocated to the smallest group of cash-generating units on a reasonable and consistent basis.

The recoverable amount is the fair value minus cost of sales or its value in use, whichever is higher. If the recoverable amount of individual asset or the cash-generating unit is lower than its carrying amount, the carrying amount of the asset or the cash-generating unit shall be reduced to the recoverable amount and the impairment loss shall be recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset or the related asset of the cash-generating unit will be reduced to the extent of recoverable amount prior to revision, provided the increased carrying amount does not exceed the carrying amount (minus amortization or depreciation) of the asset or of the related asset of the cash-generating unit not declared as impairment loss in the previous years. A reversal of an impairment loss is recognized in profit or loss.

(11) Financial Instruments

Financial assets and financial liabilities shall be recognized in the balance sheets when the Company becomes a party of the financial instrument contract.

When showing the original financial assets and liabilities, if their fair value was not assessed based on profit or loss, it is the fair value plus the cost of transaction, that is, of its acquisition or issuance of the financial assets or financial liabilities. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

Regular trading of financial assets shall be recognized and derecognized in accordance with trade date accounting.

I) Types of measurement

The types of financial assets held by the Company are financial assets at FVTPL, financial assets at amortized cost, and investments in equity instruments at FVTOCI

A. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified as at FVTPL. Financial assets that are mandatorily measured at FVTPL include investments in equity instruments that are not designated to be measured at FVTOCI and investments in debt instruments that do not qualify for classification as measured at amortized cost or measured at FVTOCI.

Financial assets at FVTPL are measured at fair value. Any gain or loss of remeasurements (excluding any stock dividends or interests from the said assets) are recognized in profit or loss. Fair value is determined in the manner described in Note 23.

B. Financial assets at amortized cost

When the Company's investments in financial assets match the following two conditions simultaneously, they are classified as financial assets at amortized cost:

a. Financial assets are under a business model whose purpose is to hold financial assets and collecting contractual cash flows; and

b. The terms of the contract generate a cash flow on a specified date that is solely for the payment of interest on the principal and the amount of principal outstanding.

After initial recognition, financial assets measured at amortized (including cash and cash equivalents, notes receivable, trade receivable, other receivables and refundable deposits) are measured at amortized cost using the effective interest method, less any impairment loss, and any foreign currency exchange gain or loss is recognized in profit or loss.

Except for the following two circumstances, interest income is calculated at the value of effective interest rate times the gross carrying amount of financial assets:

a. For purchased or originated credit-impaired financial assets, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial assets.

b. Financial assets that are not credit impairment from purchases or at the time of founding but subsequently become credit impairments shall be calculated by multiplying the effective interest rate in the reporting period after the credit impairment by the cost after the amortization of financial assets.

A credit-impaired financial asset refers to the issuer or debtor has experienced significant financial difficulties or defaults. The debtor is likely to file for bankruptcy or declare financial restructuring, or the financial asset is not tradeable in the active market due to financial difficulties.

Cash equivalents refer to time deposits that are highly liquid and readily convertible to known amounts of cash subject to an insignificant risk of changes in value. Time deposits are held for the purpose of fulfilling short-term cash commitment.

C. Investments in Equity Instruments at FVTOCI

On initial recognition, the Company has an irrevocable option to designate the investment in equity instruments that are not held-for-trading and not contingent consideration recognized by the acquirer in a business combination, to be measured at fair value through other comprehensive income.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments and it will be transferred to retained earnings instead.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is confirmed, unless the dividends clearly represent a recovery of part of the cost of the investment.

II) Impairment of financial assets

The impairment loss of financial assets at amortized cost (including trade receivables) is measured by the Company on the balance sheet date based on the expected credit losses.

Allowances shall be appropriated for accounts receivable for expected credit losses for the duration of their existence. A loss allowance for the 12-month expected credit losses is required for a financial asset if its credit risk has not increased significantly since initial recognition. A loss allowance for full lifetime expected credit losses is required for a financial asset if its credit risk has increased significantly since initial recognition.

The expected credit loss is the weighted average credit loss determined by the risk of default. The 12-month expected credit losses represent the expected credit losses arising from the possible default of the financial instrument in the 12 months after the balance sheet date, and the expected credit losses during the lifetime represent the expected credit losses arising from all possible defaults of the financial instrument during the expected existence period.

For the purpose of internal credit risk management, under the premise that the collateral held is not under consideration, the Company determines that the financial assets have breached the contract by the following circumstances:

A. Internal or external information indicate that the debtor is unlikely to pay its creditors.

B. The underlying debt is overdue for a specified number of days, unless there is reasonable and supportable information indicating that a delayed basis of default is more appropriate.

The impairment loss of all financial assets is reduced based on the allowance account.

III) Derecognition of financial assets

The Company derecognizes the financial assets when the contractual rights to the cash flow from the said financial assets expire or when the Company transfers almost all the risks and rewards of ownership of the financial assets to other enterprises.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received is recognized in profit or loss. Through the full derecognition of the investments in equity instruments at fair value through other comprehensive income, the cumulative profit or loss is directly transferred to retained earnings and not reclassified to profit or loss.

2) Instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

3) Financial liabilities

I) Subsequent measurement

Except for the following circumstances, financial liabilities are assessed at amortized cost using the effective interest method.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are held for trading.

Financial liabilities held for trading are measured at fair value, and their gains or losses arising from remeasurement are recognized in other gains and losses. Fair value is determined in the manner described in Note 23.

II) Derecognition of financial liabilities

When financial liabilities are derecognized, the difference between their carrying amount and the paid consideration (including any transferred non-cash assets or liabilities assumed) shall be recognized in profit or loss.

4) Derivative financial assets

Derivative instruments entered into by the Company include forward foreign exchange contracts, which are used to manage the Company's exchange rate risk.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss. When the fair value of derivative financial instrument is positive, the derivative is recognized as a financial asset. When the fair value of derivative financial instrument is negative, the derivative is recognized as a financial liability.

(12) Revenue recognition

After the Company identifies its performance obligations in contracts with customers, it shall amortize the transaction costs to each obligation in the contract and recognize revenue upon satisfaction of performance obligations. Refund liabilities are provided based on past experience and other relevant factors to reasonably estimate the amount of future returns.

Sales revenue of commodities

Sales revenue of commodities comes from the sale of chlor-alkali products, PVC resins, PVC compounds and other related products. When commodities are delivered to the customers, the customers have already obtained the rights to establish the price and usage of the commodities and are primarily liable for the resale of the commodities. The customers shall undertake the related obsolescence risk and the Company will recognize revenue and accounts receivable at that time.

(13) Leases

The Company assesses whether the contract is (or includes) a lease on the date of its establishment.

1) Where the Company is a lessor:

Under operating leases, revenue is recognized on a straight-line basis over the relevant lease term.

2) Where the Company is a lessee:

Except that the lease payments of the low value subject-matter assets and short-term leases applicable to recognition exemption are recognized as expenses on a straight-line basis during the lease period, other leases are recognized as right-of-use assets and lease liabilities on the lease commencement date.

(14) Employee benefits

1) Short-term employee benefits

Liabilities recognized in relation to short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the services.

2) Post-employment benefits

Payments to defined contribution retirement benefit plans are recognized as expense s when employees have rendered service entitling them to the contributions.

The costs of defined benefits under the defined benefit pension plan (including service cost, net interest, and the remeasurement) are calculated based on the projected unit credit method. The cost of services (including the cost of services of the current periods) and the net interest of the net defined benefit liabilities (assets) are recognized as employee benefit expenses. The remeasurement amount (including actuarial gains and losses and the return on plan assets after deducting interest) is recognized in other comprehensive income and presented in retained earnings when it occurs. It shall not be reclassified to profit or loss in subsequent periods.

Net defined benefit liabilities (assets) are the deficit (surplus) of the contribution made according to the defined benefit pension plan. Net defined benefit asset can not exceed the present value of the refund of contributions from the plan or the reduction in future contributions.

(15) Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

The Company determines the current income (loss) in accordance with the Income Tax Act of the Republic of China, and calculates the payable (recoverable) income tax accordingly.

A tax is levied on the unappropriated earnings pursuant to the Income Tax Act of the Republic of China and is recorded as an income tax expense in the year when the shareholders' meeting resolves to appropriate the earnings.

Adjustments to prior year income taxes are shown in the taxes of the current year.

2) Deferred tax

Deferred income tax is calculated based on the temporary difference between the carrying amount of the assets and liabilities and the taxable basis of the taxable income.

Deferred income tax liabilities are generally recognized for all taxable temporary differences and deferred income tax assets are recognized when there are likely taxable income for the deducting temporary differences.

Deferred income tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. For deductible temporary differences associated with such investment, when it is probable that sufficient taxable income will be available to realize such temporary difference, a deferred tax asset is recognized, but only to the extent of the amount that is expected to be reversed in the foreseeable future.

The carrying amount of the deferred income tax assets is re-examined at the end of each reporting period and the carrying amount is reduced for assets that are no longer likely to generate sufficient taxable income to recover all or part of the assets. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rate of the period of expected repayment of liabilities or realization of assets. The rate is based on the tax rate and tax laws that have been enacted prior to the balance sheet date or have been substantially legislated. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss except for those related to items recognized in other comprehensive income or equity that shall be recognized in other comprehensive income or entity, respectively.

5. Critical Accounting Judgments and Key Sources of Estimation and Uncertainty

When the Company adopts accounting policies, the management must make judgments, estimates, and assumptions based on historical experience and other critical factors for related information that are not readily available from other sources. Actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis by the management of the Company. If an amendment of estimates only affects the current period, it shall be recognized in the period of amendment; if an amendment of accounting estimates affects the current year and future periods, it shall be recognized in the period of amendment and future periods.

Key Sources of Estimation and Uncertainty

(1) Taxation

The carrying amounts of deferred tax assets related to unused tax losses as at 31 December 2021 and 2020 were $210,021 thousand and $204,427 thousand, respectively. Due to the unpredictability of future profits, as of December 31, 2021 and 2020, there were still deductible temporary differences of $184,196 thousand and $194,452 thousand respectively, which were not recognized as deferred income tax assets. The realizability of deferred tax assets depends primarily on the availability of sufficient future profits or taxable temporary differences. If the actual profits generated in the future are less than expected, there may be a significant reversal of deferred tax assets, and these reversals are recognized as profit or loss in the period in which they occur.

(2) Associate's estimated damage compensation for gas explosion incident

The associate, China General Terminal & Distribution Corporation, has recognized the liability provision for civil damages loss arising from the gas explosion incident. The management has considered the progress of the relevant civil and criminal litigation and settlement with reference to legal advice to estimate the amount of the liability provision. However, actual results may differ from current estimates.

6. Cash and Cash Equivalents

	December 31, 2021	December 31, 2020
Cash on hand and petty cash	$ 166	$ 96
Checking accounts and demand deposits	232,208	157,356
Cash equivalents		
Time deposits	150,056	88,288
Reverse repurchase agreements collateralized by bonds	89,982	-
	$ 472,412	$ 245,740

The market rate intervals of time deposits in banks and reverse repurchase agreements at the end of the reporting period were as follows:

	December 31, 2021	December 31, 2020
Time deposits	0.18%~ 0.77%	0.10%
Reverse repurchase agreements collateralized by bonds	0.37%	-

7. Financial Instruments at FVTPL－current

	December 31, 2021	December 31, 2020
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
－Foreign exchange forward contracts	$ 3,232	$ 3,169
Non-derivative financial assets		
－Mutual Funds	175,018	309,014
－Beneficiary securities	52,541	49,918
－Domestic listed equity investments	58,597	-
	$ 289,388	$ 362,101
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
－Foreign exchange forward contracts	$ -	$ 2,507

At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Contract Amount (In Thousands)
December 31, 2021			
Sell	USD/NTD	2022/01/03~2022/03/30	USD 23,610 /NTD 656,777
December 31, 2020			
Sell	USD/NTD	2021/01/04~2021/03/12	USD 22,780 /NTD 646,453

The Company entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. These contracts did not meet the criteria for hedge accounting. Therefore, the Company did not apply a hedge accounting treatment for these contracts.

8. Financial Assets at FVTOCI - Non-current

Investments in equity instruments

	December 31, 2021	December 31, 2020
Domestic equity investments		
Unlisted ordinary share		
KHL IB Venture Capital Co., Ltd.	$ 82,377	$ 137,731

In order to adjust its capital structure, in August 2021, January 2021, November 2020, and May 2020, the shareholders' meeting of KHL IB Venture Capital Co., Ltd. resolved to respectively reduce its ordinary shares by 50 shares, 130 shares, 59 shares, and 165 shares per 1,000 shares, representing a refund of $500, $1,300, $590 and $1,650. In 2021 and 2020, the Company received a capital refund of $10,449 thousand and $16,423 thousand, respectively.

The Company invested in equity instruments for medium to long-term strategic purposes and expects to make a profit via long-term investment. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as it believes that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

9. Notes Receivable, Trade Receivables and Other Receivables

	December 31, 2021	December 31, 2020
Notes receivable		
Notes receivable - operating	$ 195,162	$ 162,639
Trade receivables (including related parties)(Note 24)		
At amortized cost		
Gross carrying amount	$ 1,208,372	$ 1,166,765
Less: Allowance for impairment loss	(10,652)	(10,652)
	$ 1,197,720	$ 1,156,113
Other receivables (including related parties)(Note 24)		
Tax refunds receivables	$ 66,172	$ 46,166
Others	7,000	2,305
	$ 73,172	$ 48,471

(1) Trade receivables

The Company's credit period for the sale of goods ranges from 10 days to 60 days. In order to minimize credit risk, the management of the Company has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Before accepting a new customer, the Company surveys the customers' credit history and measures the potential customer's credit quality to set a credit limit. A customer's credit limit and rating are reviewed annually. In addition, the Company reviews the recoverable amount of trade debt at the end of the reporting period to ensure that adequate allowance of impairment loss is made for possible irrecoverable amounts. As such, the management concludes that the credit risk of the Company is significantly reduced.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using an allowance matrix by referencing to past default experience with the respective debtors and an analysis of the debtors' current financial positions, adjusted for general economic conditions of the industry and an assessment of economic conditions at the reporting date.

The Company writes off a trade receivable when there is information indicating that the debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Company continues to engage in enforcement activity to attempt to recover the due receivables. Where recoveries are made, they are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Company’s allowance matrix.

December 31, 2021

	Credit Rating A	Credit Rating B	Credit Rating C	Others	Total
Gross carrying amount	$ 13,854	$ 466,396	$ 211,407	$ 711,877	$ 1,403,534
Loss allowance (lifetime ECLs)	-	(5,913)	(4,739)	-	(10,652)
Amortized cost	$ 13,854	$ 460,483	$ 206,668	$ 711,877	$ 1,392,882

December 31, 2020

	Credit Rating A	Credit Rating B	Credit Rating C	Others	Total
Gross carrying amount	$ 22,697	$ 311,901	$ 154,374	$ 840,432	$ 1,329,404
Loss allowance (lifetime ECLs)	-	(4,281)	(3,547)	(2,824)	(10,652)
Amortized cost	$ 22,697	$ 307,620	$ 150,827	$ 837,608	$ 1,318,752

The aging of notes receivable and trade receivables was as follows:

	December 31, 2021	December 31, 2020
Not past due	$ 1,309,901	$ 1,278,454
Less than and including 60 days	93,633	50,950
	$ 1,403,534	$ 1,329,404

The above aging schedule was based on the number of days past due from the end of the credit term.

The movements of the loss allowance of trade receivables were as follows:

	2021	2020
Balance at January1 and December 31	$ 10,652	$ 10,652

(2) Other receivables

As of December 31, 2021 and 2020, the Company assessed the impairment loss of other receivables using expected credit losses.

10. Inventories

	December 31, 2021	December 31, 2020
Finished goods	$ 972,098	$ 305,894
Work in progress	43,330	48,411
Raw materials	348,552	272,141
	$1,363,980	$ 626,446

For the years ended December 31, 2021 and 2020, the costs of goods sold for inventories amounted to $9,876,746 thousand and $7,389,155 thousand, respectively. For the years ended December 31, 2021 and 2020, the costs of goods sold included provisions of allowance for write-downs of inventories and obsolescence losses amounted to $15,598 and $3,798 thousand, respectively.

11. Investment Accounted for Equity Method

	December 31, 2021	December 31, 2020
Investments in subsidiaries	$ 6,654,977	$ 5,758,472
Investments in associates	396,902	338,228
	$ 7,051,879	$ 6,096,700

(1) Investments in subsidiaries

Subsidiary	December 31, 2021	December 31, 2020
Unlisted companies		
Taiwan VCM Corporation	$ 4,610,674	$ 4,020,390
CGPC Polymer Corporation	1,503,749	1,177,835
CGPC (BVI) Holding Co., Ltd.	345,845	351,935
CGPC America Corporation	194,709	208,312
	$ 6,654,977	$ 5,758,472

At the end of the reporting periods, the percentage of ownership and voting rights held by the Company in the subsidiaries were as follows:

Subsidiary	December 31, 2021	December 31, 2020
Taiwan VCM Corporation	87.27%	87.22%
CGPC Polymer Corporation	100%	100%
CGPC (BVI) Holding Co., Ltd.	100%	100%
CGPC America Corporation	100%	100%

Based on the medium- and long-term investment strategy, the Company acquired 157 thousand shares of TVCM from external shareholders from March to September 2021, with $2,653 thousand, increasing its shareholding ratio in TVCM from 87.22% to 87.27%. On May 12, 2021 and May 6, 2020, the shareholders' meeting of TVCM resolved to re-capitalize earnings of $220,328 thousand and $155,892 thousand to issue new shares of 22, 033 thousand and 15,589 thousand with a record date set on July 2, 2021 and July 3, 2020, respectively.

The board of directors of the Company passed a resolution in October 2011 to dissolve CGPC (ZS) and CGPC (CP), which are the wholly-owned companies by CGPC (BVI)

Holding Co., Ltd. The Company has considered that its discontinued operations was resumed its operating substance, and, therefore, the Company reclassified the discontinued operations as continuing operations since 2021 after an assessment.

For the years ended December 31, 2021 and 2020, the subsidiaries invested by using the equity method and the Company's share of profits and losses and other comprehensive profits and losses are recognized based on the financial reports of each subsidiary that have been audited by CPAs during the same years.

(2) Investments in associates

Investments in associates that are not individually material

	December 31, 2021	December 31, 2020
Listed companies		
Acme Electronics Corporation ("ACME")	$ 23,171	$ 22,517
Unlisted companies		
China General Terminal & Distribution Corporation ("CGTD")	373,731	315,711
	$ 396,902	$ 338,228

Aggregate information of associates that are not individually material

	2021	2020
The Company's share of:		
Net Profit for the Year	$ 22,159	$ 23,708
Other comprehensive income	36,515	35,198
Total comprehensive income	$ 58,674	$ 58,906

At the end of the reporting periods, the percentage of ownership and voting rights held by the Company in the associates were as follows:

Company name	December 31, 2021	December 31, 2020
ACME	1.74%	1.74%
CGTD	33.33%	33.33%

Refer to Table 6 "Information on Reinvestment" for the nature of activities, principal places of business and countries of incorporation of the associates.

On April 12, 2019, the board of directors of Thintec Materials Corporation (“TMC”) approved the proposal for the dissolution and liquidation starting from the dissolution date of May 25, 2019. The liquidation and dissolution process was completed on July 22, 2020. In May 2020, the Company received the proceeds distribution of $1,274 thousand derived from the residual assets in the liquidation process, and thus recognized a disposal loss of $173 thousand. In February 2021, the refund of business tax of TMC was approved by the National Taxation Bureau of Taipei, Ministry of Finance. In April 2021, the Company recovered $153 thousand according to the shareholding ratio before liquidation and recognized it as other income.

The Company's long-term investments in conjunction with its affiliates jointly held more than 20% of each of the shareholdings of ACME and had significant influence over each entity. Therefore, the Company adopted the equity method to evaluate the above investments.

Fair values (Level 1) of investments in associates with open market quotations are summarized as follows:

Company name	December 31, 2021	December 31, 2020
ACME	$ 169,917	$ 60,027

Except ACME's financial statement as of and for the year ended December 31, 2020, the investments accounted for using the equity method and its share of profit or loss and other comprehensive income or loss as of and for the years ended December 31, 2021 and 2020 were based on the associates' financial statements which have been audited for the same years; The management considered ACME's Financial Statements not yet be audited by CPA might not generate material effect.

12. Property, Plant and Equipment

	Freehold Land	Buildings and Improvements	Machinery and Equipment	Transportation Equipment	Miscellaneous Equipment	Construction in Progress and Machinery in Transit	Total
Cost							
Balance as of January 1, 2021	$ 1,629,671	$ 893,758	$ 5,170,452	$ 58,824	$ 168,250	$ 482,880	$ 8,403,835
Additions	-	-	-	-	-	417,620	417,620
Disposal	-	(1,014)	(92,759)	-	(8,501)	-	(102,274)
Reclassification	-	47,624	221,146	1,021	1,258	(271,049)	-
Balance as of December 31, 2021	$ 1,629,671	$ 940,368	$ 5,298,839	$ 59,845	$ 161,007	$ 629,451	$ 8,719,181
Accumulated depreciation and impairment							
Balance as of January 1, 2021	$ -	$ 646,154	$ 4,316,313	$ 38,524	$ 154,327	$ -	$ 5,155,318
Depreciation expenses	-	37,167	163,602	5,986	4,677	-	211,432
Disposal	-	(1,014)	(92,445)	-	(8,501)	-	(101,960)
Balance as of December 31, 2021	$ -	$ 682,307	$ 4,387,470	$ 44,510	$ 150,503	$ -	$ 5,264,790
Net amount as of December 31, 2021	$ 1,629,671	$ 258,061	$ 911,369	$ 15,335	$ 10,504	$ 629,451	$ 3,454,391
Cost							
Balance as of January 1, 2020	$ 1,629,671	$ 860,050	$ 4,967,934	$ 50,551	$ 164,103	$ 438,936	$ 8,111,245
Additions	-	-	-	-	-	362,091	362,091
Disposal	-	(14,056)	(47,428)	(3,666)	(4,351)	-	(69,501)
Reclassification	-	47,764	249,946	11,939	8,498	(318,147)	-
Balance as of December 31, 2020	$ 1,629,671	$ 893,758	$ 5,170,452	$ 58,824	$ 168,250	$ 482,880	$ 8,403,835
Accumulated depreciation and impairment							
Balance as of January 1, 2020	$ -	$ 624,768	$ 4,212,782	$ 37,095	$ 153,907	$ -	$ 5,028,552
Depreciation expenses	-	35,409	150,067	5,095	4,771	-	195,342
Disposal	-	(14,023)	(46,536)	(3,666)	(4,351)	-	(68,576)
Balance as of December 31, 2020	$ -	$ 646,154	$ 4,316,313	$ 38,524	$ 154,327	$ -	$ 5,155,318
Net amount as of December 31, 2020	$ 1,629,671	$ 247,604	$ 854,139	$ 20,300	$ 13,923	$ 482,880	$ 3,248,517

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and Improvements	3~60 years
Machinery and Equipment	2~26 years
Transportation Equipment	2~10 years
Miscellaneous Equipment	2~21 years

The Company's property, plant and equipment as assessed on 31 December 2021 and 2020 indicated no signs of impairment.

13. Investment Property

	Land	Buildings and Improvements	Total
Cost			
Balance at January 1 and December 31, 2021	$ 27,715	$ 292,932	$ 320,647
Accumulated depreciation			
Balance as of January 1, 2021	$ -	$ 49,489	$ 49,489
Depreciation expenses	-	14,139	14,139
Balance as of December 31, 2021	$ -	$ 63,628	$ 63,628
Net amount as of December 31, 2021	$ 27,715	$ 229,304	$ 257,019
Cost			
Balance at January 1 and December 31, 2020	$ 27,715	$ 292,932	$ 320,647
Accumulated depreciation			
Balance as of January 1, 2020	$ -	$ 35,349	$ 35,349
Depreciation expenses	-	14,140	14,140
Balance as of December 31, 2020	$ -	$ 49,489	$ 49,489
Net amount as of December 31, 2020	$ 27,715	$ 243,443	$ 271,158

The Company's investment properties are located in Toufen industrial districts. Due to the characteristics of the districts, the market for comparable properties is inactive and alternative reliable measurements of fair value were not available. Therefore, the Company determined that the fair value of its investment properties is not reliably measurable.

The total amount of lease payments to be collected in the future for investment properties as operating lease as of December 31, 2021 and 2020 were as follows:

	December 31, 2021	December 31, 2020
Year 1	$ 11,732	$ 7,567
Year 2	10,776	6,622
Year 3	10,776	6,622
Year 4	10,776	6,622
Year 5	10,776	6,622
Over 5 years	26,940	23,178
	$ 81,776	$ 57,233

The investment properties are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and Improvements	5~26 years

14. Trade Payables

	December 31, 2021	December 31, 2020
Trade payables (including related parties)(Note 24)		
Operating	$ 1,720,564	$ 1,357,190

The average payment period of trade payables was 2 months. The Company has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

15. Other payables

	December 31, 2021	December 31, 2020
Payables for salaries and bonuses	$ 321,368	$ 219,403
Payables for purchases of equipment	91,512	36,837
Payables for freight	46,384	71,037
Payables for utilities	42,907	36,016
Others	59,477	57,271
	$ 561,648	$ 420,564

16. Retirement Benefit Plans

(1) Defined contribution plans

The Company adopts a pension plan under the Labor Pension Act, which is a state-managed defined contribution plan. According to the Labor Pension Act, the Company makes monthly contributions to employees' individual pension accounts at 6% of their monthly salaries.

(2) Defined benefit plans

The pension system adopted by the Company under the "Labor Standards Act" is a state-managed defined benefit plan. The payment of the employee's pension is based on the period of service and the average salary a specific period before the approved retirement date. The Company allocates 10% of employees' monthly salaries respectively to the Supervisory Committee of Labor Retirement Reserve's dedicated account in the Bank of Taiwan as pension reserve funds. The Bureau of Labor Funds, Ministry of Labor administers the account. The Company has no right over its investment and administration strategies.

The amounts included in the balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31, 2021	December 31, 2020
Present value of defined benefit obligation	$ 1,101,617	$ 1,186,411
Fair value of plan assets	(619,891)	(656,214)
Net defined benefit liabilities	$ 481,726	$ 530,197

Changes in net defined benefit liabilities (assets) are as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities (assets)
Balance as of January 1, 2020	$ 1,295,857	($ 710,973)	$ 584,884
Service costs for the current period	11,152	-	11,152
Interest expense (income)	7,763	($ 4,284)	3,479

(Continued)

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities (assets)
Components recognized in profit or loss	$ 18,915	($ 4,284)	$ 14,631
Remeasurement			
Return on plan assets (excluding amounts included in net interest expense)	-	(24,832)	(24,832)
Actuarial loss - changes in financial assumptions	22,703	-	22,703
Actuarial gain - experience adjustments	(15,247)	-	(15,247)
Components recognized in other comprehensive income	7,456	(24,832)	(17,376)
Contribution by the employer	-	(51,942)	(51,942)
Benefits	(135,817)	135,817	-
Balance as of December 31, 2020	1,186,411	(656,214)	530,197
Service costs for the current period	9,975	-	9,975
Interest expense (income)	4,439	(2,471)	1,968
Components recognized in profit or loss	14,414	(2,471)	11,943
Remeasurement			
Return on plan assets (excluding amounts included in net interest expense)	-	(9,975)	(9,975)
Actuarial loss - changes in demographic assumptions	26,928	-	26,928
Actuarial gain - changes in financial assumptions	(9,962)	-	(9,962)
Actuarial gain - experience adjustments	(11,523)	-	(11,523)
Components recognized in other comprehensive income	5,443	(9,975)	(4,532)
Contribution by the employer	-	(47,861)	(47,861)
Benefits	(104,651)	96,630	(8,021)
Balance as of December 31, 2021	$ 1,101,617	($ 619,891)	$ 481,726

(Concluded)

Amounts recognized in profit or loss for defined benefit plans are summarized by functions as follows:

	2021	2020
Operating costs	$ 9,474	$ 11,280
Selling and marketing expenses	1,306	1,546
General and administrative expenses	697	1,208
Research and development expenses	466	597
	$ 11,943	$ 14,631

The Company has the following risks owing to the implementation of the pension system under the Labor Standards Act:

1) Investment risk: The Bureau of Labor Funds, Ministry of Labor invests the labor pension fund in equity securities, debt securities, and bank deposits in domestic (foreign) banks through independent implementation and commissioned operations. However, the distributed amount from the plan assets received by the Company shall not be lower than interest on a two-year time deposit at a local bank.
2) Interest rate risk: The decrease in the interest rate of government bonds/corporate bonds will increase the present value of defined benefit obligations, but the yield on debt investment of plan assets will also increase accordingly, which will partially offset the impact on net defined benefit liabilities.
3) Salary risk: The present value of defined benefit obligations is calculated with reference to future salaries of plan members. Therefore, the salary increase of plan members will increase the present value of the defined benefit obligation.

The present value of the Company's defined benefit obligations is calculated by certified actuaries and the major assumptions on the assessment date are as follows:

	December 31, 2021	December 31, 2020
Discount rate	0.500%	0.375%
Average long-term salary adjustment rate	2.500%	2.500%

If changes occur in major actuarial assumptions with other assumptions unchanged, the present value of defined benefit obligations will increase (decrease) as follows:

	December 31, 2021	December 31, 2020
Discount rate		
Increase by 0.25%	($ 19,969)	($ 22,703)
Decrease by 0.25%	$ 20,571	$ 23,409
Average long-term salary adjustment rate		
Increase by 0.25%	$ 19,814	$ 22,520
Decrease by 0.25%	($ 19,339)	($ 21,961)

As actuarial assumptions may be related to one another, the likelihood of fluctuation in a single assumption is not high. Therefore, the aforementioned sensitivity analysis may not reflect the actual fluctuations of the present value of defined benefit obligations.

	December 31, 2021	December 31, 2020
Expected amount of contribution within 1 year	$ 49,297	$ 53,502
Average duration of defined benefit obligations	7.4 years	7.8 years

17. **Equity**

(1) Ordinary shares

	December 31, 2021	December 31, 2020
Number of shares authorized (in thousands)	650,000	650,000
Share capital authorized	$ 6,500,000	$ 6,500,000

Number of shares issued and fully paid (in thousands)	581,050	553,381
Share capital issued	$ 5,810,505	$ 5,533,814

The holders of issued ordinary shares with a par value of $10 are entitled to the right to one vote and to receive dividends.

(2) Capital surplus

Capital surplus relating to unclaimed dividends of which the claim period has expired may be used only to offset previous deficits.

Capital surplus generated from investments in associates accounted for using the equity method may not be used for any purposes.

Capital surplus generated from the difference between the acquisition price of a subsidiary's equity and the book value may be used to offset deficits, be distributed in cash, or be appropriated to share capital.

(3) Retained earnings and dividends policy

Under the dividends policy as set forth in the Company's Articles of Incorporation, where the Company makes a net income in a fiscal year, the profit shall be used first for offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. The shareholders' meeting may retain part or all of such earnings depending on the operating circumstances. The industry that the Company operates in is in the maturity stage. Consequently, in order to take R&D needs and diversification into consideration, shareholders' dividends shall not be less than 10% of the distributable earnings in the current year, of which the cash dividends shall not be less than 10% of the total dividends. However, if the distributable earnings of the year is less than $0.1 per share, it shall not be distributed. For the policies on the distribution of employees' compensation and remuneration of directors after amendment, refer to "Employees' compensation and remuneration of directors" in Note 19(6).

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

Items referred to under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Company.

The shareholders' meetings approved the earnings distribution proposal for years ended December 31, 2020 and 2019 on July 27, 2021 and May 28, 2020 as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	2020	2019	2020	2019
Legal reserve	$ 165,369	$ 64,393		
Cash dividends	996,086	263,515	$ 1.8	$ 0.5
Share dividends	276,691	263,515	0.5	0.5

On March 9, 2022, the Board of Directors proposed the distribution of earnings for the year ended December 31, 2021 as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 246,913	
Cash dividends	1,452,626	$ 2.5

The distribution of earnings for the year ended December 31, 2021 is subject to the resolution in the shareholders' meeting on May 30, 2022.

(4) Special reserve

The Company appropriated a special reserve in the amount of $408,223 thousand after offsetting a deficit of $428,727 thousand, which was from the net increase of retained earnings arising from the initial adoption of IFRSs. As of December 31, 2021, there was no change.

(5) Other Equity

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

	2021	2020
Balance at January 1	($ 43,259)	($ 33,763)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	(11,080)	(12,122)
Related income tax	2,216	2,423
Share of exchange of differences of associates accounted for using the equity method	(338)	203
Balance at December 31	($ 52,461)	($ 43,259)

2) Unrealized gain (loss) on financial assets at FVTOCI

	2021	2020
Balance at January 1	$ 138,774	$ 67,029
Recognized for the year		
Unrealized gain (loss) equity Instruments	(44,905)	36,272
Share of subsidiaries and associates accounted for using the equity method	38,864	35,473
Balance at December 31	$ 132,733	$ 138,774

18. Revenue

(1) Revenue from contracts with customers

	2021	2020
Revenue from the sale of goods		
PVC products	$ 11,487,847	$ 8,268,069

Please refer to Schedule 7 for information related to sales revenue.

(2) Contract balances

Please refer to Note 9 for information related to notes receivable and trade receivables.

	December 31, 2021	December 31, 2020	January 1, 2020
Contract liabilities (presented in other current liabilities)	$ 63,475	$ 20,041	$ 28,507

The changes in the balance of contract liabilities primarily result from the timing difference between the Company's fulfillment of performance obligation and the respective customers' payment.

(3) Refunds liabilities

	December 31, 2021	December 31, 2020
Refunds liabilities (presented in other current liabilities)	$ 21,792	$ 8,941

Refund liabilities relating to sales return and discount are estimated based on historical experience, management judgment, and other known factors, and are presented as a deduction to operating revenue in the period in which the goods are sold.

19. Net Profit for the Year

(1) Interest income

	2021	2020
Bank deposits	$ 216	$ 350
Financial assets at FVTPL	902	1,077
Others	8	7
	$ 1,126	$ 1,434

(2) Other income

	2021	2020
Rental income	$ 14,159	$ 11,386
Dividend income	34,216	9,192
Others	5,194	7,339
	$ 53,569	$ 27,917

(3) Other gain and loss

	2021	2020
Gain on disposal of property, plant and equipment	$ 2,663	$ 2,027
Gross foreign exchange gains	29,700	19,937
Gross foreign exchange losses	(75,172)	(62,943)
Loss on financial liabilities held for trading (see Note 7)	(7,269)	(4,310)

(Continued)

	2021	2020
Gain on financial assets mandatorily classified as at FVTPL (Note 7)	24,508	32,710
Depreciation expenses from investment properties (Note 13)	(14,139)	(14,140)
Loss from disposal of investments under equity method	-	(173)
Others	(6,120)	(6,934)
	($ 45,829)	($ 33,826)

(Concluded)

(4) Depreciation and amortization

	2021	2020
Property, Plant and Equipment	$ 211,432	$ 195,342
Investment Property	14,139	14,140
Intangible assets	46	91
	$ 225,617	$ 209,573
An analysis of depreciation by function		
Operating costs	$ 210,055	$ 193,359
Operating expenses	1,377	1,983
Other gain and loss	14,139	14,140
	$ 225,571	$ 209,482
An analysis of amortization by function		
Operating expenses	$ 46	$ 91

(5) Employee benefits expense

	2021	2020
Post-employment benefits (Note 16)		
Defined contribution plans	$ 17,746	$ 17,062
Defined benefit plans	11,943	14,631
	29,689	31,693
Other employee benefits	925,819	851,117
Total employee benefits expenses	$ 955,508	$ 882,810
An analysis of employee benefits expense by function		
Operating costs	$ 774,500	$ 712,129
Operating expenses	181,008	170,681
	$ 955,508	$ 882,810

Please refer to Schedule 11 for information related to employee benefits expense.

(6) The remuneration of employees and directors

The Company accrued remuneration of employees and directors at rates of no less than 1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The remuneration of employees and directors for 2021 and 2020, which have been approved by the Company's board of directors on March 9, 2022 and March 5, 2021, respectively, were as follows:

Accrual rate

	2021	2020
Remuneration of Employees	1%	1%
Remuneration of Directors	-	-

Amount of Cash

	2021	2020
Remuneration of Employees	$ 26,485	$ 17,034

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

There was no difference between the actual amounts of remuneration of employees and directors paid and the amounts recognized in the financial statements for the years ended December 31, 2021 and 2020.

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

20. Taxation

(1) Major components of income tax expense recognized in profit or loss

Major components of income tax expenses are as follows:

	2021	2020
Current tax		
In respect of the current year	$ 161,733	$ 49,046
Adjustments for prior years	(4,690)	(10,036)
	157,043	39,010
Deferred tax		
In respect of the current year	(2,179)	16,030
Effect of different tax rates	(280)	7
Unrecognized deductible temporary difference	(2,051)	(2,503)
Adjustments for prior years	756	(390)
	(3,754)	13,144
Income tax expense recognized in profit or loss	$ 153,289	$ 52,154

Reconciliation between accounting income and current income tax expenses is as follows:

	2021	2020
Profit before income tax	$ 2,621,965	$ 1,686,338
Income tax calculated at the statutory rate	$ 524,393	$ 337,267
Domestic investments recognized under equity method	(358,518)	(267,161)
Tax-exempted income	(6,118)	(17,362)

(Continued)

	2021	2020
Valuation gain or loss on financial instruments	($ 203)	$ 13,904
Fees that cannot be deducted from taxes	-	64
Unrecognized deductible of investment	-	(1,636)
Unrecognized deductible temporary difference	(2,051)	(2,503)
Effect of different tax rates	(280)	7
Adjustments of current income tax expenses in previous years	(3,934)	(10,426)
Income tax expense recognized in profit or loss	$ 153,289	$ 52,154

(Concluded)

(2) Income tax recognized in other comprehensive income

	2021	2020
Deferred tax		
In respect of the current year		
- Translation of foreign operations	$ 2,216	$ 2,423
- Gains on remeasurements of defined benefit plans	(906)	(3,475)
Income tax recognized in other comprehensive income	$ 1,310	($ 1,052)

(3) Current income tax assets and liabilities

	December 31, 2021	December 31, 2020
Current income tax assets		
Tax refunds receivables	$ -	$ 15,941
Current income tax liabilities		
Income tax payable	$ 161,641	$ 48,917

(4) Deferred income tax assets and liabilities

Changes in deferred income tax assets and liabilities are as follows:

2021

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
Deferred income tax assets				
Temporary differences				
Allowance for inventory write-down	$ 8,418	$ 3,119	$ -	$ 11,537
Investments accounted for under equity method	72,361	(1,829)	2,216	72,748
Deferred revenue	8,994	7,494	-	16,488
Refunds liabilities	1,789	2,470	-	4,259
Defined benefit plans	104,188	(8,789)	(906)	94,493
Holiday benefits payable	8,317	467	-	8,784
Others	360	1,352	-	1,712
	$ 204,427	$ 4,284	$ 1,310	$ 210,021

(Continued)

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
Deferred income tax liabilities				
Temporary differences				
Revaluation increments of land	$ 483,213	$ -	$ -	$ 483,213
Others	1,508	530	-	2,038
	$ 484,721	$ 530	$ -	$ 485,251

(Concluded)

2020

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
Deferred income tax assets				
Temporary differences				
Allowance for inventory write-down	$ 7,658	$ 760	$ -	$ 8,418
Investments accounted for under equity method	73,424	(3,486)	2,423	72,361
Deferred revenue	9,137	(143)	-	8,994
Refunds liabilities	3,965	(2,176)	-	1,789
Defined benefit plans	115,125	(7,462)	(3,475)	104,188
Holiday benefits payable	7,522	795	-	8,317
Others	2,106	(1,746)	-	360
	$ 218,937	($ 13,458)	($ 1,052)	$ 204,427
Deferred income tax liabilities				
Temporary differences				
Revaluation increments of land	$ 483,213	$ -	$ -	$ 483,213
Others	1,822	(314)	-	1,508
	$ 485,035	($ 314)	$ -	$ 484,721

(5) The deductible temporary differences of deferred income tax assets, unrecognized in the balance sheet

The deductible temporary differences of deferred income tax assets, which were not recognized in the balance sheet by the Company as of December 31, 2021 and 2020, were $184,196 thousand and $194,452 thousand respectively.

(6) Income tax assessments

The income tax returns of the Company through 2019 have been assessed by the tax authorities.

21. Earnings per share

Unit: NT$ Per Share

	2021	2020
Basic earnings per share	$ 4.25	$ 2.81
Diluted earnings per share	$ 4.24	$ 2.81

The weighted average number of shares outstanding used in the earnings per share computation was adjusted retroactively for the issuance of bonus shares, for which the record date was set on September 10, 2021. The basic and diluted earnings per share adjusted retrospectively for the year ended December 31, 2020 were as follows:

Unit: NT$ Per Share

	Before Retrospective Adjustment	After Retrospective Adjustment
Basic earnings per share	$ 2.95	$ 2.81
Diluted earnings per share	$ 2.95	$ 2.81

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

Net Profit for the Year

	2021	2020
Earnings used in the computation of basic and diluted earnings per share	$ 2,468,676	$ 1,634,184

Ordinary Shares Outstanding

Unit: Thousands of shares

	2021	2020
Weighted average number of ordinary shares used in the computation of basic earnings per share	581,050	581,050
Effect of potentially dilutive ordinary shares:		
Remuneration of Employees	859	732
Weighted average number of ordinary shares used in the computation of diluted earnings per share	581,909	581,782

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

22. Capital Management

The Company manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

23. Financial Instruments

(1) Fair value of financial instruments not measured at fair value

The management of the Company believes the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair value or their fair value cannot be reliably measured.

(2) Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 3,232	$ -	$ 3,232
Mutual Funds	175,018	-	-	175,018
Beneficiary securities	52,541	-	-	52,541
Investments in equity instruments				
－Domestic listed equity investments	58,597	-	-	58,597
	$ 286,156	$ 3,232	$ -	$ 289,388
Financial assets at FVTOCI				
Investments in equity instruments				
－Domestic unlisted equity investments	$ -	$ -	$ 82,377	$ 82,377

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 3,169	$ -	$ 3,169
Mutual Funds	309,014	-	-	309,014
Beneficiary securities	49,918	-	-	49,918
	$ 358,932	$ 3,169	$ -	$ 362,101
Financial assets at FVTOCI				
Investments in equity instruments				
－Domestic unlisted equity investments	$ -	$ -	$ 137,731	$ 137,731
Financial liabilities at FVTPL				
Derivative financial assets	$ -	$ 2,507	$ -	$ 2,507

There were no transfers between Levels 1 and 2 for the years ended December 31, 2021 and 2020.

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

2021

	Financial assets at FVTOCI
Balance at January 1	$ 137,731
Components recognized in other comprehensive income	(44,905)
Return of capital reduction	(10,449)
Balance December 31	$ 82,377

2020

	Financial assets at FVTOCI
Balance at January 1	$ 117,882
Components recognized in other comprehensive income	36,272
Return of capital reduction	(16,423)
Balance at December 31	$ 137,731

3) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Technique and Inputs
Derivatives - foreign exchange forward contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

4) Valuation techniques and inputs applied for Level 3 fair value measurement

To determine the fair value for Level 3 financial instruments, the Company's financial department conducts independent fair value verification using independent resources so as to better reflect the market conditions, as well as periodically reviewing the valuation results in order to guarantee the rationality of the measurement. For unlisted domestic equity investments, the Company utilizes the asset approach and takes into account the most recent net asset value, observable financial status as well as the financing activities of investees in order to determine their net asset value. The unobservable input used was a discount for the lack of marketability of 15% on December 31, 2021 and 2020. When other inputs remain unchanged, the fair value will decrease by $969 thousand and $1,620 thousand, respectively, if the discount for lack of marketability increases by 1%.

(3) Categories of financial instruments

	December 31, 2021	December 31, 2020
Financial assets		
Financial assets at FVTPL		
Mandatorily classified at FVTPL	$ 289,388	$ 362,101
Financial assets at amortized cost		
Cash and Cash Equivalents	472,412	245,740
Notes receivable	195,162	162,639
Trade receivables (including related parties)	1,197,720	1,156,113
Other receivables (including related parties and excluding tax refund receivable)	7,000	2,305
Refundable deposits	10,209	11,166
Financial assets at FVTOCI		
Investments in equity instruments	82,377	137,731
Financial liabilities		
Financial liabilities at FVTPL-Held for trading	-	2,507
Financial liabilities measured at amortized cost		
Trade payables (including related parties)	1,720,564	1,357,190
Other payables (Note 1)	243,543	205,940
Guarantee deposits	6,044	3,963

Note: Other payables (including related parties) do not include salary payable and business tax payable.

(4) Financial risk management objectives and policies

The Company’s conduct of risk controlling and hedging strategy is influenced by the operational environment. The Company monitors and manages the financial risk by business nature and risk dispersion. These risks include market risk (including foreign currency risk, interest rate risk and other price risks), credit risk and liquidity risk.

1) Market risk

The Company's operating activities exposed itself primarily to the market risks of changes in foreign currency exchange rates and interest rates.

Market risk in relation to the Company's financial instruments and its management and measurement approaches remain unchanged.

a) Foreign currency risk

The Company conducted foreign currency sales and purchases, which exposed the Company to foreign currency risk. In order to avoid the impact of foreign currency exchange rate changes, which lead to deductions in foreign currency denominated assets and fluctuations in their future cash flows, the Company maintains a balance of hedged net foreign currency denominated assets and liabilities. The Company also utilizes foreign exchange forward contracts to hedge the currency exposure. The use of foreign exchange forward contracts is regulated by the policies passed by the Company's board of directors. Internal auditors focus on reviewing the observance of the policies and the quota of risk exposures. The foreign exchange forward contracts that the Company engaged in were not for speculation purposes.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 27.

Sensitivity analysis

The Company's sensitivity analysis mainly focuses on the foreign currency risk of U.S. dollars at the end of the reporting period. Assuming a 3% strengthening/weakening of the functional currency against USD, the net income before tax for the years ended December 31, 2021 and 2020 would have decreased/increased by $32,182 thousand and $29,873 thousand, respectively.

In management's opinion, the sensitivity analysis was unrepresentative of the inherent foreign currency risk because the exposure at the end of the reporting period did not reflect the exposure during the period.

b) Interest rate risk

The Company was exposed to the fair value risk of interest rate fluctuations for the fixed interest rate bearing financial assets; the Company was exposed to the cash flow risk of interest rate fluctuations for the floating interest rate bearing financial assets. The Company regularly evaluates hedging activities to align with interest rate viewpoint and established risk appetite and ensure that the most cost-effective hedging strategies are employed.

The carrying amounts of financial assets of the Company exposed to interest rate risk at the end of reporting date are as follows:

	December 31, 2021	December 31, 2020
Fair value interest rate risk		
- Financial assets	$ 248,428	$ 96,635
Cash flow interest rate risk		
- Financial assets	183,385	122,657

The Company had no financial liabilities with fair value interest rate risk and cash flow interest rate risk as at 31 December 2021 and 2020.

Sensitivity analysis

The fixed-rate financial assets and liabilities held by the Company are not included in the analysis as they are all measured at amortized cost. For floating rate assets, the analysis was prepared to assume that the amount of the assets outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point fluctuation in interest rate was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

When reporting to the management, the Company considers any interest rate fluctuation within 50 basis points reasonable. If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2021 and 2020 would have increased/decreased by $917 thousand and $613 thousand, respectively.

c) Other price risks

The Company was exposed to the equity price risk through its investments in domestic listed shares, domestic unlisted shares, mutual funds and other equity securities investments. The Company manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Company has appointed a special team to monitor the price risk.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to securities price risk at the end of the reporting period. As such, the Company's money market funds recognized under financial assets at FVTPL were not included in the analysis because their price fluctuation risk is extremely low.

If marketable securities price had increased/decreased by 5%, the pre-tax profit for the years ended December 31, 2021 and 2020 would have increased/decreased by $5,557 thousand and $2,496 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL (excluding investment in money market funds); The pre-tax other comprehensive income for the years ended December 31, 2021 and 2020 would have increased/decreased by $4,119 thousand and $6,887 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to risk that causes the financial loss of the Company due to a counterparty's delay in performing contractual obligations and guarantees. As at the end of the reporting period, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to the failure of counterparties to discharge an obligation and financial guarantees provided by the Company, could arise from:

a) The carrying amount of the respective recognized financial assets as stated in the balance sheets; and

b) The maximum amount the Company would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

The Company adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored.

The counterparties of the Company's trade receivable included numerous clients distributed over a variety of areas and were not centered on a single client or location. Furthermore, the Company continuously assesses the financial condition of its clients, and then the Company's credit risk was limited. As of the end of the reporting period, the Company's largest exposure to credit risk is approximately that of the carrying amounts of its financial assets.

3) Liquidity risk

The Company managers maintain working capital and mitigate liquidity risk by maintaining a level of cash and cash equivalents and financing facilities deemed adequate.

a) Liquidity and interest rate risk tables

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table was drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The table includes both interest and principal cash flows.

December 31, 2021

	On Demand or Less than 1 Year	1-5 Years	Over 5 Years
Non-derivative financial liabilities			
Non-interest bearing liabilities	$ 1,970,151	$ -	$ -

December 31, 2020

	On Demand or Less than 1 Year	1-5 Years	Over 5 Years
Non-derivative financial liabilities			
Non-interest bearing liabilities	$ 1,563,130	$ -	$ -

b) Financing facilities

The Company relies on bank loans as a significant source of liquidity. As of December 31, 2021 and 2020, the unused amounts of bank loan facilities were as follows:

	December 31, 2021	December 31, 2020
Bank loan facilities		
－Amount unused	$ 2,703,206	$ 1,778,160

24. Transactions with Related Parties

As of December 31, 2021 and 2020, USI Corporation held through its subsidiary, Union Polymer International Investment Corporation, 24.97% of the Company's outstanding ordinary shares. Besides information disclosed elsewhere in other notes, details of transactions between the Company and other related parties are disclosed below:

(1) Related party names and categories

Related Party Name	Related Party Category
USI Corporation	Ultimate parent company
Union Polymer Int'l Investment Corp. ("UPIIC")	Parent company
Taiwan VCM Corporation ("TVCM")	Subsidiary
CGPC Polymer Corporation ("CGPCPOL")	Subsidiary
CGPC America Corporation ("CGPC-America")	Subsidiary
Taita Chemical Company, Limited ("TTC")	Investor with significant influence
Asia Polymer Corporation (“APC”)	Investor with significant influence
China General Terminal & Distribution Corporation ("CGTD")	Associate
Acme Electronics Corporation	Associate
USI Optronics Corporation ("USIO")	Fellow subsidiary
USI Management Consulting Corporation ("UM")	Fellow subsidiary
Swanson Plastics Corporation ("SP")	Fellow subsidiary
Swanson Technologies Corporation	Fellow subsidiary
Taiwan United Venture Management Corporation	Fellow subsidiary
Chong Loong Trading Co., Ltd.	Fellow subsidiary
Dynamic Ever Investments Limited	Fellow subsidiary
APC Investment Corporation	Subsidiary of investor with significant influence
USI Educational Foundation ("USIF")	Related party in substance

(2) Sales of goods

Related Party Category	2021	2020
Subsidiary	$ 679,585	$ 389,006
Investor of significant influence	2,339	2,369
Fellow subsidiary	601	661
	$ 682,525	$ 392,036

The sales of goods to related parties had no material differences from those of general sales transactions.

(3) Purchases of goods

Related Party Category/Name	2021	2020
Subsidiary		
TVCM	$ 7,071,763	$ 4,290,414
Others	59,991	61,206
Fellow subsidiary	56,292	32,770
Ultimate parent company	420	143
Investor of significant influence	-	24
	$ 7,188,466	$ 4,384,557

The Company has entered into a supply contract for vinyl chloride monomer with Taiwan VCM Corporation. The purchase price is determined with reference to the domestic price of polyvinyl chloride in the month, the Asian spot reported price of vinyl chloride monomer and the Asian price of ethylene dichloride and ethylene.

Purchases from related parties had no material differences from those of general purchase transactions.

(4) Trade receivables from related parties

Related Party Category/Name	December 31, 2021	December 31, 2020
Subsidiary		
CGPC America	$ 189,714	$ 110,613
Investor of significant influence	-	511
	$ 189,714	$ 111,124

The outstanding trade receivables from related parties were unsecured. For the years ended December 31, 2021 and 2020, no impairment loss was recognized for trade receivables from related parties.

(5) Trade payables to related parties

Related Party Category/Name	December 31, 2021	December 31, 2020
Subsidiary		
TVCM	$ 1,489,862	$ 1,069,615
Others	9,521	19,827
Fellow subsidiary	9,865	10,847
Ultimate parent company	121	76
	$ 1,509,369	$ 1,100,365

The outstanding trade payables to related parties were unsecured.

(6) Other receivables from related parties

Related Party Category/Name	December 31, 2021	December 31, 2020
Subsidiary	$ 1,540	$ 1,586
Investor of significant influence	636	639
Fellow subsidiary	20	28
Ultimate parent company	8	8
Associate	3	3
Subsidiary of investor with significant influence	1	1
	$ 2,208	$ 2,265

(7) Other payables to related parties

Related Party Category	December 31, 2021	December 31, 2020
Ultimate parent company	$ 2,836	$ 4,028
Subsidiary	158	395
Investor of significant influence	124	197
Fellow subsidiary	145	159
	$ 3,263	$ 4,779

(8) Endorsements/Guarantees

Related Party Category/Name	December 31, 2021	December 31, 2020
Subsidiary		
CGPCPOL	$ 1,000,000	$ 2,450,000

(9) Lease arrangements

Related Party Category/Name	2021	2020
Lease expenses		
Ultimate parent company	$ 4,591	$ 5,109
Investor of significant influence		
APC	1,429	2,186
	$ 6,020	$ 7,295

The Company leases offices in Neihu from Ultimate parent company (USI) and APC. The rentals are paid on a monthly basis.

(10) Management service expenses

Related Party Category/Name	2021	2020
Fellow subsidiary		
UM	$ 42,946	$ 41,811
Others	-	29
Ultimate parent company	3,883	3,768
	$ 46,829	$ 45,608

UM and USI provide labor support, equipment and other related services to the Company and the contract is effective on July 1, 2001. The service expenses were based on the actual quarterly expenses which should be paid in the subsequent quarter following the related service.

(11) Donations

Related Party Category/Name	2021	2020
Related party in substance		
USIF	$ 3,000	$ 1,000

(12) Rental income

Related Party Category/Name	2021	2020
Fellow subsidiary		
USIO	$ 3,337	$ 3,379
Others	26	-
Investor of significant influence	280	266
	$ 3,643	$ 3,645

USIO signed a factory lease contract with the Company with a lease term until April 15, 2022. The Company collects fixed rental amounts on a monthly basis. USIO does not have a bargain purchase option to acquire the leased factory at the expiry of the lease period.

(13) Other income

Related Party Category	2021	2020
Investor of significant influence	$ 1,627	$ 1,482
Subsidiary	66	116
	$ 1,693	$ 1,598

(14) Other Expense

Related Party Category	2021	2020
Subsidiary	$ 437	$ 503

(15) Compensation of key management personnel

	2021	2020
Salaries and others	$ 22,768	$ 18,240
Post-employment benefits	108	181
	$ 22,876	$ 18,421

The compensation of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

25. Assets Pledged as Collateral or for Security

The following assets were provided as collateral for the performance guarantee for the tariffs of imported raw materials and use of fuel:

	December 31, 2021	December 31, 2020
Pledged time deposits (recognized as guarantee deposits)	$ 8,390	$ 8,347

The Company pledged land and plants as collateral against a medium-and long-term secured loan contract with a revolving credit limit of $1,000,000 thousand signed with a bank to enrich working capital. Any drawdown within the limit can be made during the life of the contract. However, the Company had canceled the financing facility and removed the liens on the land and plants in November 2020.

26. Significant Contingent Liabilities and Unrecognized Commitments

In addition to those disclosed in other notes, significant commitments and contingencies of the Company as of the end of the reporting period were as follows:

(1) As of December 31, 2021 and 2020, the Company’s unused letters of credit amounted to $32,206 thousand and $6,512 thousand, respectively.

(2) Description of Kaohsiung gas explosions:

Regarding the associate, China General Terminal & Distribution Corporation (hereinafter "CGTD"), who was commissioned to operate the LCY Chemical Corp.'s propylene pipeline resulting in a gas explosion on July 31, 2014, the appeal was dismissed by the Supreme Court on September 15, 2021, and all three employees of CGTD were innocent.

CGTD reached an agreement with Kaohsiung City Government on February 12, 2015 and pledged a term deposit $227,540 thousand (including interests) to the Government as a guarantee for losses caused by the gas explosions. The Kaohsiung City Government has also filed civil litigation against LCY Chemical Corp. CGTD, and CPC Corporation, Taiwan. Taiwan Power Company applied for provisional attachment against CGTD's property on August 27 and November 26, 2015. CGTD had deposited cash of $ 99,207 thousand to the court to avoid provisional attachment. Taiwan Water Corporation also applied for provisional attachment against CGTD's property on February 3 and March 2,

2017. Assets under attachment amounted to approximately $12,472 thousand as of February 28, 2022.

As for the victims, CGTD, LCY Chemical Corp. and Kaohsiung City Government signed a tripartite agreement on July 17, 2015 agreeing to negotiate the compensation first with the 32 victim’s successors and persons entitled to the claims ("family of the victim"). Each victim's family was entitled to $12,000 thousand and the total compensation was $384,000 thousand. The compensation was first paid by LCY who also represent the three parties in the settlement negotiation and the signing of settlement agreements with family of the victim.

As for the seriously injured victims, CGTD, LCY Chemical Corp. and the Kaohsiung City Government signed a tripartite agreement for serious injuries on October 25, 2017 agreeing to negotiate the compensation first with the 65 seriously injured victims. The compensation was first paid by CGTD and the Kaohsiung City Government. CGTD also represents the three parties in negotiating settlements with victims who suffered serious injuries in the incident. It has signed settlement agreements with 64 of the victims.

As of February 28, 2022, victims and their families have filed civil (including supplementary civil action) lawsuits against LCY Chemical Corp., CGTD and CPC for compensation. To reduce the lawsuit costs, CGTD had reached a settlement on the original claim of $46,677 thousand, and the amount of the settlement was $4,519 thousand. Along with the case still under litigation and the above-mentioned compensation, the accumulated amount of compensation is $3,856,447 thousand. The first-instance judgments of some of the above-mentioned civil cases (with a total amount of compensation of approximately $1,341,128 thousand) have been gradually announced, starting from June 22, 2018. The proportion of fault liability of the Kaohsiung City Government, LCY Chemical Corp. and CGTD is 4 : 3 : 3 in most judgments. The total amount of compensation that CGTD, LCY Chemical Corp. and the other defendants should pay is around $401,979 thousand. (In particular, CGTD was exempted to pay $6,194 thousand according to the court's judgment.) For the civil cases that have been sentenced but not settled, CGTD has filed an appeal and has started the second trial procedure one after another. The rest cases are still under trial in the Court of First Instance (the amount of compensation requested is approximately $2,012,493 thousand). CGTD has signed a claim settlement agreement with the insurance company in accordance with the proportion of fault liability determined in the first-instance judgment to estimate the amount of settlement for victims and seriously injured and the civil litigation compensation amount (including settled cases). The maximum amount of the insurance compensation was deducted to calculate the amount payable by CGTD and the $136,375 thousand has been included in the estimate on the account. However, the actual settlement and compensation amount described above can only be verified after the proportion of fault liability is determined in the civil judgments.

27. Significant Assets and Liabilities Denominated in Foreign Currencies

The Company’s significant financial assets and liabilities denominated in foreign currencies and aggregated by foreign currencies other than functional currencies and the related exchange rates assets and liabilities with significant impact recognized in foreign currencies are as follows:

Unit: Except for the exchange rate, all in thousands

December 31, 2021

	Foreign currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 39,168	27.680 (USD:NTD)	$1,084,157
AUD	1,000	20.080 (AUD:NTD)	20,078
EUR	662	31.320 (EUR:NTD)	20,724
Non-monetary items			
Subsidiaries accounted for using the equity method			
USD	19,529	27.680 (USD:NTD)	540,554
Financial liabilities			
Monetary items			
USD	412	27.680 (USD:NTD)	11,414

December 31, 2020

	Foreign currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 35,461	28.480 (USD:NTD)	$1,009,925
AUD	853	21.950 (AUD:NTD)	18,716
EUR	392	35.020 (EUR:NTD)	13,731
Non-monetary items			
Subsidiaries accounted for using the equity method			
USD	19,672	28.480 (USD:NTD)	560,247
Financial liabilities			
Monetary items			
USD	$ 497	28.480 (USD:NTD)	$ 14,147

For the years ended December 31, 2021 and 2020, net foreign exchange losses were $45,472 thousand, and $43,006 thousand, respectively. It is impractical to disclose net foreign exchange losses by each significant foreign currency due to the variety of the foreign currency transactions.

28. Supplementary Disclosures

(1) Information on Significant Transactions

1) Financing provided to others: None;

2) Endorsements/guarantees provided for others: Note 24 and Table 1.

3) Marketable securities held: Table 2.

4) Marketable securities acquired and disposed of at costs or prices of at least $300 million or 20% of the paid-in capital: Table 3.

5) Acquisitions of individual real estate at costs of at least $300 million or 20% of the paid-in capital: None;

6) Disposals of individual real estate at prices of at least $300 million or 20% of the paid-in capital: None;

7) Total purchases from or sales to related parties amounting to at least $100 million or 20% of the paid-in capital: Table 4.

8) Receivables from related parties amounting to at least $100 million or 20% of the paid-in capital: Table 5.

9) Trading in derivative instruments: Note 7.

(2) Information on reinvestment: Table 6.

(3) Information on Investments in Mainland China

1) Information on any investee company in Mainland China, including the company names, major business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China: Table 7.

2) The following information on any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None.

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and their purposes.

e) The highest balance during the period, the end of period balance, the interest rate range, and total current period interest with respect to the financing of funds.

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

(4) Information of major shareholders: List of all shareholders with ownership of 5% or greater showing the names and the number shares and percentage of ownership held by each shareholder: Table 8.

China General Plastics Corporation

Endorsements/Guarantees Provided

For the Year Ended December 31, 2021

Table 1

Unit: NT$ thousand

Number	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Made for Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note 1)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/Guarantee Made by Parent for Subsidiaries	Endorsement/Guarantee Made by Subsidiaries for Parent	Endorsement/Guarantee Made for Companies in Mainland China
		Company name	Relationship										
0	China General Plastics Corporation	CGPC Polymer Corporation	Subsidiary	$ 6,697,786	$ 2,450,000	$ 1,000,000	$ -	None	8.96%	$ 11,162,977	Yes	No	No

Note 1. The ratio is calculated using the ending balance of equity of the Company as of December 31, 2021.

Note 2. The total amount of guarantee that may be provided by the Company shall not exceed 100% of the Company's net worth stated on the latest financial statements; the total amount of guarantee provided by the Company to any single entity shall not exceed 60% of the Company's net worth stated on the latest financial statements.

China General Plastics Corporation

Marketable Securities Held

December 31, 2021

Table 2

Unit: NT$ thousand

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Unit / Share	Carrying Amount	Percentage of Ownership (%)	Fair value	
China General Plastics Corporation	Beneficiary securities							
	Cathay No. 1 Real Estate Investment Trust	-	Financial assets at FVTPL - current	2,898,000	$ 52,541	-	$ 52,541	Note 1
	Mutual Funds							
	FSITC Taiwan Money Market Fund	-	Financial assets at FVTPL - current	5,172,035	80,018	-	80,018	Note 1
	Cathay Taiwan Money Market Fund	-	〃	3,981,272	50,000	-	50,000	Note 1
	Hua Nan Phoenix Money Market Fund	-	〃	2,740,627	45,000	-	45,000	Note 1
	Ordinary shares							
	China Steel Corporation	-	Financial assets at FVTPL - current	650,000	22,978	-	22,978	Note 1
	Quanta Computer Incorporated	-	〃	125,000	11,837	-	11,837	Note 1
	Tungho Steel Corporation	-	〃	167,500	11,239	-	11,239	Note 1
	United Microelectronics Corporation	-	〃	120,000	7,800	-	7,800	Note 1
	ShunSin Technology Holdings Limited	-	〃	51,000	4,743	-	4,743	Note 1
	KHL IB Venture Capital Co., Ltd.	-	Financial assets at FVTOCI - non-current	4,977,475	82,377	5.95%	82,377	Note 1
Taiwan VCM Corporation	Ordinary shares							
	Asia Polymer Corporation	The major shareholders are the same as the those of the Company	Financial assets at FVTOCI - non-current	130,244	4,774	0.02%	4,774	Note 1
CGPC Polymer Corporation	Mutual Funds							
	Hua Nan Phoenix Money Market Fund	-	Financial assets at FVTPL - current	8,774,597	144,075	-	144,075	Note 1
	FSITC Taiwan Money Market Fund	-	〃	6,464,876	100,020	-	100,020	Note 1
	Taishin Ta-Chong Money Market Fund	-	〃	6,968,690	100,003	-	100,003	Note 1
	Prudential Financial Money Market Fund	-	〃	4,384,646	70,118	-	70,118	Note 1
	Taishin 1699 Money Market Fund	-	〃	4,386,606	60,003	-	60,003	Note 1
	Hua Nan Kirin Money Market Fund	-	〃	4,715,381	57,000	-	57,000	Note 1
	Taiwan Cooperative Bank Money Market Fund	-	〃	2,437,835	25,000	-	25,000	Note 1
	Yuanta De-Li Money Market Fund	-	〃	971,782	16,006	-	16,006	Note 1
CGPC (BVI) Holding Co., Ltd.	Ordinary shares							
	Teratech Corporation	-	Financial assets at FVTPL - non-current	112,000	-	0.67%	-	(Notes 1 and 3)
	SOHOware, Inc - preferred shares	-	〃	100,000	-	-	-	(Notes 1, 2, and 3)

Note 1. The marketable securities were not pledged as guarantees or collateral for borrowings and are not subject to restrictions.

Note 2. The preferred shares are not used in the calculation of the shareholding ratio and net worth.

Note 3. As of December 31, 2021, the Company evaluates the fair value of the equity instrument as $0.

China General Plastics Corporation

Marketable Securities Acquired and Disposed of at Costs and Prices of at Least NT$300 Million or 20% of the Paid-in Capital

For the Year Ended December 31, 2021

Table 3

Unit: NT$ thousand

Buyer/Seller	Type and Name of Marketable Securities	Financial Statement Account	Counter-party	Relation-ship	Beginning Balance		Acquisition		Disposal				Ending Balance	
					Shares	Amount (Note)	Shares	Amount	Shares	Amount	Carrying Amount	Gain on disposal	Shares	Amount (Note)
China General Plastics Corporation	Mutual Funds													
	Taishin Ta-Chong Money Market Fund	Financial assets at FVTPL - current	-	-	4,190,295	$ 60,000	40,879,691	$ 586,000	45,069,986	$ 646,101	$ 646,000	$ 101	-	$ -
	FSITC Money Market Fund	〃	-	-	-	-	3,109,635	560,000	3,109,635	560,061	560,000	61	-	-
	CTBC Hua-Win Money Market Fund	〃	-	-	4,501,666	50,000	46,771,745	520,000	51,273,411	570,046	570,000	46	-	-
	Hua Nan Phoenix Money Market Fund	〃	-	-	-	-	27,133,187	445,000	24,392,560	400,077	400,000	77	2,740,627	45,000
	FSITC Taiwan Money Market Fund	〃	-	-	-	-	27,031,631	418,000	21,859,596	338,047	338,000	47	5,172,035	80,000
	Nomura Taiwan Money Market Fund	〃	-	-	-	-	24,661,509	406,000	24,661,509	406,049	406,000	49	-	-
Taiwan VCM Corporation	Mutual Funds													
	FSITC Taiwan Money Market Fund	Financial assets at FVTPL - current	-	-	3,240,147	50,000	25,887,463	400,000	29,127,610	450,075	450,000	75	-	-
	Taishin Ta-Chong Money Market Fund	〃	-	-	6,983,874	100,000	22,338,288	320,000	29,322,162	420,059	420,000	59	-	-
CGPC Polymer Corporation	Mutual Funds													
	Hua Nan Kirin Money Market Fund	Financial assets at FVTPL - current	-	-	3,315,451	40,000	48,446,772	585,000	47,046,842	568,067	568,000	67	4,715,381	57,000
	FSITC Taiwan Money Market Fund	〃	-	-	3,178,916	49,000	36,160,381	559,000	32,874,421	508,400	508,000	400	6,464,876	100,000
	Taishin Ta-Chong Money Market Fund	〃	-	-	8,941,582	128,000	37,239,820	534,000	39,212,712	562,343	562,000	343	6,968,690	100,000
	Taiwan Cooperative Bank Money Market Fund	〃	-	-	-	-	50,169,944	514,000	47,732,109	489,062	489,000	62	2,437,835	25,000
	FSITC Money Market Fund	〃	-	-	250,312	45,000	1,999,223	360,000	2,249,535	405,209	405,000	209	-	-
	Taishin 1699 Money Market Fund	〃	-	-	15,393,455	210,000	17,554,151	240,000	28,561,000	390,140	390,000	140	4,386,606	60,000

Note: The beginning and ending amount denote the original acquisition cost.

China General Plastics Corporation

Total Purchases from or Sales to Related Parties Amounting to at Least NT$100 Million or 20% of the Paid-in Capital

For the Year Ended December 31, 2021

Table 4

Unit: NT$ thousand

Buyer/Seller	Related Parties	Relationship	Transaction Details				Abnormal Transaction		Notes/Trade Receivables (Payables)	
			Purchase / Sales	Amount	Ratio to Total Purchase / Sales	Payment terms	Unit Price	Payment terms	Financial Statement Account and Ending Balance (Note)	Ratio to Total Notes or Trade Receivable (payable)
China General Plastics Corporation	Taiwan VCM Corporation	Subsidiary	Purchases	$ 7,071,763	79%	45 days	No major difference	No major difference	Trade payables to related parties ($ 1,489,862)	(87%)
	CGPC America Corporation	Subsidiary	Sales	(679,417)	(6%)	90 days	No major difference	No major difference	Trade receivables from related parties 189,714	14%
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Sales	(7,071,763)	(48%)	45 days	No major difference	No major difference	Trade receivables from related parties 1,489,862	47%
	CGPC Polymer Corporation	Fellow subsidiary	Sales	(6,585,350)	(45%)	75 days	No major difference	No major difference	Trade receivables from related parties 1,361,638	43%
CGPC Polymer Corporation	Taiwan VCM Corporation	Fellow subsidiary	Purchases	6,585,350	97%	75 days	No major difference	No major difference	Trade payables to related parties (1,361,638)	(98%)
CGPC America Corporation	China General Plastics Corporation	Parent company	Purchases	679,417	89%	90 days	No major difference	No major difference	Trade payables to related parties (189,714)	(98%)

China General Plastics Corporation

Receivables from Related Parties Amounting to at Least NT$100 Million or 20% of the Paid-in Capital

December 31, 2021

Table 5

Unit: NT$ thousand

Company Name	Related Parties	Relationship	Financial Statement Account and Ending Balance	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Treatment Method		
China General Plastics Corporation	CGPC America Corporation	Subsidiary	Trade receivables from related parties $ 189,714	4.52	$ -	-	$ 84,313	Note 1
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Trade receivables from related parties $1,489,862	5.53	-	-	1,489,862	Note 1
	CGPC Polymer Corporation	Fellow subsidiary	Trade receivables from related parties $1,361,638	4.70	-	-	1,361,638	Note 1

Note 1. : There is no allowance for impairment loss after an impairment assessment.

Note 2. : The subsequent period is between January 1 and February 24, 2022.

China General Plastics Corporation

Information on Investee

For the Year Ended December 31, 2021

Table 6

Unit: In Thousands of New Taiwan Dollars, Unless Stated Otherwise

Investor Company	Investee Company	Location	Business Content	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of Investee	Share of Profit (Loss)	Note
				December 31, 2021	December 31, 2020	Shares	%	Carrying Amount			
China General Plastics Corporation	Taiwan VCM Corporation	No. 1, Gongye 1st Rd., Linyuan Dist., Kaohsiung City 832, Taiwan (R.O.C.)	Manufacturing and marketing of VCM	$ 2,933,648	$ 2,930,995	259,591,005	87.27%	$ 4,610,674	$ 1,510,951	$ 1,189,448	Subsidiary
	CGPC Polymer Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Manufacturing and marketing of PVC resins	800,000	800,000	80,000,000	100%	1,503,749	580,982	580,982	Subsidiary
	CGPC (BVI) Holding Co., Ltd.	Citco Building, Wickhams Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	Reinvestment	1,073,906	1,073,906	16,308,258	100%	345,845	(2,505)	(2,505)	Subsidiary
	China General Terminal & Distribution Corporation	No. 1, Jianji St., Qianzhen Dist., Kaohsiung City 806, Taiwan (R.O.C.)	Warehousing and transportation of petrochemical raw materials	41,106	41,106	22,009,594	33.33%	373,731	63,389	21,129	Associate accounted for using the equity method
	CGPC America Corporation	1181 California Ave., Suite 235 Corona, CA 92881 U.S.A	Marketing of PVC film and leather products	648,931	648,931	100	100%	194,709	21,914	21,914	Subsidiary
	Acme Electronics Corporation	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Manufacturing and marketing of Mn-Zn and Ni-Zn ferrite cores	33,995	33,995	3,176,019	1.74%	23,171	59,329	1,030	Associate accounted for using the equity method

China General Plastics Corporation

Information on Investments in Mainland China

For the Year Ended December 31, 2021

Table 7

Unit: In Thousands of New Taiwan Dollars, Unless Stated Otherwise

Investee Company	Business Content	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021 (Note 1)	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021 (Note 1)	Net Income (Loss) of Investee	Ownership Percentage of Direct or Indirect Investment	Investment Gain (Loss) (Note 5)	Carrying Amount as of December 31, 2021 (Note 1)	Accumulated Repatriation of Investment Income as of December 31, 2021
					Outflow	Inflow						
Continental General Plastics (Zhong Shan) Co., Ltd. ("CGPC (ZS)") (Note 4)	Manufacturing and marketing of PVC film and consumer products	$ 553,600 (US$20,000 thousand)	Investment through CGPC (BVI) Holding Co., Ltd. ("CGPC (BVI)")	$ 553,600 (US$20,000 thousand)	$ -	$ -	$ 553,600 (US$20,000 thousand)	($ 2,569) (US$-93 thousand)	100%	($ 2,569) (US$-93 thousand)	$ 262,303 (US$9,476 thousand)	$ -
CGPC Consumer Products Corporation ("CGPC (CP)") (Note 4)	Manufacturing and marketing of PVC and consumer products	41,520 (US$1,500 thousand)	Investment through CGPC (BVI) Holding Co., Ltd. ("CGPC (BVI)")	41,520 (US$1,500 thousand)	-	-	41,520 (US$1,500 thousand)	15 (US$1 thousand)	100%	15 (US$1 thousand)	13,461 (US$487 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2021 (Notes 1 and 3)	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 2)
$ 749,630 (US$ 27,082 thousand)	$ 869,152（US$ 31,400 thousand）	$-

Note 1. The calculation was based on the spot exchange rate of December 31, 2021.

Note 2. As the Company has obtained the certificate of qualification for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10920426850 on September 8, 2020, the upper limit on investment is not applicable.

Note 3. QuanZhou Continental General Plastics Co., Ltd. ("CGPC (QZ)") and Union (Zhong Shan) Co., Ltd. ("Union (ZS)") completed dissolution procedures, and CGPC (BVI) retrieved the residual assets. The shares of Continental General Plastics (San He) Co., Ltd. ("CGPC (SH)") were fully sold, and CGPC (BVI) retrieved the residual assets. However, the amount of capital has not been wired back to Taiwan. The accumulated amount includes the investment amount of CGPC (QZ) of US$684 thousand, the investment amount of Union (ZS) of US$898 thousand, and the investment amount of CGPC (SH) of US$4,000 thousand.

Note 4. The board of directors of the Company passed a resolution on October 24, 2011 to dissolve CGPC (ZS) and CGPC (CP). The Company has considered that its discontinued operations was resumed its operating substance, and, therefore, the Company reclassified the discontinued operations as continuing operations since 2021 after an assessment. Please refer to Note 11.

Note 5. The investment income (loss) recognized in 2021 is based on the financial statements audited by the parent company's CPA.

China General Plastics Corporation

Information on Major Shareholders

December 31, 2021

Table 8

Names of Major Shareholders	Shares	
	Number of Shares	Percentage of Ownership
Union Polymer International Investment Corporation	145,079,236	24.97%
Asia Polymer Corporation	46,886,185	8.07%

Note: The information in this table refers to a total of holding shares of more than 5 percent of the Company's non- physical shares of common stock and preferred stock that have completed registration and delivery (including treasury shares), in accordance with the last business day of the end of the quarter of the Taiwan Depository & Clearing Corporation. The share capital recorded in the Company's consolidated financial report and the actual number of non-physical shares that have been registered and delivered may be different due to the different calculation basis.

China General Plastics Corporation

Chairman: WU, YI-GUI