

Notice to Readers:

The Interim consolidated financial statement (Chinese version) of our company is reviewed 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 Financial Statements and Independent Auditors' Review Report
For the Three Months Ended March 31, 2021 and 2020**

§Table of Contents§

	<u>ITEM</u>	<u>PAGE</u>	<u>NOTE</u>
I	Cover Page	1	-
II	Table of Contents	2	-
III	Independent Auditors' Review Report	3 ~ 4	-
IV	Consolidated Balance Sheets	5	-
V	Consolidated Statements of Comprehensive Income	6 ~ 7	-
VI	Consolidated Statements of Changes in Equity	8	-
VII	Consolidated Statements of Cash Flows	9 ~ 10	-
VIII	Notes to Consolidated Financial Report		
	1. Company History	11	1
	2. Date and Procedures of Authorization of Financial Statements	11	2
	3. Application of New, Amended, and Revised Standards and Interpretations	11 ~ 12	3
	4. Summary of Significant Accounting Policies	13 ~ 14	4
	5. Critical Accounting Judgments and Key Sources of Estimation and Uncertainty	15	5
	6. Description of Important Accounting Items	15 ~ 47	6 ~ 28
	7. Transactions with Related Parties	47 ~ 52	29
	8. Assets Pledged as Collateral or for Security	53	30
	9. Significant Contingent Liabilities and Unrecognized Commitments	53 ~ 55	31
	10. Significant Losses Attributed to Critical Incidents or Disasters	-	-
	11. Critical Events after the Reporting Date	-	-
	12. Others	55 ~ 56	32
	13. Supplementary Disclosures		
	(1). Information on Significant Transactions	57, 60 ~ 66	33
	(2). Information on Reinvestment	57, 67	33
	(3). Information on Investments in Mainland China	57 ~ 58, 68	33
	(4). Information on Major Shareholders	58, 69	33
	14. Segment Information	58 ~ 59	34

Independent Auditors' Review Report

The Board of Directors and Shareholders
China General Plastics Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of China General Plastics Corporation and its subsidiaries (the Group) as of March 31, 2021 and 2020, the related consolidated statements of comprehensive income, changes in equity and cash flows for the three months then ended and the related notes, including a summary of the significant accounting policies (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with the Statement of Auditing Standards No. 65 “Review of Financial Information Performed by the Independent Auditor of the Entity”. A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Notes 13 and 14 to the consolidated financial statements, the financial statements of some non-significant subsidiaries and investments accounted for using the equity method included in the consolidated financial statements were not reviewed. As of March 31, 2021 and 2020, the combined total assets of these non-significant subsidiaries and investments accounted for using the equity method were NT\$1,081,721 thousand and NT\$955,288 thousand, respectively, representing 7% and 8% of the consolidated total assets, and the combined total liabilities of these non-significant subsidiaries as of March 31, 2021 and 2020 were NT\$27,724 thousand and NT\$28,634 thousand, respectively, representing 1% of the consolidated total liabilities; for the three months ended March 31, 2021 and 2020, the amounts of combined comprehensive income of these non-significant subsidiaries were NT\$13,064 thousand and NT\$6,111 thousand, respectively, representing 1% and 2%, respectively, of the consolidated total comprehensive income, and the Group’s share of profit (loss) of these investments accounted for using the equity method for the three months ended March 31, 2021 and 2020 were NT\$20,730 thousand and NT\$(5,800) thousand, respectively, representing 2% and (2%), respectively, of the consolidated total comprehensive income. The additional disclosures of these non-significant

subsidiaries and investments accounted for using the equity method were based on financial statements which were not reviewed by auditors.

Qualified Conclusion

Based on our review, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and investments accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to the attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of March 31, 2021 and 2020, its consolidated financial performance and its consolidated cash flows for the three months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Matters to Be Emphasized

As stated in Note 12 to the consolidated financial statements, China General Plastics Corporation and Subsidiaries has leased out the idle plants of its discontinued operations since 2021. Since such plants are no longer considered discontinued operations and such discontinued operations have been reclassified to continuing operations, 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 did not modify our review conclusion.

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

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May 5, 2021

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China General Plastics Corporation and Subsidiaries
CONSOLIDATED BALANCE SHEETS
MARCH 31, 2021 AND 2020, AND DECEMBER 31, 2020

Unit: NT\$ thousand

CODE	ASSETS	March 31, 2021 (Reviewed)		December 31, 2020 (Restated and Audited)		March 31, 2020 (Restated and Reviewed)	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalents (Note 6)	\$ 658,801	4	\$ 777,101	6	\$ 688,163	6
1110	Financial assets at fair value through profit or loss (FVTPL) - current (Note 7)	1,528,664	10	1,524,661	11	710,352	6
1136	Financial assets at amortized cost - current (Notes 9 and 30)	269,246	2	269,224	2	269,152	2
1150	Notes receivables (Note 10)	136,334	1	200,777	1	197,466	2
1170	Trade receivables (Notes 10 and 29)	2,245,199	15	1,703,390	12	1,411,060	11
1200	Other receivables (Note 10)	190,651	1	126,010	1	116,160	1
1210	Other receivables from related parties (Notes 10 and 29)	119,333	1	2,811	-	2,077	-
1220	Current tax assets (Note 4)	16,481	-	16,481	-	6,223	-
1310	Inventories (Note 11)	1,475,168	10	1,207,129	9	1,679,172	13
1410	Prepayments	214,686	1	45,425	-	56,347	-
1470	Other current assets	1,396	-	1,576	-	932	-
11XX	Total current assets	<u>6,855,959</u>	<u>45</u>	<u>5,874,585</u>	<u>42</u>	<u>5,137,104</u>	<u>41</u>
	Non-current assets						
1517	Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 8)	148,851	1	140,477	1	127,779	1
1550	Investments accounted for using the equity method (Notes 3 and 14)	358,857	2	338,228	3	274,553	2
1600	Property, plant and equipment (Notes 12, 15, 18, 29, and 30)	6,811,027	45	6,570,237	47	6,104,909	48
1755	Right-of-use assets (Note 16)	258,458	2	268,352	2	295,033	2
1760	Investment properties (Notes 12 and 17)	438,187	3	444,936	3	376,175	3
1840	Deferred tax assets (Note 4)	212,378	2	216,299	2	221,996	2
1990	Other non-current assets (Note 30)	33,108	-	40,511	-	65,314	1
15XX	Total non-current assets	<u>8,260,866</u>	<u>55</u>	<u>8,019,040</u>	<u>58</u>	<u>7,465,759</u>	<u>59</u>
1XXX	Total Assets	<u>\$ 15,116,825</u>	<u>100</u>	<u>\$ 13,893,625</u>	<u>100</u>	<u>\$ 12,602,863</u>	<u>100</u>
CODE	Liabilities and equity						
	Current liabilities						
2100	Short-term borrowings (Note 18)	\$ -	-	\$ -	-	\$ 70,000	1
2120	Financial liabilities at FVTPL - current (Note 7)	12,798	-	4,556	-	2,072	-
2170	Trade payables (Note 19)	956,220	6	786,736	5	492,398	4
2180	Trade payables to related parties (Notes 19 and 29)	128,194	1	107,035	1	157,868	1
2200	Other payables (Note 20)	768,272	5	802,869	6	576,780	5
2220	Other payables to related parties (Note 29)	8,973	-	13,471	-	19,386	-
2230	Current tax liabilities (Note 4)	586,638	4	374,688	3	188,120	1
2280	Lease liability - current (Notes 16 and 29)	36,076	-	36,029	-	36,157	-
2300	Other current liabilities (Note 23)	53,650	1	95,219	1	95,173	1
21XX	Total current liabilities	<u>2,550,821</u>	<u>17</u>	<u>2,220,603</u>	<u>16</u>	<u>1,637,954</u>	<u>13</u>
	Non-current liabilities						
2540	Long-term borrowings (Notes 15, 18, and 30)	50,000	-	50,000	1	500,000	4
2570	Deferred tax liabilities (Note 4)	598,182	4	594,562	4	595,350	5
2580	Lease liabilities - non-current (Notes 16 and 29)	138,608	1	147,189	1	173,002	1
2640	Net defined benefit liabilities - non-current (Notes 4 and 21)	549,258	4	572,981	4	618,609	5
2670	Other non-current liabilities	5,322	-	4,532	-	19,600	-
25XX	Total non-current liabilities	<u>1,341,370</u>	<u>9</u>	<u>1,369,264</u>	<u>10</u>	<u>1,906,561</u>	<u>15</u>
2XXX	Total Liabilities	<u>3,892,191</u>	<u>26</u>	<u>3,589,867</u>	<u>26</u>	<u>3,544,515</u>	<u>28</u>
	Equity attributable to owners of the Company (Notes 4, 8, 13, 14, 22, and 25)						
3110	Ordinary shares	5,533,814	37	5,533,814	40	5,270,299	42
3200	Capital surplus	10,362	-	10,338	-	10,054	-
	Retained earnings						
3310	Legal reserve	704,963	4	704,963	5	640,570	5
3320	Special reserve	408,223	3	408,223	3	408,223	3
3350	Unappropriated earnings	3,777,387	25	2,950,662	21	2,199,471	18
3300	Total retained earnings	<u>4,890,573</u>	<u>32</u>	<u>4,063,848</u>	<u>29</u>	<u>3,248,264</u>	<u>26</u>
3400	Other equity	130,017	1	95,515	1	30,379	-
31XX	Total equity attributable to owners of the Company	<u>10,564,766</u>	<u>70</u>	<u>9,703,515</u>	<u>70</u>	<u>8,558,996</u>	<u>68</u>
36XX	Non-controlling interests	<u>659,868</u>	<u>4</u>	<u>600,243</u>	<u>4</u>	<u>499,352</u>	<u>4</u>
3XXX	Total equity	<u>11,224,634</u>	<u>74</u>	<u>10,303,758</u>	<u>74</u>	<u>9,058,348</u>	<u>72</u>
	Total Liabilities and Equity	<u>\$ 15,116,825</u>	<u>100</u>	<u>\$ 13,893,625</u>	<u>100</u>	<u>\$ 12,602,863</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to Deloitte & Touche auditors' review report dated May 5, 2021)

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China General Plastics Corporation and Subsidiaries
Consolidated Statements of Comprehensive Income
For the Three Months Ended March 31, 2021 and 2020
(Reviewed, Not Audited)

Unit: NT\$ thousand, except Earnings Per Share

CODE		For the Three Months Ended March 31, 2021		For the Three Months Ended March 31, 2020 (Restated and Reviewed)	
		Amount	%	Amount	%
4100	Net revenue (Notes 23 and 29)	\$ 4,978,665	100	\$ 3,591,214	100
5110	Cost of revenue (Notes 11, 24, and 29)	<u>3,381,674</u>	<u>68</u>	<u>2,870,983</u>	<u>80</u>
5900	Gross profit	<u>1,596,991</u>	<u>32</u>	<u>720,231</u>	<u>20</u>
	Operating expenses (Notes 12, 24, and 29)				
6100	Selling and marketing expenses	395,823	8	209,670	6
6200	General and administrative expenses	79,623	2	72,571	2
6300	Research and development expenses	<u>17,836</u>	<u>-</u>	<u>17,137</u>	<u>-</u>
6000	Total operating expenses	<u>493,282</u>	<u>10</u>	<u>299,378</u>	<u>8</u>
6900	Profit from operations	<u>1,103,709</u>	<u>22</u>	<u>420,853</u>	<u>12</u>
	Non-operating income and expenses (Notes 7, 12, 13, 14, 24, and 29)				
7100	Interest income	302	-	1,169	-
7010	Other income	13,627	-	12,576	1
7020	Other gain and loss	(12,180)	-	8,847	-
7510	Interest expense	(677)	-	(2,418)	-
7060	Share of profit of associates accounted for using the equity method	<u>1,685</u>	<u>-</u>	<u>5,149</u>	<u>-</u>
7000	Total non-operating income and expenses	<u>2,757</u>	<u>-</u>	<u>25,323</u>	<u>1</u>
7900	Profit before income tax	1,106,466	22	446,176	13
7950	Income tax expense (Notes 4 and 25)	<u>219,690</u>	<u>4</u>	<u>97,472</u>	<u>3</u>
8200	Net profit for the period	<u>886,776</u>	<u>18</u>	<u>348,704</u>	<u>10</u>
	Other comprehensive income (Loss) (Notes 8, 14, 22 and 25)				
	Items that will not be reclassified subsequently to profit or loss:				
8316	Unrealized gain on investments in equity instruments at FVTOCI	16,203	-	7,976	-
8326	Share of the other comprehensive income of associates accounted for using the equity method - unrealized gain (loss) on investments in equity instruments at FVTOCI	<u>19,184</u>	<u>1</u>	(<u>11,034</u>)	<u>-</u>
8310		<u>35,387</u>	<u>1</u>	(<u>3,058</u>)	<u>-</u>

(Continued)

CODE		For the Three Months Ended March 31, 2021		For the Three Months Ended March 31, 2020 (Restated and Reviewed)	
		Amount	%	Amount	%
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	(\$ 742)	-	\$ 590	-
8371	Share of the other comprehensive loss of associates accounted for using the equity method - exchange differences on translating the financial statements of foreign operations	(240)	-	(330)	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	148	-	(118)	-
8360		(834)	-	142	-
8300	Other comprehensive income (loss) for the period, net of income tax	34,553	1	(2,916)	-
8500	Total comprehensive income for the period	\$ 921,329	19	\$ 345,788	10
	Net profit attributable to:				
8610	Owners of the Company	\$ 826,725	17	\$ 311,077	9
8620	Non-controlling interests	60,051	1	37,627	1
8600		\$ 886,776	18	\$ 348,704	10
	Total comprehensive income attributable to:				
8710	Owners of the Company	\$ 861,227	18	\$ 308,190	9
8720	Non-controlling interests	60,102	1	37,598	1
8700		\$ 921,329	19	\$ 345,788	10
	Earnings per share (Note 26)				
9710	Basic	\$ 1.49		\$ 0.56	
9810	Diluted	\$ 1.49		\$ 0.56	

(Concluded)

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China General Plastics Corporation and Subsidiaries
Consolidated Statements of Changes in Equity
For the Three Months Ended March 31, 2021 and 2020
(Reviewed, Not Audited)

Unit: NT\$ thousand

		Equity attributable to owners of the Company (Notes 4, 8, 13, 14, 22, and 25)													
										Other Equity					
CODE		Share capital	Capital surplus			Retained earnings				Exchange differences on translating the financial statements of foreign operations	Unrealized gain (loss) on financial assets at FVTOCI	Total	Total	Non-controlling interests	Total equity
			Unpaid Dividends	Others	Total	Legal reserve	Special reserve	Unappropriated earnings	Total						
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
C17	Other changes in capital surplus	-	(6)	-	(6)	-	-	-	-	-	-	-	(6)	-	(6)
D1	Net profit for the three months ended March 31, 2020	-	-	-	-	-	-	311,077	311,077	-	-	-	311,077	37,627	348,704
D3	Other comprehensive income (loss) for the three months ended March 31, 2020, net of income tax	-	-	-	-	-	-	-	-	142	(3,029)	(2,887)	(2,887)	(29)	(2,916)
D5	Total comprehensive income (loss) for the three months ended March 31, 2020	-	-	-	-	-	-	311,077	311,077	142	(3,029)	(2,887)	308,190	37,598	345,788
Z1	Balance as of March 31, 2020	<u>\$ 5,270,299</u>	<u>\$ 9,740</u>	<u>\$ 314</u>	<u>\$ 10,054</u>	<u>\$ 640,570</u>	<u>\$ 408,223</u>	<u>\$ 2,199,471</u>	<u>\$ 3,248,264</u>	<u>(\$ 33,621)</u>	<u>\$ 64,000</u>	<u>\$ 30,379</u>	<u>\$ 8,558,996</u>	<u>\$ 499,352</u>	<u>\$ 9,058,348</u>
A1	Balance as of January 1, 2021	\$ 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
C17	Other changes in capital surplus	-	(6)	-	(6)	-	-	-	-	-	-	-	(6)	-	(6)
M5	Acquisition of part of the equity of subsidiaries	-	-	30	30	-	-	-	-	-	-	-	30	-	30
M7	Changes in percentage of ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(477)	(477)
D1	Net profit for the three months ended March 31, 2021	-	-	-	-	-	-	826,725	826,725	-	-	-	826,725	60,051	886,776
D3	Other comprehensive income (loss) for the three months ended March 31, 2021, net of income tax	-	-	-	-	-	-	-	-	(834)	35,336	34,502	34,502	51	34,553
D5	Total comprehensive income (loss) for the three months ended March 31, 2021	-	-	-	-	-	-	826,725	826,725	(834)	35,336	34,502	861,227	60,102	921,329
Z1	Balance as of March 31, 2021	<u>\$ 5,533,814</u>	<u>\$ 10,018</u>	<u>\$ 344</u>	<u>\$ 10,362</u>	<u>\$ 704,963</u>	<u>\$ 408,223</u>	<u>\$ 3,777,387</u>	<u>\$ 4,890,573</u>	<u>(\$ 44,093)</u>	<u>\$ 174,110</u>	<u>\$ 130,017</u>	<u>\$10,564,766</u>	<u>\$ 659,868</u>	<u>\$11,224,634</u>

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China General Plastics Corporation and Subsidiaries
Consolidated Statements of Cash Flows
For the Three Months Ended March 31, 2021 and 2020

(Reviewed, Not Audited)

		Unit: NT\$ thousand	
CODE		For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020 (Restated and Reviewed)
	Cash flows from operating activities		
A10000	Income before income tax	\$ 1,106,466	\$ 446,176
A20010	Adjustments for:		
A20100	Depreciation expenses	170,202	162,199
A20200	Amortization expense	7,545	9,664
A20400	Net loss on fair value change on financial assets carried at FVTPL	11,390	77,749
A20900	Interest expense	677	2,418
A21200	Interest income	(302)	(1,169)
A22300	Share of profit of associates accounted for using the equity method	(1,685)	(5,149)
A22500	Gains on disposal of property, plant, and equipment	(774)	(490)
A22600	Property, plant and equipment transferred to expense	5,173	166
A23800	Write-downs of inventories	154	2,622
A30000	Changes in operating assets and liabilities		
A31115	Financial assets mandatorily classified as at FVTPL	(2,595)	(8,025)
A31130	Notes receivable	64,443	12,524
A31150	Trade receivables	(541,539)	(141,154)
A31180	Other receivables	(64,991)	(43,090)
A31190	Other receivables from related parties	(116,522)	12,238
A31200	Inventories	(267,931)	(211,158)
A31230	Prepayments	(169,261)	77,123
A31240	Other current assets	180	1,886
A32110	Financial liabilities held for trading	(4,556)	(3,154)
A32150	Trade payables	169,471	(190,547)
A32160	Trade payables to related parties	21,159	1,529
A32180	Other payables	(102,190)	(90,936)
A32190	Other payables to related parties	(4,498)	4,302
A32230	Other current liabilities	(41,569)	21,551
A32240	Net defined benefit liabilities	(23,723)	(23,606)
A33000	Cash generated from operations	214,724	113,669
A33100	Interest received	650	1,618
A33300	Interest paid	(676)	(2,423)
A33500	Income tax paid	(51)	(164)
AAAA	Net cash generated from operating activities	<u>214,647</u>	<u>112,700</u>

(Continued)

CODE		For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020 (Restated and Reviewed)
	Cash flows from investing activities		
B00030	Return of capital from financial assets at FVTOCI	\$ 7,829	\$ -
B00040	Purchase of financial assets at amortized cost	(269,246)	(244,152)
B00050	Proceeds from sale of financial assets at amortized cost	269,224	244,103
B02700	Payments for property, plant and equipment	(332,495)	(155,315)
B02800	Proceeds from disposal of property, plant and equipment	774	658
B03700	Increase in refundable deposits	(29,957)	(14,580)
B03800	Decrease in refundable deposits	29,816	14,422
B05400	Acquisition of investment properties	(55)	-
BBBB	Net cash used in investing activities	(324,110)	(154,864)
	Cash flows from financing activities		
C00100	Proceeds from short-term borrowings	-	70,000
C01600	Proceeds from long-term borrowings	50,000	-
C01700	Repayments of long-term borrowings	(50,000)	-
C03000	Proceeds from guarantee deposits received	972	15,020
C03100	Refunds of guarantee deposits received	(230)	(10)
C04020	Repayment of the principal portion of lease liabilities	(8,544)	(8,486)
C04300	Increase in other non-current liabilities	48	6
C04500	Dividends paid	(52)	(22)
C05400	Acquisition of subsidiaries	(447)	-
CCCC	Net cash generated (used) in financing activities	(8,253)	76,508
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	(584)	472
EEEE	Net increase (decrease) in cash and cash equivalents	(118,300)	34,816
E00100	Cash and cash equivalents at the beginning of the period	777,101	653,347
E00200	Cash and cash equivalents at the end of the period	\$ 658,801	\$ 688,163

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to Deloitte & Touche auditors' review report dated May 5, 2021)

Notice to Readers:

The Interim consolidated financial statement (Chinese version) of our company is reviewed 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 Three Months Ended March 31, 2021 and 2020

(Reviewed, Not Audited)

(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 were proposed to the Company's board of directors on May 5, 2021.

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

(2) New IFRSs in issue but not yet endorsed and issued into effect by the FSC:

New/Amended/Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
“Annual Improvements to IFRSs 2018-2020 Cycle”	January 1, 2022 (Note 2)
Amendment to IFRS 3 “Amendments to References to the Conceptual Framework in IFRS Standards”	January 1, 2022 (Note 3)
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 IAS 1 “Classification of Liabilities as Current or Non-Current”	January 1, 2023
Amendments to IAS 16 “Property, Plant and Equipment — Proceeds before Intended Use”	January 1, 2022 (Note 4)
Amendments to IAS 37 “Onerous Contracts - Cost of Fulfilling a Contract”	January 1, 2022 (Note 5)
Amendments to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023 (Note 6)
Amendment to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note 7)

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 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 3 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 4 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 5 The amendments are applicable to contracts of which the obligations have not been fulfilled on or after January 1, 2022.

Note 6 The amendments shall be applied prospectively for the annual reporting periods beginning on or after January 1, 2023.

Note 7 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.

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

(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 is classified into three levels based on the observability and importance of related inputs:

- 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) 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). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. 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.

See Note 13 and Tables 7 and 8 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

(4) Other significant accounting policies

Except for the following, for the accounting policies applied to these interim consolidated financial statements, please refer to the consolidated financial statements for the year ended December 31, 2020.

1) Defined benefit plan

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

2) Taxation

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

5. Critical Accounting Judgments and Key Sources of Estimation and Uncertainty

For the critical accounting judgments and key sources of estimation and uncertainty of the consolidated financial statements, please refer to the consolidated financial statements for the year ended December 31, 2020.

6. Cash and Cash Equivalents

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Cash on hand and petty cash	\$ 459	\$ 369	\$ 580
Checking accounts and demand deposits	314,470	342,063	370,523
Cash equivalents			
Time deposits	<u>343,872</u>	<u>434,669</u>	<u>317,060</u>
	<u>\$ 658,801</u>	<u>\$ 777,101</u>	<u>\$ 688,163</u>

The market rate intervals of cash in banks at the end of the reporting period were as follows:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Time deposits	0.08%-0.49%	0.10%-0.49%	1.57%-2.45%

7. Financial Instruments at FVTPL

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
<u>Financial assets mandatorily classified as at FVTPL</u>			
Derivative financial assets (not under hedge accounting)			
— Foreign exchange forward contracts	\$ 4,318	\$ 3,443	\$ 954
Non-derivative financial assets			
— Mutual funds	1,474,508	1,471,300	664,602
— Beneficiary securities	49,838	49,918	44,796
— Overseas unlisted equity investments	<u>-</u>	<u>-</u>	<u>-</u>
	<u>\$ 1,528,664</u>	<u>\$ 1,524,661</u>	<u>\$ 710,352</u>
<u>Financial liabilities held for trading</u>			
Derivative financial liabilities (not under hedge accounting)			
— Foreign exchange forward contracts	<u>\$ 12,798</u>	<u>\$ 4,556</u>	<u>\$ 2,072</u>

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)	
<u>March 31, 2021</u>				
Buy	NTD/USD	2021.04.06-2021.04.27	NTD346,195/USD	12,280
Sell	USD/NTD	2021.04.01-2021.07.23	USD34,860/NTD	981,514
<u>December 31, 2020</u>				
Buy	NTD/USD	2021.01.04-2021.03.02	NTD191,350/USD	6,750
Sell	USD/NTD	2021.01.04-2021.03.18	USD28,490/NTD	807,532
<u>March 31, 2020</u>				
Buy	NTD/USD	2020.05.15-2020.05.25	NTD103,515/USD	3,440
Sell	USD/NTD	2020.04.06-2020.07.10	USD21,860/NTD	658,169

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 at FVTOCI

	March 31, 2021	December 31, 2020	March 31, 2020
Domestic equity investments			
Listed ordinary shares			
Asia Polymer Corporation	\$ 3,142	\$ 2,746	\$ 1,696
Unlisted ordinary share			
KHL IB Venture Capital Co., Ltd.	145,709	137,731	126,083
	<u>\$ 148,851</u>	<u>\$ 140,477</u>	<u>\$ 127,779</u>

In order to adjust its capital structure, in 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 130 shares, 59 shares, and 165 shares per 1,000 shares, representing a refund of NT\$1,300, NT\$590 and NT\$1,650. In 2021 and 2020, the Group received a capital refund of NT\$7,829 thousand and NT\$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

	March 31, 2021	December 31, 2020	March 31, 2020
Domestic equity investments			
Pledged time deposits	<u>\$ 269,246</u>	<u>\$ 269,224</u>	<u>\$ 269,152</u>

As of March 31, 2021, December 31, 2020, and March 31, 2020, the interest rates for pledged time deposits ranged from 0.040% to 0.765%, 0.040% to 1.015%, and 0.090% to 1.015%.

Refer to Note 30 for information related to financial assets at amortized cost pledged as security.

10. Notes Receivable, Trade Receivables and Other Receivables

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Notes receivable</u>			
Notes receivable - operating	\$ 136,334	\$ 200,777	\$ 197,466
<u>Trade receivables (including related parties) (Note 29)</u>			
At amortized cost			
Gross carrying amount	\$ 2,258,604	\$ 1,716,848	\$ 1,424,682
Less: Allowance for impairment loss	(13,405)	(13,458)	(13,622)
	<u>\$ 2,245,199</u>	<u>\$ 1,703,390</u>	<u>\$ 1,411,060</u>
<u>Other receivables</u>			
Tax refunds receivables	\$ 147,600	\$ 93,081	\$ 109,850
Lend raw materials receivables	41,886	27,067	-
Interest receivables	56	404	362
Others	1,355	5,706	6,190
Less: Allowance for impairment loss	(246)	(248)	(242)
	<u>\$ 190,651</u>	<u>\$ 126,010</u>	<u>\$ 116,160</u>
<u>Other receivables from related parties</u>			
(Note 29)	<u>\$ 119,333</u>	<u>\$ 2,811</u>	<u>\$ 2,077</u>

(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 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.

The following table details the loss allowance of notes receivables and trade receivables based on the Group's allowance matrix.

March 31, 2021

	Credit Rating A	Credit Rating B	Credit Rating C	Others	Total
Gross carrying amount	\$ 59,923	\$ 674,147	\$ 191,212	\$1,469,656	\$2,394,938
Loss allowance (lifetime ECLs)	-	(5,396)	(4,400)	(3,609)	(13,405)
Amortized cost	<u>\$ 59,923</u>	<u>\$ 668,751</u>	<u>\$ 186,812</u>	<u>\$1,466,047</u>	<u>\$2,381,533</u>

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	<u>\$ 70,205</u>	<u>\$ 555,452</u>	<u>\$ 161,979</u>	<u>\$1,116,531</u>	<u>\$1,904,167</u>

March 31, 2020

	Credit Rating A	Credit Rating B	Credit Rating C	Others	Total
Gross carrying amount	\$ 147,956	\$ 522,161	\$ 155,641	\$ 796,390	\$1,622,148
Loss allowance (lifetime ECLs)	-	(5,235)	(3,680)	(4,707)	(13,622)
Amortized cost	<u>\$ 147,956</u>	<u>\$ 516,926</u>	<u>\$ 151,961</u>	<u>\$ 791,683</u>	<u>\$1,608,526</u>

The aging of notes receivable and trade receivables was as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Not past due	\$ 2,193,581	\$ 1,824,754	\$ 1,536,106
Less than and including 60 days	199,588	90,454	81,840
Over 61 days	1,769	2,417	4,202
	<u>\$ 2,394,938</u>	<u>\$ 1,917,625</u>	<u>\$ 1,622,148</u>

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:

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Beginning balance	\$ 13,458	\$ 13,600
Less: Amounts written off	(58)	-
Foreign exchange gains and losses	5	22
Ending balance	<u>\$ 13,405</u>	<u>\$ 13,622</u>

(2) Other receivables

As of March 31, 2021, December 31, 2020, and March 31, 2020, the Group assessed the impairment loss of other receivables using expected credit losses.

11. Inventories

	March 31, 2021	December 31, 2020	March 31, 2020
Finished goods	\$ 861,916	\$ 593,470	\$ 929,749
Work in progress	43,686	48,411	35,702
Raw materials	<u>569,566</u>	<u>565,248</u>	<u>713,721</u>
	<u>\$ 1,475,168</u>	<u>\$ 1,207,129</u>	<u>\$ 1,679,172</u>

The cost of inventories recognized as the cost of goods sold for the three months ended March 31, 2021 and 2020, was \$3,381,674 thousand and \$2,870,983 thousand, respectively. As of the three months ended March 31, 2021 and 2020, the cost of goods sold included inventory write-down of \$154 thousand and \$2,622 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.

The Group has leased out the idle plants of its discontinued operations since 2021. Since such plants are no longer considered discontinued operations and the Group has reclassified the discontinued operations as continuing operations, 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 balance sheets on March 31, 2020 and December 31, 2020, and the consolidated statement of comprehensive income for the three months ended March 31, 2020 are stated below:

Effects on Assets, Liabilities and Equity	Amount Before Restatement	Affected Amount	Amount After Restatement
<u>December 31, 2020</u>			
Property, plant and equipment	\$ 6,658,342	(\$ 88,105)	\$ 6,570,237
Investment property	<u>356,831</u>	<u>88,105</u>	<u>444,936</u>
Total effects on assets	<u>\$ 7,015,173</u>	<u>\$ -</u>	<u>\$ 7,015,173</u>
<u>March 31, 2020</u>			
Property, plant and equipment	\$ 6,199,321	(\$ 94,412)	\$ 6,104,909
Investment property	<u>281,763</u>	<u>94,412</u>	<u>376,175</u>
Total effects on assets	<u>\$ 6,481,084</u>	<u>\$ -</u>	<u>\$ 6,481,084</u>
Effects on total comprehensive income for the three months ended March 31, 2020			
General and administrative expenses	(\$ 70,222)	(\$ 2,349)	(\$ 72,571)
Interest income	1,109	60	1,169
Other income	6,052	6,524	12,576
Other gain and loss	<u>12,363</u>	(<u>3,516</u>)	<u>8,847</u>
Effects on net profit for the period	(<u>\$ 50,698</u>)	<u>\$ 719</u>	(<u>\$ 49,979</u>)

13. Subsidiaries

Subsidiaries included in the consolidated financial statements:

Investor	Subsidiary	Nature of Activities	Proportion of Ownership (%)			Note
			March 31, 2021	December 31, 2020	March 31, 2020	
The Company	CGPC Polymer Corporation ("CGPCPOL")	Manufacturing and marketing of PVC resins	100.00%	100.00%	100.00%	Subsidiary
The Company	Taiwan VCM Corporation ("TVCM")	Manufacturing and marketing of VCM	87.23%	87.22%	87.22%	Subsidiary (Note 1)
The Company	CGPC (BVI) Holding Co., Ltd. ("CGPC (BVI)")	Reinvestment	100.00%	100.00%	100.00%	Subsidiary
The Company	CGPC America Corporation ("CGPC-America")	Marketing of PVC film and leather products	100.00%	100.00%	100.00%	Subsidiary
CGPC (BVI)	Continental General Plastics (Zhong Shan) Co., Ltd. ("CGPC (ZS)")	Manufacturing & marketing of PVC film and consumer products	100.00%	100.00%	100.00%	Subsidiary of CGPC (BVI) (Note 2)
CGPC (BVI)	CGPC Consumer Products Corporation ("CGPC (CP)")	Manufacturing & marketing of PVC consumer products	100.00%	100.00%	100.00%	Subsidiary of CGPC (BVI) (Note 2)

Note 1: Based on the medium- and long-term investment strategy, the Company acquired 26 thousand shares of TVCM from external shareholders in March 2021 with NT\$447 thousand, increasing its shareholding ratio in TVCM from 87.22% to 87.23%. On May 6, 2020, the shareholders' meeting of TVCM resolved to re-capitalize earnings of NT\$155,892 thousand to issue 15,589 thousand new shares, with a record date set on July 3, 2020.

Note 2: The board of directors of the Company passed a resolution in October 2011 to dissolve CGPC (ZS) and CGPC (CP). However, the Company has leased out the idle plants of such discontinued operations since 2021. Since such plants are no longer considered discontinued operations, they are reclassified as continuing operations. Refer to Note 12 for details. Except for the financial statements of TVCM and CGPCPOL, other non-significant subsidiaries included in the consolidated financial statements were not reviewed by the auditors.

14. Investments Accounted for Using the Equity Method

Investments in associates that are not individually material

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Listed companies			
Acme Electronics Corporation ("ACME")	\$ 22,415	\$ 22,517	\$ 21,322
Unlisted companies			
China General Terminal & Distribution Corporation ("CGTD")	336,442	315,711	251,783
Thintec Materials Corporation ("TMC")	-	-	1,448
	<u>\$ 358,857</u>	<u>\$ 338,228</u>	<u>\$ 274,553</u>

Aggregate information of associates that are not individually material

	<u>For the Three Months Ended March 31, 2021</u>	<u>For the Three Months Ended March 31, 2020</u>
The Group's share of:		
Profit for the current period	\$ 1,685	\$ 5,149
Other comprehensive income(loss)	18,944	(11,364)
Total comprehensive income	<u>\$ 20,629</u>	<u>(\$ 6,215)</u>

At the end of the reporting periods, the percentage of ownership and voting rights held by the Group in the associates were as follows:

<u>Company Name</u>	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
ACME	1.74%	1.74%	1.74%
CGTD	33.33%	33.33%	33.33%
TMC	-	-	10.00%

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 TMC approved the proposal for the dissolution and liquidation of the Company 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 NT\$1,274 thousand derived from the residual assets in the liquidation process, and thus recognized a disposal loss of NT\$173 thousand.

The Group in conjunction with its affiliates jointly held more than 20% of each of the shareholdings of ACME and TMC 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	March 31, 2021	December 31, 2020	March 31, 2020
ACME	<u>\$ 58,439</u>	<u>\$ 60,027</u>	<u>\$ 26,679</u>

All the aforementioned associates are accounted for using the equity method. Except for those of ACME, 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 three months ended March 31, 2021 and 2020 were not reviewed by auditors for the same periods.

15. Property, Plant and Equipment

	Freehold Land	Buildings and Improvements	Machinery and Equipment	Transportation and Communication Equipment	Miscellaneous Equipment	Construction in Progress and Machinery in Transit	Total
<u>Cost</u>							
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	-	-	-	-	-	400,131	400,131
Disposal	-	-	(43,564)	-	(5,419)	-	(48,983)
Reclassification	-	1,119	32,160	-	1,190	(39,642)	(5,173)
Effect of foreign currency exchange differences	-	6	(159)	(6)	210	(2)	49
Balance as of March 31, 2021	<u>\$ 2,090,707</u>	<u>\$ 1,732,688</u>	<u>\$ 10,480,963</u>	<u>\$ 68,693</u>	<u>\$ 395,569</u>	<u>\$ 1,707,274</u>	<u>\$ 16,475,894</u>
<u>Accumulated depreciation and impairment</u>							
Balance as of January 1, 2021	\$ -	\$ 994,562	\$ 8,213,075	\$ 45,866	\$ 298,312	\$ 7,818	\$ 9,559,633
Depreciation expenses	-	16,023	129,559	1,734	7,068	-	154,384
Disposal	-	-	(43,564)	-	(5,419)	-	(48,983)
Effect of foreign currency exchange differences	-	4	(160)	(7)	(2)	(2)	(167)
Balance as of March 31, 2021	<u>\$ -</u>	<u>\$ 1,010,589</u>	<u>\$ 8,298,910</u>	<u>\$ 47,593</u>	<u>\$ 299,959</u>	<u>\$ 7,816</u>	<u>\$ 9,664,867</u>
Net amount as of December 31, 2020 and January 1, 2021	<u>\$ 2,090,707</u>	<u>\$ 737,001</u>	<u>\$ 2,279,451</u>	<u>\$ 22,833</u>	<u>\$ 101,276</u>	<u>\$ 1,338,969</u>	<u>\$ 6,570,237</u>
Net amount as of March 31, 2021	<u>\$ 2,090,707</u>	<u>\$ 722,099</u>	<u>\$ 2,182,053</u>	<u>\$ 21,100</u>	<u>\$ 95,610</u>	<u>\$ 1,699,458</u>	<u>\$ 6,811,027</u>
<u>Cost</u>							
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	-	-	-	-	-	197,776	197,776
Disposal	-	(5,001)	(53,686)	(2,200)	(485)	-	(61,372)
Reclassification	-	17,807	65,251	949	3,822	(93,887)	(6,058)
Effect of foreign currency exchange differences	-	7	(199)	(1)	17	(3)	(179)
Balance as of March 31, 2020	<u>\$ 2,090,707</u>	<u>\$ 1,707,318</u>	<u>\$ 10,229,905</u>	<u>\$ 57,442</u>	<u>\$ 347,040</u>	<u>\$ 867,421</u>	<u>\$ 15,299,833</u>
<u>Accumulated depreciation and impairment</u>							
Balance as of January 1, 2020	\$ -	\$ 946,821	\$ 7,827,294	\$ 43,683	\$ 284,379	\$ 7,811	\$ 9,109,988
Depreciation expenses	-	15,587	124,681	1,260	4,819	-	146,347
Disposal	-	(4,967)	(53,552)	(2,200)	(485)	-	(61,204)
Effect of foreign currency exchange differences	-	4	(211)	(10)	13	(3)	(207)
Balance as of March 31, 2020	<u>\$ -</u>	<u>\$ 957,445</u>	<u>\$ 7,898,212</u>	<u>\$ 42,733</u>	<u>\$ 288,726</u>	<u>\$ 7,808</u>	<u>\$ 9,194,924</u>
Net amount as of March 31, 2020	<u>\$ 2,090,707</u>	<u>\$ 749,873</u>	<u>\$ 2,331,693</u>	<u>\$ 14,709</u>	<u>\$ 58,314</u>	<u>\$ 859,613</u>	<u>\$ 6,104,909</u>

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	
Dormitories, restaurants and office buildings	26 to 60 years
Cell room and improvements	5 to 21 years
General plants and improvements	3 to 45 years
Machinery and Equipment	
Chemical industry equipment	5 to 8 years
Machinery manufacturing equipment	5 to 8 years
Electrical equipment and tanks	10 to 26 years
Other equipment	2 to 15 years
Transportation and Communication Equipment	
Cars	2 to 7 years
Forklifts	5 to 8 years
Other vehicles	2 to 15 years
Other equipment	2 to 10 years
Miscellaneous Equipment	
General office computers	2 to 5 years
Industrial computers	3 to 15 years
Other miscellaneous equipment	3 to 21 years

The Group has leased out the idle plants of discontinued operations since 2021. Since such plants are no longer considered discontinued operations, they are reclassified as continuing operations, and the leased buildings and improvements are reclassified as investment properties. Refer to Note 12 for details.

For the three months ended March 31, 2021 and 2020, the Group does not perform impairment assessment because there was no sign of impairment loss.

The Group sets out the property, plant and equipment pledged as collateral for bank borrowings in Note 30.

16. Lease Arrangements

(1) Right-of-use assets

	March 31, 2021	December 31, 2020	March 31, 2020
Carrying amount of right-of-use assets			
Land	\$ 235,239	\$ 241,879	\$ 258,069
Buildings	7,264	8,239	11,892
Machinery and Equipment	15,955	18,234	25,072
	<u>\$ 258,458</u>	<u>\$ 268,352</u>	<u>\$ 295,033</u>
Depreciation expense of right-of-use assets		For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Land		\$ 6,180	\$ 6,192
Buildings		985	1,045
Machinery and Equipment		2,279	2,279
		<u>\$ 9,444</u>	<u>\$ 9,516</u>

Except for the recognition of depreciation expenses, the Group's right-of-use assets did not experience significant sublease and impairment for the three months ended March 31, 2021 and 2020.

(2) Lease liabilities

	March 31, 2021	December 31, 2020	March 31, 2020
Carrying amount of lease liabilities			
Current	<u>\$ 36,076</u>	<u>\$ 36,029</u>	<u>\$ 36,157</u>
Non-current	<u>\$ 138,608</u>	<u>\$ 147,189</u>	<u>\$ 173,002</u>

Range of discount rate for lease liabilities was as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Land	0.8244%- 1.0392%	0.8244%- 1.0392%	1.0392%
Buildings	1.0392%	1.0392%	1.0392%
Machinery and Equipment	1.0392%	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 2 to 15 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

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Expenses relating to short-term leases	<u>\$ 2,691</u>	<u>\$ 3,111</u>
Expenses relating to low-value asset leases	<u>\$ 160</u>	<u>\$ 154</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 8,109</u>	<u>\$ 10,543</u>
Total cash outflow for leases	<u>(\$ 19,972)</u>	<u>(\$ 22,852)</u>

17. Investment Properties

	March 31, 2021	December 31, 2020	March 31, 2020
Land	<u>\$ 113,443</u>	<u>\$ 113,388</u>	<u>\$ 27,715</u>
Building and improvements - net	<u>324,744</u>	<u>331,548</u>	<u>348,460</u>
	<u>\$ 438,187</u>	<u>\$ 444,936</u>	<u>\$ 376,175</u>

The Group's investment properties are located in 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.

The Group has leased out the idle plants of discontinued operations since 2021. Since the substance of such discontinued operations is no longer considered discontinued, they are reclassified as continuing operations, and the leased buildings and improvements are reclassified as investment properties. Refer to Note 12 for details.

The maturity analysis of lease payments receivable under operating leases of investment properties as of March 31, 2021, December 31, 2020, and March 31, 2020 were as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Year 1	\$ 41,761	\$ 35,347	\$ 24,944
Year 2	22,369	19,778	11,004
Year 3	11,520	10,776	6,622
Year 4	10,776	10,776	6,622
Year 5	10,776	10,776	6,623
Over 5 years	<u>35,022</u>	<u>37,716</u>	<u>28,144</u>
	<u>\$ 132,224</u>	<u>\$ 125,169</u>	<u>\$ 83,959</u>

Except for the recognition of depreciation expense, the Group's investment properties did not experience significant additions, disposals, and impairments for the three months ended March 31, 2021 and 2020. The investment properties are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and Improvements 5 to 26 years

18. Borrowings

(1) Short-term borrowings

	March 31, 2021	December 31, 2020	March 31, 2020
Unsecured borrowings			
Bank loans	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 70,000</u>

As of March 31, 2020, the interest rate of the revolving bank loans was 0.91% (as of March 31, 2021 and December 31, 2020: None).

(2) Long-term borrowings

	March 31, 2021	December 31, 2020	March 31, 2020
Line of credit borrowings	\$ 50,000	\$ 50,000	\$ -
Secured loans	<u>-</u>	<u>-</u>	<u>500,000</u>
	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ 500,000</u>
The range of interest rate	<u>0.82%</u>	<u>0.82%</u>	<u>0.88%</u>

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 NT\$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.

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 NT\$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 canceled a credit facility of NT\$800,000 thousand in November 2020. As of March 31, 2021, CGPCPOL has not made any drawdown from the line of credit.

In order to enrich medium- and long-term working capital, TVCM entered into long-term credit contracts with banks, with a credit limit of NT\$1,100,000 thousand and a credit period due in September 2023 and onwards. Any revolving drawdown within the credit limit can be made before the expiration dates of the contracts. As of March 31, 2021, TVCM has made drawdowns of NT\$50,000 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 March 31, 2021, the Group has not defaulted on any of the aforementioned financial ratios. The Group sets out the assets as pledged collateral for bank borrowings in Note 30.

19. Trade Payables

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Trade payables (including related parties) (Note 29)			
Notes receivable - operating	<u>\$ 1,084,414</u>	<u>\$ 893,771</u>	<u>\$ 650,266</u>

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

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Payables for salaries or bonuses	\$ 249,534	\$ 343,379	\$ 177,243
Payables for freight	169,107	133,405	86,025
Payables for purchases of equipment	114,883	47,247	102,729
Payables for utilities and fuel fees	113,248	114,259	87,195
Payables for business taxes	25,652	40,305	1,167
Others	<u>95,848</u>	<u>124,274</u>	<u>122,421</u>
	<u>\$ 768,272</u>	<u>\$ 802,869</u>	<u>\$ 576,780</u>

21. Retirement Benefit Plans

Pension expense in respect of the Group's defined benefit retirement plans was calculated using the actuarially determined pension cost rate at the end of the prior fiscal year which was stated in the respective 2020 and 2019 actuarial report; the employee pension expense for the three months ended March 31, 2021 and 2020 was NT\$3,843 thousand and NT\$4,784 thousand, respectively. Under the defined benefit plans adopted by the Group, TVCM and the Company contribute amounts equal to 10% of total monthly salaries and wages of employees to a pension fund administered by the pension fund monitoring committee.

The Group contributed NT\$27,565 thousand and NT\$28,390 thousand for the three months ended March 31, 2021 and 2020, respectively, to the pension fund account with the Bank of Taiwan, which was designated by the Supervisory Committee of Workers' Pension Preparation Fund.

22. Equity

(1) Ordinary shares

	March 31, 2021	December 31, 2020	March 31, 2020
Number of shares authorized (in thousands)	<u>650,000</u>	<u>650,000</u>	<u>650,000</u>
Share capital authorized	<u>\$ 6,500,000</u>	<u>\$ 6,500,000</u>	<u>\$ 6,500,000</u>
Number of shares issued and fully paid (in thousands)	<u>553,381</u>	<u>553,381</u>	<u>527,030</u>
Share capital issued	<u>\$ 5,533,814</u>	<u>\$ 5,533,814</u>	<u>\$ 5,270,299</u>

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 appropriations of earnings for 2020 and 2019 as approved in the Company's board of directors meeting on March 5, 2021 and shareholders' meeting on May 28, 2020, respectively, was 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

The appropriation of earnings for 2020 is subject to resolution in the shareholders' meeting to be held on May 28, 2021.

(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 March 31, 2021, there was no change.

(5) Other equity items

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

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Beginning balance	<u>(\$ 43,259)</u>	<u>(\$ 33,763)</u>
Recognized for the period		
Exchange differences on translating the financial statements of foreign operations	(742)	590
Related income tax	148	(118)
Share of exchange differences of associates accounted for using the equity method	(<u>240</u>)	(<u>330</u>)
Ending balance	<u>(\$ 44,093)</u>	<u>(\$ 33,621)</u>

2) Unrealized gain (loss) on financial assets at FVTOCI

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Beginning balance	<u>\$ 138,774</u>	<u>\$ 67,029</u>
Recognized for the period		
Unrealized gains (losses)		
Equity instruments	16,152	8,005
Share of exchange differences of associates accounted for using the equity method	<u>19,184</u>	(<u>11,034</u>)
Ending balance	<u>\$ 174,110</u>	<u>\$ 64,000</u>

23. Revenue

(1) Revenue from contracts with customers

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Revenue from the sale of goods		
PVC products	\$ 4,973,870	\$ 3,404,505
VCM products	<u>4,795</u>	<u>186,709</u>
	<u>\$ 4,978,665</u>	<u>\$ 3,591,214</u>

Revenue from the sale of goods comes from the sale of VCM, chlor-alkali products, PVC resins, PVC compounds and other related products.

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.

	March 31, 2021	December 31, 2020	March 31, 2020
Contract liabilities (presented in other current liabilities)	<u>\$ 24,866</u>	<u>\$ 64,270</u>	<u>\$ 63,325</u>

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

	March 31, 2021	December 31, 2020	March 31, 2020
Refunds liabilities (presented in other current liabilities)	<u>\$ 7,763</u>	<u>\$ 9,612</u>	<u>\$ 10,910</u>

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 from Continuing Operations

Net profit from continuing operations was attributable to:

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Owners of the Company	\$ 826,725	\$ 311,077
Non-controlling interests	<u>60,051</u>	<u>37,627</u>
	<u>\$ 886,776</u>	<u>\$ 348,704</u>

(1) Interest income

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Interest income		
Bank deposits (Note 12)	\$ 182	\$ 1,019
Financial assets at amortized cost	83	114
Others	<u>37</u>	<u>36</u>
	<u>\$ 302</u>	<u>\$ 1,169</u>

(2) Other income

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Rental income (Note 12)	\$ 11,013	\$ 8,952
Others (Note 12)	<u>2,614</u>	<u>3,624</u>
	<u>\$ 13,627</u>	<u>\$ 12,576</u>

(3) Other gains and losses

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Gain on disposal of property, plant and equipment	\$ 774	\$ 490
Gross foreign exchange gains	56,680	42,609
Gross foreign exchange losses	(64,422)	(26,030)
Gain (loss) on financial assets and liabilities		
Loss on financial liabilities held for trading (see Note 7)	(12,647)	(3,999)
Gain on financial assets mandatorily classified as at FVTPL (see Note 7)	15,733	5,486
Depreciation expenses from investment properties (see Note 12)	(6,374)	(6,336)
Others (see Note 12)	<u>(1,924)</u>	<u>(3,373)</u>
	<u>(\$ 12,180)</u>	<u>\$ 8,847</u>

(4) Interest expense

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Interest on bank loans	\$ 209	\$ 1,873
Interest on lease liabilities	468	558
Less: Capitalized interest (presented under construction in progress)	<u>-</u>	(<u>13</u>)
	<u>\$ 677</u>	<u>\$ 2,418</u>

Information about capitalized interest was as follows: (For the Three Months Ended March 31, 2021: None.)

	For the Three Months Ended March 31, 2020
Capitalized interest	\$ 13
Capitalization rate	0.71%

(5) Depreciation and amortization

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Property, plant and equipment (Note 12)	\$ 154,384	\$ 146,347
Right-of-use assets (Note 12)	9,444	9,516
Investment property (Note 12)	6,374	6,336
Intangible assets	30	30
Others	<u>7,515</u>	<u>9,634</u>
	<u>\$ 177,747</u>	<u>\$ 171,863</u>
An analysis of depreciation by function		
Operating cost	\$ 157,511	\$ 150,760
Operating expenses	5,488	4,286
Other gain and loss	<u>7,203</u>	<u>7,153</u>
	<u>\$ 170,202</u>	<u>\$ 162,199</u>
An analysis of amortization by function		
Operating cost	\$ 7,515	\$ 9,634
General and administrative expenses	<u>30</u>	<u>30</u>
	<u>\$ 7,545</u>	<u>\$ 9,664</u>

(6) Employee benefits expense

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Post-employment benefits		
Defined contribution plans	\$ 7,218	\$ 7,149
Defined benefit plans (see Note 21)	<u>3,843</u>	<u>4,784</u>
	11,061	11,933
Other employee benefits	<u>359,408</u>	<u>320,336</u>
Total employee benefits expenses	<u>\$ 370,469</u>	<u>\$ 332,269</u>
An analysis of employee benefits expense by function		
Operating cost	\$ 293,696	\$ 262,898
Operating expenses	<u>76,773</u>	<u>69,371</u>
	<u>\$ 370,469</u>	<u>\$ 332,269</u>

(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. For the three months ended March 31, 2021 and 2020, the remuneration of employees and directors were as follows:

Accrual rate

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Remuneration of employees	1%	1%
Remuneration of directors	-	-

Amount

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Remuneration of employees	<u>\$ 8,776</u>	<u>\$ 3,369</u>

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

The remuneration of employees and directors for 2020 and 2019, which have been approved by the Company's board of directors on March 5, 2021 and March 5, 2020, respectively, were as follows:

Amount of Cash

	<u>2020</u>	<u>2019</u>
Remuneration of employees	<u>\$ 17,034</u>	<u>\$ 6,967</u>

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 in 2020 and 2019 is available at the Market Observation Post System website of the Taiwan Stock Exchange.

25. Income Tax Relating to Continuing Operations

(1) Major components of income tax expense recognized in profit or loss

Major components of income tax expenses are as follows:

	<u>For the Three Months Ended March 31, 2021</u>	<u>For the Three Months Ended March 31, 2020</u>
Current tax		
In respect of the current period	\$ 212,001	\$ 88,550
Deferred tax		
In respect of the current period	<u>7,689</u>	<u>8,922</u>
Income tax expense recognized in profit or loss	<u>\$ 219,690</u>	<u>\$ 97,472</u>

(2) Income tax recognized in other comprehensive income

	<u>For the Three Months Ended March 31, 2021</u>	<u>For the Three Months Ended March 31, 2020</u>
<u>Deferred tax</u>		
Recognized for the period		
- Translation of foreign operations	<u>\$ 148</u>	(<u>\$ 118</u>)

(3) Income tax assessments

The income tax returns of TVCM through 2019 have been assessed by the tax authorities. The income tax returns of the Company and CGPCPOL through 2018 have been assessed by the tax authorities.

(4) Income tax related to subsidiaries

CGPC (BVI) had no income tax expense for the three months ended March 31, 2021 and 2020 due to relevant tax exemptions in compliance with the regulations of the location where the entities were established. The state tax rate applicable to CGPC-America is 9%, and the federal tax rate applicable to CGPC-America is 21%.

26. Earnings Per Share

	Unit: NT\$ Per Share	
	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Basic earnings per share	<u>\$ 1.49</u>	<u>\$ 0.56</u>
Diluted earnings per share	<u>\$ 1.49</u>	<u>\$ 0.56</u>

The weighted average number of shares outstanding used for the earnings per share computation was adjusted retroactively for the issuance of bonus shares, for which the record date was set on July 29, 2020. The basic and diluted earnings per share adjusted retrospectively for the three months ended March 31, 2020 were as follows:

	Unit: NT\$ Per Share	
	Before Retrospective Adjustment	After Retrospective Adjustment
Basic and Diluted earnings per share	<u>\$ 0.59</u>	<u>\$ 0.56</u>

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

Net profit for the period

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Earnings used in the computation of basic and diluted earnings per share	<u>\$ 826,725</u>	<u>\$ 311,077</u>

Shares

	Unit: thousands of shares	
	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Weighted average number of ordinary shares used in the computation of basic earnings per share	553,381	553,381
Effect of potentially dilutive ordinary shares:		
Remuneration of employees	<u>623</u>	<u>529</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>554,004</u>	<u>553,910</u>

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

March 31, 2021

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivative financial assets	\$ -	\$ 4,318	\$ -	\$ 4,318
Fund beneficiary certificates	1,474,508	-	-	1,474,508
Beneficiary securities	49,838	-	-	49,838
Investments in equity instruments				
— Overseas unlisted equity investments	-	-	-	-
	<u>\$1,524,346</u>	<u>\$ 4,318</u>	<u>\$ -</u>	<u>\$1,528,664</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
— Domestic listed equity investments	\$ 3,142	\$ -	\$ -	\$ 3,142
— Domestic unlisted equity investments	-	-	145,709	145,709
	<u>\$ 3,142</u>	<u>\$ -</u>	<u>\$ 145,709</u>	<u>\$ 148,851</u>
<u>Financial liabilities at FVTPL</u>				
Derivative financial assets	<u>\$ -</u>	<u>\$ 12,798</u>	<u>\$ -</u>	<u>\$ 12,798</u>

December 31, 2020

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivative financial assets	\$ -	\$ 3,443	\$ -	\$ 3,443
Fund beneficiary certificates	1,471,300	-	-	1,471,300
Beneficiary securities	49,918	-	-	49,918
Investments in equity instruments				
— Overseas unlisted equity investments	-	-	-	-
	<u>\$ 1,521,218</u>	<u>\$ 3,443</u>	<u>\$ -</u>	<u>\$ 1,524,661</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
— Domestic listed equity investments	\$ 2,746	\$ -	\$ -	\$ 2,746
— Domestic unlisted equity investments	-	-	137,731	137,731
	<u>\$ 2,746</u>	<u>\$ -</u>	<u>\$ 137,731</u>	<u>\$ 140,477</u>
<u>Financial liabilities at FVTPL</u>				
Derivative financial assets	<u>\$ -</u>	<u>\$ 4,556</u>	<u>\$ -</u>	<u>\$ 4,556</u>

March 31, 2020

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivative financial assets	\$ -	\$ 954	\$ -	\$ 954
Fund beneficiary certificates	664,602	-	-	664,602
Beneficiary securities	44,796	-	-	44,796
Investments in equity instruments				
— Overseas unlisted equity investments	-	-	-	-
	<u>\$ 709,398</u>	<u>\$ 954</u>	<u>\$ -</u>	<u>\$ 710,352</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
— Domestic listed equity investments	\$ 1,696	\$ -	\$ -	\$ 1,696
— Domestic unlisted equity investments	-	-	126,083	126,083
	<u>\$ 1,696</u>	<u>\$ -</u>	<u>\$ 126,083</u>	<u>\$ 127,779</u>
<u>Financial liabilities at FVTPL</u>				
Derivative financial assets	\$ -	\$ 2,072	\$ -	\$ 2,072

There were no transfers between Levels 1 and 2 fair value measurement for the three months ended March 31, 2021 and 2020.

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

For the Three Months Ended March 31, 2021

	Financial assets at FVTOCI
Beginning balance	<u>\$ 137,731</u>
Recognized in other comprehensive income (included an unrealized gain on financial assets at FVTOCI)	15,807
Refund of capital reduction	(7,829)
Ending balance	<u>\$ 145,709</u>

For the Three Months Ended March 31, 2020

	Financial assets at FVTOCI
Beginning balance	<u>\$ 117,882</u>
Recognized in other comprehensive income (included an unrealized gain on financial assets at FVTOCI)	8,201
Ending balance	<u>\$ 126,083</u>

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 March 31, 2021, December 31, 2020, and March 31, 2020. When other inputs remain unchanged, the fair value will decrease by NT\$1,714 thousand, NT\$1,620 thousand, and NT\$1,483 thousand, respectively if the discount for lack of marketability increases by 1%.

(3) Categories of financial instruments

	March 31, 2021	December 31, 2020	March 31, 2020
<u>Financial assets</u>			
Measured at FVTPL			
Mandatorily classified at FVTPL	\$ 1,528,664	\$ 1,524,661	\$ 710,352
Financial assets at amortized cost			
Cash and cash equivalents	658,801	777,101	688,163
Pledged time deposits	269,246	269,224	269,152
Notes receivable	136,334	200,777	197,466
Trade receivables (including related parties)	2,245,199	1,703,390	1,411,060
Other receivables (including related parties and excluding tax refund receivable)	162,384	35,740	8,387
Refundable deposits	25,927	25,785	26,796
Financial assets at FVTOCI— Equity instruments	148,851	140,477	127,779
<u>Financial liabilities</u>			
Financial liabilities at FVTPL - held for trading	12,798	4,556	2,072
At amortized cost			
Short-term borrowings	-	-	70,000
Trade payables (including related parties)	1,084,414	893,771	650,266
Other payables (Note 1)	502,059	432,656	417,756
Long-term borrowings	50,000	50,000	500,000
Guarantee deposits	4,927	4,185	19,250

Note 1: Other payables (including related parties) do not include the amount of salary and bonus payable and business tax payable.

(4) Financial risk management objectives and policies

The Group's conduct of risk controlling 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 U.S. dollars, the net income before tax for the three months ended March 31, 2021 and 2020 would have decreased/increased by NT\$54,617 thousand and NT\$34,484 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:

	March 31, 2021	December 31, 2020	March 31, 2020
Fair value interest rate risk			
- Financial assets	\$ 632,593	\$ 723,227	\$ 605,529
- Financial liabilities	174,684	183,218	279,160
Cash flow interest rate risk			
- Financial assets	294,671	300,025	330,615
- Financial liabilities	50,000	50,000	500,000

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 three months ended March 31, 2021 and 2020 would have increased/decreased by NT\$306 thousand and decreased/increased by NT\$212 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 fund beneficiary certificates 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 three months ended March 31, 2021 and 2020 would have increased/decreased by NT\$2,492 thousand and NT\$2,240 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 three months ended March 31, 2021 and 2020 would have increased/decreased by NT\$7,443 thousand and NT\$6,389 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI (excluding investment in money market funds).

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.

March 31, 2021

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities		\$1,591,400	\$ -	\$ -
Lease liabilities	0.82%-1.04%	36,310	75,537	70,221
Floating interest rate liabilities	0.82%	412	50,618	-
		<u>\$1,628,122</u>	<u>\$ 126,155</u>	<u>\$ 70,221</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years
Lease liabilities	<u>\$ 36,310</u>	<u>\$ 75,537</u>	<u>\$ 69,808</u>	<u>\$ 413</u>

December 31, 2020

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	Over 5 Years
<u>Non-derivative</u> <u>financial</u> <u>liabilities</u>				
Non-interest bearing liabilities		\$1,330,612	\$ -	\$ -
Lease liabilities	0.82%-1.04%	36,270	80,908	73,891
Floating interest rate liabilities	0.82%	412	50,721	-
		<u>\$1,367,294</u>	<u>\$ 131,629</u>	<u>\$ 73,891</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years
Lease liabilities	<u>\$ 36,270</u>	<u>\$ 80,908</u>	<u>\$ 73,410</u>	<u>\$ 481</u>

March 31, 2020

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	Over 5 Years
<u>Non-derivative</u> <u>financial</u> <u>liabilities</u>				
Non-interest bearing liabilities		\$1,087,272	\$ -	\$ -
Lease liabilities	1.04%	36,384	97,372	84,903
Floating interest rate liabilities	0.88%	4,380	503,285	-
Fixed interest rate liabilities	0.91%	70,000	-	-
		<u>\$1,198,036</u>	<u>\$ 600,657</u>	<u>\$ 84,903</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years
Lease liabilities	<u>\$ 36,384</u>	<u>\$ 97,372</u>	<u>\$ 73,410</u>	<u>\$ 11,493</u>

b) Financing facilities

The Group relies on bank loans as a significant source of liquidity. As of the date of balance sheet, the unused amounts of bank loan facilities were as follows:

	March 31, 2021	December 31, 2020	March 31, 2020
Bank loan facilities			
— Amount unused	<u>\$ 6,853,672</u>	<u>\$ 6,664,900</u>	<u>\$ 6,574,117</u>

29. Transactions with Related Parties

As of March 31, 2021, December 31, 2020, and March 31, 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) Names of related parties and categories

Name of Related Party	Relationship with the Group
USI Corporation ("USI")	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	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

(2) Sales of goods

Related Party Category	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Investor of significant influence	\$ 333	\$ 783
Fellow subsidiary	213	276
	<u>\$ 546</u>	<u>\$ 1,059</u>

The sales of goods to related parties had no material differences from those of general sales transactions.

(3) Purchase of goods

<u>Related Party Category/Name</u>	<u>For the Three Months Ended March 31, 2021</u>	<u>For the Three Months Ended March 31, 2020</u>
Fellow subsidiary	\$ 14,780	\$ 5,195
Parent company		
USI	<u>5</u>	<u>53</u>
	<u>\$ 14,785</u>	<u>\$ 5,248</u>

Purchases from related parties had no material differences from those of general purchase transactions.

(4) Trade receivables

<u>Related Party Category</u>	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Investor of significant influence	\$ 350	\$ 511	\$ 497
Fellow subsidiary	<u>-</u>	<u>-</u>	<u>214</u>
	<u>\$ 350</u>	<u>\$ 511</u>	<u>\$ 711</u>

The outstanding trade receivables from related parties were unsecured. For the three months ended March 31, 2021 and 2020, no loss allowance was recognized for trade receivables from related parties.

(5) Trade payables to related parties

<u>Related Party Category/Name</u>	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Parent company			
USI	\$ 116,795	\$ 95,761	\$ 153,272
Fellow subsidiary	<u>11,399</u>	<u>11,274</u>	<u>4,596</u>
	<u>\$ 128,194</u>	<u>\$ 107,035</u>	<u>\$ 157,868</u>

TVCM appointed 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/Name	March 31, 2021	December 31, 2020	March 31, 2020
Parent company			
USI	\$ 118,788	\$ 783	\$ 880
Investor of significant influence	512	1,964	1,162
Fellow subsidiary	29	59	31
Associate	3	4	3
Subsidiary of investor with significant influence	<u>1</u>	<u>1</u>	<u>1</u>
	<u>\$ 119,333</u>	<u>\$ 2,811</u>	<u>\$ 2,077</u>

These are mainly receivables for agent purchases of ethylene.

(7) Other payables to related parties

Related Party Category/Name	March 31, 2021	December 31, 2020	March 31, 2020
Associate	\$ 6,416	\$ 8,440	\$ 16,507
Parent company			
USI	1,700	4,567	2,152
Fellow subsidiary	623	210	372
Investor of significant influence	232	236	312
Subsidiary of investor with significant influence	<u>2</u>	<u>18</u>	<u>43</u>
	<u>\$ 8,973</u>	<u>\$ 13,471</u>	<u>\$ 19,386</u>

(8) Acquisitions of property, plant and equipment

Related Party Category/Name	Purchase Price	
	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Parent company		
USI	<u>\$ 78</u>	<u>\$ -</u>

(9) Lease arrangements

Related Party Category/Name	March 31, 2021	December 31, 2020	March 31, 2020
<u>Lease liabilities</u>			
Investor of significant influence			
APC	\$ 133,531	\$ 136,780	\$ 146,477
TTC	19,206	21,560	28,588
Associate			
CGTD	<u>13,673</u>	<u>15,607</u>	<u>21,376</u>
	<u>\$ 166,410</u>	<u>\$ 173,947</u>	<u>\$ 196,441</u>
Related Party Category/Name	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020	
<u>Interest expense</u>			
Investor of significant influence			
APC	\$ 352	\$ 386	
TTC	54	78	
Associate			
CGTD	<u>39</u>	<u>59</u>	
	<u>\$ 445</u>	<u>\$ 523</u>	
<u>Lease expenses</u>			
Parent company			
USI	\$ 1,695	\$ 1,973	
Investor of significant influence	<u>618</u>	<u>839</u>	
	<u>\$ 2,313</u>	<u>\$ 2,812</u>	

The Company leases offices in Neihu from USI and APC. 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 APC. 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 TTC. 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 APC. 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

<u>Related Party Category/Name</u>	<u>For the Three Months Ended March 31, 2021</u>	<u>For the Three Months Ended March 31, 2020</u>
Associate		
CGTD	<u>\$ 21,743</u>	<u>\$ 28,429</u>

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 due by the end of next month.

(11) Management service revenue

<u>Related Party Category/Name</u>	<u>For the Three Months Ended March 31, 2021</u>	<u>For the Three Months Ended March 31, 2020</u>
Parent company		
USI	<u>\$ 834</u>	<u>\$ 810</u>

(12) Management service expenses

<u>Related Party Category/Name</u>	<u>For the Three Months Ended March 31, 2021</u>	<u>For the Three Months Ended March 31, 2020</u>
Fellow subsidiary		
UM	\$ 20,430	\$ 20,716
Others	-	29
Parent company		
USI	<u>965</u>	<u>934</u>
	<u>\$ 21,395</u>	<u>\$ 21,679</u>

UM and USI 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

<u>Related Party Category/Name</u>	<u>For the Three Months Ended March 31, 2021</u>	<u>For the Three Months Ended March 31, 2020</u>
Related party in substance		
USI Education Foundation	<u>\$ 4,000</u>	<u>\$ 250</u>

(14) Rental income

Related Party Category	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Fellow subsidiary	\$ 844	\$ 845
Subsidiary of investor with significant influence	269	266
Investor of significant influence	<u>66</u>	<u>66</u>
	<u>\$ 1,179</u>	<u>\$ 1,177</u>

USIO signed a factory lease contract with the Company with a lease term until April 15, 2021. 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	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Investor of significant influence	<u>\$ 299</u>	<u>\$ 367</u>

(16) Compensation of key management personnel

The compensation of directors and key executives for the three months ended March 31, 2021 and 2020 were as follows:

	For the Three Months Ended March 31, 2021	For the Three Months Ended March 31, 2020
Salaries and others	\$ 4,286	\$ 3,659
Post-employment benefits	<u>54</u>	<u>76</u>
	<u>\$ 4,340</u>	<u>\$ 3,735</u>

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 either as collateral for bank borrowings or as performance guarantee for the tariffs of imported raw materials and use of fuel:

	<u>March 31, 2021</u>	<u>December 31, 2020</u>	<u>March 31, 2020</u>
Pledge deposits (classified as financial assets at amortized cost or other non-current assets)	\$ 288,721	\$ 288,558	\$ 288,469
Property, plant and equipment			
Land	-	-	1,650,957
Building and improvements - net	-	-	479,538
Machinery and equipment, net	-	-	491,673
	<u>\$ 288,721</u>	<u>\$ 288,558</u>	<u>\$ 2,910,637</u>

The Company pledged land and plants as collateral against a 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 March 31, 2021, December 31, 2020, and March 31, 2020, the Group's unused letters of credit amounted to NT\$1,197,891 thousand, NT\$623,494 thousand and NT\$399,606 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 second instance and judgment was pronounced on April

24, 2020, and all three employees of were innocent. The case was appealed by Taiwan High Prosecutors Office, Kaohsiung Branch to the Supreme Court.

CGTD reached an agreement with Kaohsiung City Government on February 12, 2015 and pledged a term deposit of NT\$227,458 thousand (including interest) 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 Company, CGTD, and CPC Corporation. Taiwan Power Company applied for provisional attachment against CGTD's property on August 27 and November 26, 2015. Since CGTD had deposited cash of NT\$99,207 thousand with the court, such provisional attachment was exempted. 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 NT\$13,320 thousand as of April 30, 2021.

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\$12,000 thousand and the total compensation was NT\$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 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 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, 2021, victims and their families have filed civil (including supplementary civil action) lawsuits against LCY Chemical Corp., CGTD and CPC Corp. for compensation. To reduce the lawsuit costs, CGTD had reached a settlement on the original claim of NT\$46,677 thousand, and the amount of the settlement was NT\$4,519 thousand. Along with the case still under litigation and the above-mentioned compensation, the accumulated amount of compensation is 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 \$ 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 NT\$401,979 thousand. (In particular, CGTD was exempted to pay 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. 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.

- (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				
<u>March 31, 2021</u>				
	Foreign Currencies	Exchange Rate (In Single Dollars)	Functional Currencies	NT\$
<u>Foreign Currency Assets</u>				
<u>Monetary items</u>				
USD	\$ 74,912	28.535 (USD: NTD)	\$ 2,137,603	\$ 2,137,603
AUD	812	21.710 (AUD:NTD)	17,639	17,639
EUR	454	33.480 (EUR:NTD)	15,206	15,206
USD	293	6.5713 (USD:CNY)	1,922	8,347
GBP	47	39.230 (GBP:NTD)	1,841	1,841
Foreign currency liabilities				
<u>Monetary items</u>				
USD	11,403	28.535 (USD: NTD)	325,379	325,379

December 31, 2020

	Foreign Currencies	Exchange Rate (In Single Dollars)	Functional Currencies	NT\$
<u>Foreign Currency Assets</u>				
<u>Monetary items</u>				
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
<u>Foreign currency liabilities</u>				
<u>Monetary items</u>				
USD	11,970	28.480 (USD: NTD)	340,904	340,904
GBP	67	38.900 (GBP:NTD)	2,623	2,623

March 31, 2020

	Foreign Currencies	Exchange Rate (In Single Dollars)	Functional Currencies	NT\$
<u>Foreign Currency Assets</u>				
<u>Monetary items</u>				
USD	\$ 46,719	30.225 (USD: NTD)	\$ 1,412,079	\$ 1,412,079
AUD	680	18.635 (AUD:NTD)	12,671	12,671
EUR	462	33.240 (EUR:NTD)	15,362	15,362
USD	293	7.0850 (USD:CNY)	2,073	8,841
GBP	66	37.250 (GBP:NTD)	2,441	2,441
<u>Foreign currency liabilities</u>				
<u>Monetary items</u>				
USD	8,981	30.225 (USD: NTD)	271,442	271,442
GBP	33	37.250 (GBP:NTD)	1,244	1,244

For the three months ended March 31, 2021 and 2020, net foreign exchange gains (losses) were NT\$(7,742) thousand and NT\$16,579 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

33. Supplementary Disclosures

(1) Information on Significant Transactions

- 1) Financing provided to others: None;
- 2) Endorsements/guarantees provided: See Table 1 attached;
- 3) Marketable securities held: See Table 2 attached;
- 4) Marketable securities acquired and disposed of at costs or prices of at least \$300 million or 20% of the paid-in capital: See Table 3 attached;
- 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: See Table 4 attached;
- 8) Receivables from related parties amounting to at least \$100 million or 20% of the paid-in capital: See Table 5 attached;
- 9) Trading in derivative instruments: See Note 7
- 10) Intercompany relationships and significant intercompany transactions: See Table 6 attached.

(2) Information on Reinvestment: see Table 7 attached.

(3) Information on Investments in Mainland China

- 1) Information on investee company in mainland China, including the companies 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: See Table 8.
- 2) The following information on 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 the purposes.
 - e) The highest balance during the period, the end of period balance, the interest rate range, and total current period interest with respect to the financing of funds.
 - f) Other transactions 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: See Table 9 attached.

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 reporting segments, including departments of VCM products and PVC products, under IFRS8 "Operating Segments" were as follows:

Segment revenue and results

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

For the Three Months Ended March 31, 2021

	VCM products	PVC products	Total
Revenue from external customers	\$ 4,795	\$ 4,973,870	\$ 4,978,665
Inter-segment revenue	3,099,983	164,791	3,264,774
Segment revenue	<u>\$ 3,104,778</u>	<u>\$ 5,138,661</u>	8,243,439
Eliminations			(3,264,774)
Consolidated revenue			<u>\$ 4,978,665</u>
Segment income	<u>\$ 875</u>	<u>\$ 1,102,834</u>	\$ 1,103,709
Interest income			302
Other income			13,627
Other gain and loss			(12,180)
Interest expense			(677)
Share of profit of associates accounted for using the equity method			<u>1,685</u>
Profit before income tax			<u>\$ 1,106,466</u>

For the Three Months Ended March 31, 2020

	VCM products	PVC products	Total
Revenue from external customers	\$ 186,709	\$ 3,404,505	\$ 3,591,214
Inter-segment revenue	2,340,591	104,892	2,445,483
Segment revenue	<u>\$ 2,527,300</u>	<u>\$ 3,509,397</u>	6,036,697
Eliminations			(2,445,483)
Consolidated revenue			<u>\$ 3,591,214</u>
Segment income	<u>\$ 26,976</u>	<u>\$ 393,877</u>	\$ 420,853
Interest income			1,169
Other income			12,576
Other gain and loss			8,847
Interest expense			(2,418)
Share of profit of associates accounted for using the equity method			<u>5,149</u>
Profit before income tax			<u>\$ 446,176</u>

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.

China General Plastics Corporation and Subsidiaries
Endorsements/Guarantees Provided
For the Three Months Ended March 31, 2021

Table 1

Unit: NT\$ thousand

No.	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	\$ 6,338,860	\$ 2,450,000	\$ 2,350,000	\$ 14,268	None	22.24%	\$ 10,564,766	Yes	No	No

Note 1: The ratio is calculated using the ending balance of equity of the Company as of March 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
MARCH 31, 2021

Table 2

Unit: NT\$ thousand

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2021				Note
				Unit / Share	Carrying Amount	Percentage of Ownership (%)	Fair value	
China General Plastics Corporation	<u>Beneficiary securities</u>							
	Cathay No. 1 Real Estate Investment Trust	—	Financial assets at FVTPL - current	2,668,000	\$ 49,838	-	\$ 49,838	(Note 1)
	<u>Mutual Funds</u>							
	Taiwan Cooperative Bank Money Market Fund	—	Financial assets at FVTPL - current	5,858,231	60,004	-	60,004	(Note 1)
	Taishin Ta-Chong Money Market Fund	—	Financial assets at FVTPL - current	3,489,451	50,002	-	50,002	(Note 1)
	RSIT Enhanced Money Market Fund	—	Financial assets at FVTPL - current	4,144,975	50,001	-	50,001	(Note 1)
	Shin Kong Chi-Shin Money Market Fund	—	Financial assets at FVTPL - current	2,561,459	40,000	-	40,000	(Note 1)
	Taishin 1699 Money Market Fund	—	Financial assets at FVTPL - current	1,464,783	20,002	-	20,002	(Note 1)
Taiwan VCM Corporation	<u>Ordinary shares</u>							
	KHL IB Venture Capital Co., Ltd.	—	Financial assets at FVTOCI - non-current	5,239,447	145,709	5.95%	145,709	(Note 1)
	<u>Mutual Funds</u>							
	Hua Nan Phoenix Money Market Fund	—	Financial assets at FVTPL - current	6,099,830	100,009	-	100,009	(Note 1)
	UPAMC James Bond Money Market Fund	—	Financial assets at FVTPL - current	5,935,387	100,008	-	100,008	(Note 1)
	Taiwan Cooperative Bank Money Market Fund	—	Financial assets at FVTPL - current	9,763,718	100,007	-	100,007	(Note 1)
	Hua Nan Kirin Money Market Fund	—	Financial assets at FVTPL - current	8,035,988	97,008	-	97,008	(Note 1)
	Taishin Ta-Chong Money Market Fund	—	Financial assets at FVTPL - current	2,791,717	40,004	-	40,004	(Note 1)
	Shin Kong Chi-Shin Money Market Fund	—	Financial assets at FVTPL - current	2,561,689	40,004	-	40,004	(Note 1)
	Taishin 1699 Money Market Fund	—	Financial assets at FVTPL - current	1,611,330	22,003	-	22,003	(Note 1)
	Jih Sun Money Market Fund	—	Financial assets at FVTPL - current	669,954	10,024	-	10,024	(Note 1)
	CTBC Hwa-Win Money Market Fund	—	Financial assets at FVTPL - current	269,976	3,000	-	3,000	(Note 1)

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	March 31, 2021				Note
				Unit / Share	Carrying Amount	Percentage of Ownership (%)	Fair value	
Taiwan VCM Corporation	<u>Ordinary shares</u>	The major shareholders are the same as the those of the Company	Financial assets at FVTOCI - non-current	127,691	\$ 3,142	0.02%	\$ 3,142	(Note 1)
	Asia Polymer Corporation							
CGPC Polymer Corporation	<u>Mutual Funds</u>							
	Taishin Ta-Chong Money Market Fund	—	Financial assets at FVTPL - current	12,711,610	182,151	-	182,151	(Note 1)
	Capital Money Market Fund	—	Financial assets at FVTPL - current	8,916,527	145,117	-	145,117	(Note 1)
	FSITC Money Market Fund	—	Financial assets at FVTPL - current	528,151	95,049	-	95,049	(Note 1)
	FSITC Taiwan Money Market Fund	—	Financial assets at FVTPL - current	5,121,304	79,099	-	79,099	(Note 1)
	Prudential Financial Money Market Fund	—	Financial assets at FVTPL - current	4,384,646	70,006	-	70,006	(Note 1)
	Cathay Taiwan Money Market Fund	—	Financial assets at FVTPL - current	3,986,923	50,002	-	50,002	(Note 1)
	Hua Nan Kirin Money Market Fund	—	Financial assets at FVTPL - current	4,142,090	50,002	-	50,002	(Note 1)
	Shin Kong Chi-Shin Money Market Fund	—	Financial assets at FVTPL - current	2,625,640	41,002	-	41,002	(Note 1)
	Taishin 1699 Money Market Fund	—	Financial assets at FVTPL - current	2,197,260	30,004	-	30,004	(Note 1)
CGPC (BVI) Holding Co., Ltd.	<u>Ordinary shares</u>							
	Teratech Corporation	—	Financial assets at FVTPL - non-current	112,000	-	0.67%	-	(Notes 1 and 3)
	SOHOWare, Inc - preferred shares	—	Financial assets at FVTPL - non-current	100,000	-	-	-	(Notes 1, 2, and 3)

(Concluded)

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 March 31, 2021, the Group evaluates the fair value of the equity instrument as \$0.

China General Plastics Corporation and Subsidiaries
Marketable Securities Acquired And Disposed Of At Costs Or Prices Of At Least NT\$300 Million Or 20% Of The Paid-in Capital
For the Three Months Ended March 31, 2021

Table 3

Unit: NT\$ thousand

Buyer/Seller	Type and Name of Securities	Financial Statement Account	Counterparty	Relationship	Beginning (Note)		Purchase		Sale				Ending (Note)	
					Shares	Amount	Shares	Amount	Shares	Selling price	Carrying Cost	Gain on disposal	Shares	Amount
Taiwan VCM Corporation	<u>Mutual Funds</u> Taishin Ta-Chong Money Market Fund	Financial assets at FVTPL - current	—	—	6,983,874	\$ 100,000	16,756,150	\$ 240,000	20,948,307	\$ 300,038	\$ 300,000	\$ 38	2,791,717	\$ 40,000

Note: The beginning amount and the 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 Three Months Ended March 31, 2021

Table 4

Unit: NT\$ thousand

Buyer/Seller	Counterparty	Relationship	Transaction Details				Abnormal Transaction		Notes/Trade Receivables (Payables)	
			Purchases /Sales	Amount	% of Total Purchases /Sales	Payment Terms	Unit Price	Payment Terms	Balance	% of Total
China General Plastics Corporation	Taiwan VCM Corporation	Subsidiary	Purchases	\$ 1,625,611	78%	45 days	No major difference	No major difference	Trade payables to related parties (\$1,124,836)	(80%)
	CGPC America Corporation	Subsidiary	Sale	(143,042)	(5%)	90 days	No major difference	No major difference	Trade receivables from related parties 144,804	10%
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Sale	(1,625,611)	(52%)	45 days	No major difference	No major difference	Trade receivables from related parties 1,124,836	44%
	CGPC Polymer Corporation	Fellow subsidiary	Sale	(1,474,372)	(48%)	75 days	No major difference	No major difference	Trade receivables from related parties 1,450,944	56%
CGPC Polymer Corporation	Taiwan VCM Corporation	Fellow subsidiary	Purchases	1,474,372	97%	75 days	No major difference	No major difference	Trade payables to related parties (1,450,944)	(98%)
CGPC America Corporation	China General Plastics Corporation	Parent company	Purchases	143,042	91%	90 days	No major difference	No major difference	Trade payables to related parties (144,804)	(97%)

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
MARCH 31, 2021

Table 5

Unit: NT\$ thousand

Company Name	Counterparty	Relationship	Financial Statement Account and Ending Balance (Note 3)	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
China General Plastics Corporation	CGPC America Corporation	Subsidiary	Trade receivables from related parties <u>\$ 144,804</u>	4.48	\$ -	—	\$ 46,240	(Note 1)
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Trade receivables from related parties <u>\$ 1,124,836</u>	5.93	-	—	518,410	(Note 1)
	CGPC Polymer Corporation	Fellow subsidiary	Trade receivables from related parties <u>\$ 1,450,944</u>	4.08	-	—	428,623	(Note 1)

Note 1: There is no allowance of impairment loss after an impairment assessment.

Note 2: The subsequent period is between April 1 and April 28, 2021.

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 Three Months Ended March 31, 2021

Table 6

Unit: NT\$ thousand

No. (Note 1)	Investee Company	Counterparty	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	\$ 1,124,836	No major difference	7%
			1	Purchases	1,625,611	No major difference	33%
		CGPC America Corporation	1	Trade receivables from related parties	144,804	No major difference	1%
			1	Sales revenue	143,042	No major difference	3%
		CGPC Polymer Corporation	1	Other receivables from related parties	1,937	No major difference	-
			1	Trade payables to related parties	18,175	No major difference	-
			1	Purchases	21,580	No major difference	-
1	CGPC Polymer Corporation	Taiwan VCM Corporation	3	Trade payables to related parties	1,450,944	No major difference	10%
			3	Other payables to related parties	18,696	No major difference	-
			3	Purchases	1,474,372	No major difference	30%

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 Companies
For the Three Months Ended March 31, 2021

Table 7

Unit: NT\$ thousand

Investor Company	Investee Company	Location	Business Content	Original Investment Amount		As of March 31, 2021			Net Income of Investee	Share of Profit	Note
				Ending Balance for the Current Period	Ending Balance for the Previous Period	Number of 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 & marketing of VCM	\$ 2,931,443	\$ 2,930,995	240,232,644	87.23%	\$ 4,421,894	\$ 469,918	\$ 400,682	Subsidiary
	CGPC Polymer Corporation	12F., No. 37, Jihu Rd., Neihsu Dist., Taipei City 114, Taiwan (R.O.C.)	Manufacturing & marketing of PVC resins	800,000	800,000	80,000,000	100%	1,418,810	240,975	240,975	Subsidiary
	CGPC (BVI) Holding Co., Ltd.	Citico Building, Wickhams Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	Reinvestment	1,073,906	1,073,906	16,308,258	100%	351,807	1,181	1,181	Subsidiary
	China General Terminal & Distribution Corporation	No. 1, Jianji St., Qianzhen Dist., Kaohsiung City 806, Taiwan (R.O.C.)	Warehouse & transportation of petrochemical raw materials	41,106	41,106	19,918,185	33.33%	336,442	4,639	1,547	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%	221,356	13,758	13,758	Subsidiary
	Acme Electronics Corporation	8F., No. 39, Jihu Rd., Neihsu Dist., Taipei City 114, Taiwan (R.O.C.)	Manufacturing & marketing of Mn-Zn and Ni-Zn ferrite cores	33,995	33,995	3,176,019	1.74%	22,415	7,976	138	Associate accounted for using the equity method

Note 1: 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 Three Months Ended March 31, 2021

Table 8 Unit: Unless Stated Otherwise, NT\$ thousand

Investee Company	Business Content	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as the Beginning of Period (Note 1)	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of the End of Period (Note 1)	Net Income of Investee	Ownership Percentage of Direct or Indirect Investment	Investment Gain (Note 5)	Carrying Amount as of the End of Period (Notes 1 and 5)	Accumulated Repatriation of Investment Income as of the End of Period
					Outflow	Inflow						
Continental General Plastics (Zhong Shan) Co., Ltd. (“CGPC (ZS)”) (Note 4)	Manufacturing & marketing of PVC film and consumer products	\$ 570,700 (US\$20,000 thousand)	Investment through CGPC (BVI) Holding Co., Ltd. (“CGPC (BVI)”))	\$ 570,700 (US\$20,000 thousand)	\$ -	\$ -	\$ 570,700 (US\$20,000 thousand)	\$ 1,136 (US\$40 thousand)	100%	\$ 1,136 (US\$40 thousand)	\$ 266,116 (US\$9,326 thousand)	\$ -
CGPC Consumer Products Corporation (“CGPC (CP)”) (Note 4)	Manufacturing & marketing of PVC consumer products	42,803 (US\$1,500 thousand)	Investment through CGPC (BVI) Holding Co., Ltd. (“CGPC (BVI)”))	42,803 (US\$1,500 thousand)	-	-	42,803 (US\$1,500 thousand)	8 (US\$ - thousand)	100%	8 (US\$ - thousand)	13,456 (US\$472 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of March 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)
\$ 772,785 (US\$ 27,082 thousand)	\$ 895,999 (US\$ 31,400 thousand)	\$-

Note 1: The calculation was based on the spot exchange rate of March 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 NT\$19,518 thousand (US\$684 thousand), the investment amount of Union (ZS) of NT\$25,624 thousand (US\$898 thousand), and the investment amount of CGPC (SH) of NT\$114,140 thousand (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). However, the Company has leased out the idle plants of such discontinued operations since 2021. Since the substance of such discontinued operations is no longer considered discontinued, they are reclassified as continuing operations. Refer to Note 12 for details.

Note 5: All the transactions were written off when preparing the consolidated financial statements; the investment income (loss) was calculated based on the financial statements not reviewed by an auditor. See Note 13 for details.

China General Plastics Corporation and Subsidiaries
Information on Major Shareholders
MARCH 31, 2021

Table 9

Name of Major Shareholders	Shares	
	Number of Shares	Percentage of Ownership
Union Polymer International Investment Corporation	138,170,701	24.97%
Asia Polymer Corporation	44,653,510	8.06%

Note 1: 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.