

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 Nine Months Ended September 30, 2021 and 2020

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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 September 30, 2021 and 2020, and the related consolidated statement of comprehensive income for the three months then ended September 30, 2021 and 2020 and for the nine months then ended September 30, 2021 and 2020, the consolidated statement of changes in equity and consolidated statement of cash flows for the nine months then ended September 30, 2021 and 2020, and the related notes to the consolidated financial report, including a summary of 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 September 30, 2021 and 2020, the combined total assets of these non-significant subsidiaries and investments accounted for using the equity method were NT\$1,199,330 thousand and NT\$962,902 thousand, respectively, collectively representing 7% of the consolidated total assets, and the combined total liabilities of these non-significant subsidiaries as of September 30, 2021 and 2020 were NT\$26,907 thousand and NT\$37,276 thousand, respectively, representing 0.4% and 1%, respectively, of the consolidated total liabilities; for the three months ended September 30, 2021 and 2020, and the nine months ended September 30, 2021 and 2020, the amounts of combined comprehensive income of these non-significant subsidiaries were NT\$(11,561) thousand, NT\$8,035 thousand, NT\$(61) thousand, and NT\$8,263 thousand, respectively, representing (2.2%), 2%, 0%, and 1%, respectively, of the consolidated total comprehensive income, and the Group's share of profit of these investments accounted for using the equity method for the three months ended September 30, 2021 and 2020, and the nine months ended September 30, 2021 and 2020, were NT\$36,537 thousand, NT\$13,389 thousand, NT\$81,764 thousand, and NT\$32,474 thousand, respectively, representing 7%, 3%, 4%, and 4%, 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 reviews, 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 financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2021 and 2020, its consolidated financial performance for the three months ended September 30, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the nine months ended September 30, 2021 and 2020 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 considered that its discontinued operations was resumed its operating substance. Such discontinued operations have been reclassified to continuing operations since 2021; therefore, when preparing comparative financial statements, it is required to restate the previously stated amounts as well as the financial statements for the comparative periods in accordance with International Financial Reporting Standards No. 5 "Non-current assets held for sale and discontinued operations." The effects of restating the previously stated amounts of the comparative periods are set out in Note 12. As such, we 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

Financial Supervisory Commission

Approved Document No.

Jin Guan Zheng Liu Zi No. 0930160267

November 3, 2021

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China General Plastics Corporation and Subsidiaries
Consolidated Balance Sheets
September 30, 2021 and 2020, And December 31, 2020

Unit: NT\$ thousand

CODE	ASSETS	September 30, 2021 (Reviewed)		December 31, 2020 (Restated and Audited)		September 30, 2020 (Restated and Reviewed)	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalents (Note 6)	\$ 851,675	5	\$ 777,101	6	\$ 698,914	5
1110	Financial assets at fair value through profit or loss (FVTPL) - current (Note 7)	2,157,951	13	1,524,661	11	1,265,508	10
1136	Financial assets at amortized cost - current (Notes 9 and 30)	269,268	2	269,224	2	269,202	2
1150	Notes receivables (Note 10)	248,300	1	200,777	1	140,390	1
1170	Trade receivables (Notes 10 and 29)	2,290,155	13	1,703,390	12	1,214,771	10
1200	Other receivables (Note 10)	159,358	1	126,010	1	129,928	1
1210	Other receivables from related parties (Notes 10 and 29)	56,620	-	2,811	-	1,552	-
1220	Current tax assets (Note 4)	15,941	-	16,481	-	10,623	-
1310	Inventories (Note 11)	2,225,207	13	1,207,129	9	1,188,592	9
1410	Prepayments	88,968	1	45,425	-	74,905	1
1470	Other current assets	3,501	-	1,576	-	1,731	-
11XX	Total current assets	<u>8,366,944</u>	<u>49</u>	<u>5,874,585</u>	<u>42</u>	<u>4,996,116</u>	<u>39</u>
	Non-current assets						
1517	Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 8)	112,353	1	140,477	1	158,995	1
1550	Investments accounted for using the equity method (Notes 14)	420,210	2	338,228	3	312,182	2
1600	Property, plant and equipment (Notes 15, 18, 29, and 30)	7,421,287	43	6,570,237	47	6,423,600	50
1755	Right-of-use assets (Note 16)	152,829	1	178,823	1	187,338	2
1760	Investment properties (Notes 17)	510,249	3	534,465	4	532,176	4
1840	Deferred tax assets (Note 4)	215,401	1	216,299	2	223,977	2
1990	Other non-current assets (Note 30)	48,106	-	40,511	-	49,494	-
15XX	Total non-current assets	<u>8,880,435</u>	<u>51</u>	<u>8,019,040</u>	<u>58</u>	<u>7,887,762</u>	<u>61</u>
1XXX	Total Assets	<u>\$ 17,247,379</u>	<u>100</u>	<u>\$ 13,893,625</u>	<u>100</u>	<u>\$ 12,883,878</u>	<u>100</u>
	LIABILITIES AND EQUITY						
	Current Liabilities						
2110	Short-term notes payable (Note 18)	\$ 119,987	1	\$ -	-	\$ -	-
2120	Financial liabilities at fair value through profit or loss at FVTPL-current (Note 7)	2,623	-	4,556	-	2,482	-
2170	Trade payables (Note 19)	1,475,133	9	786,736	5	757,776	6
2180	Trade payables to related parties (Notes 19 and 29)	115,999	1	107,035	1	38,276	-
2200	Other payables (Note 20)	1,578,081	9	802,869	6	742,214	6
2220	Other payables to related parties (Note 29)	432,041	2	13,471	-	9,132	-
2230	Current tax liabilities (Note 4)	488,084	3	374,688	3	131,848	1
2280	Lease liability - current (Notes 16 and 29)	36,037	-	36,029	-	36,059	-
2300	Other current liabilities (Note 23)	134,021	1	95,219	1	85,077	1
21XX	Total current liabilities	<u>4,382,006</u>	<u>26</u>	<u>2,220,603</u>	<u>16</u>	<u>1,802,864</u>	<u>14</u>
	Non-current liabilities						
2540	Long-term borrowings (Notes 15, 18, and 30)	350,000	2	50,000	1	550,000	4
2570	Deferred tax liabilities (Note 4)	596,182	3	594,562	4	594,587	5
2580	Lease liabilities - non-current (Notes 16 and 29)	121,243	1	147,189	1	155,641	1
2640	Net defined benefit liabilities - non-current (Notes 4 and 21)	533,305	3	572,981	4	602,637	5
2670	Other non-current liabilities	6,546	-	4,532	-	19,581	-
25XX	Total non-current liabilities	<u>1,607,276</u>	<u>9</u>	<u>1,369,264</u>	<u>10</u>	<u>1,922,446</u>	<u>15</u>
2XXX	Total Liabilities	<u>5,989,282</u>	<u>35</u>	<u>3,589,867</u>	<u>26</u>	<u>3,725,310</u>	<u>29</u>
	Equity attributable to owners of the Company (Notes 4, 8, 13, 14, 22, and 25)						
3110	Ordinary shares	5,810,505	33	5,533,814	40	5,533,814	43
3200	Capital surplus	10,575	-	10,338	-	10,058	-
	Retained earnings						
3310	Legal reserve	870,332	5	704,963	5	704,963	5
3320	Special reserve	408,223	2	408,223	3	408,223	3
3350	Unappropriated earnings	3,380,640	20	2,950,662	21	1,910,440	15
3300	Total retained earnings	4,659,195	27	4,063,848	29	3,023,626	23
3400	Other equity	135,604	1	95,515	1	90,375	1
31XX	Total equity attributable to owners of the Company	<u>10,615,879</u>	<u>61</u>	<u>9,703,515</u>	<u>70</u>	<u>8,657,873</u>	<u>67</u>
36XX	Non-controlling Interests	642,218	4	600,243	4	500,695	4
3XXX	Total equity	<u>11,258,097</u>	<u>65</u>	<u>10,303,758</u>	<u>74</u>	<u>9,158,568</u>	<u>71</u>
	Total Liabilities and Equity	<u>\$ 17,247,379</u>	<u>100</u>	<u>\$ 13,893,625</u>	<u>100</u>	<u>\$ 12,883,878</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 November 3, 2021)

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China General Plastics Corporation and Subsidiaries

Consolidated Statements of Comprehensive Income

For the Three Months Ended September 30, 2021 and 2020 And For the Nine Months Ended September 30, 2021 and 2020

(Reviewed, Not Audited)

Unit: NT\$ thousand, except Earnings Per Share

CODE		For the Three Months Ended September 30, 2021		For the Three Months Ended September 30, 2020 (Restated and Reviewed)		For the Nine Months Ended September 30, 2021		For the Nine Months Ended September 30, 2020 (Restated and Reviewed)	
		Amount	%	Amount	%	Amount	%	Amount	%
4100	Net revenue (Notes 23 and 29)	\$ 5,545,124	100	\$ 3,262,308	100	\$15,099,697	100	\$ 9,140,578	100
5110	Cost of revenue (Notes 11, 24, and 29)	4,492,094	81	2,511,263	77	11,263,610	74	7,555,667	82
5900	Gross profit	1,053,030	19	751,045	23	3,836,087	26	1,584,911	18
	Operating expenses (Notes 12, 24, and 29)								
6100	Selling and marketing expenses	355,310	6	207,976	6	1,012,663	7	556,788	6
6200	General and administrative expenses	80,545	2	66,881	2	231,116	2	202,872	2
6300	Research and development expenses	20,724	-	18,587	1	58,307	-	49,297	1
6000	Total operating expenses	456,579	8	293,444	9	1,302,086	9	808,957	9
6900	Profit from Operations	596,451	11	457,601	14	2,534,001	17	775,954	9
	Non-operating income and expenses (Notes 7, 12, 14, 24, and 29)								
7100	Interest income	295	-	423	-	1,868	-	3,499	-
7010	Other income	40,049	-	13,151	-	71,880	-	39,518	-
7020	Other gain and loss	(6,470)	-	(16,671)	-	(127,819)	(1)	(26,711)	-
7060	Share of profit of associates accounted for using the equity method	4,946	-	3,306	-	14,221	-	18,688	-
7510	Interest expense	(1,674)	-	(1,857)	-	(2,998)	-	(6,514)	-
7000	Total non-operating income and expenses	37,146	-	(1,648)	-	(42,848)	(1)	28,480	-
7900	Profit before income tax	633,597	11	455,953	14	2,491,153	16	804,434	9
7950	Income tax expense (Notes 4 and 25)	113,447	2	67,663	2	490,943	3	132,139	2
8200	Net profit for the period	520,150	9	388,290	12	2,000,210	13	672,295	7
	Other comprehensive income (loss) (Notes 8, 14, 22 and 25)								
	Items that will not be reclassified subsequently to profit or loss:								
8316	Unrealized gain (loss) on investments in equity instruments at FVTOCI	(31,276)	(1)	31,040	1	(17,675)	-	51,839	1
8326	Share of the other comprehensive income of associates accounted for using the equity method - unrealized gain on investments in equity instruments at FVTOCI	32,007	1	10,203	-	68,301	1	14,429	-
8310		731	-	41,243	1	50,626	1	66,268	1
	Items that may be reclassified subsequently to profit or loss:								
8361	Exchange differences on translating the financial statements of foreign operations	(1,292)	-	(196)	-	(11,981)	-	(11,076)	-
8371	Share of the other comprehensive gain (loss) of associates accounted for using the equity method - exchange differences on translating the financial statements of foreign operations	(120)	-	427	-	(540)	-	(255)	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	258	-	(97)	-	2,396	-	2,215	-
8360		(1,154)	-	134	-	(10,125)	-	(9,116)	-
8300	Other comprehensive income (loss) for the period, net of income tax	(423)	-	41,377	1	40,501	1	57,152	1
8500	Total comprehensive income for the period	\$ 519,727	9	\$ 429,667	13	\$ 2,040,711	14	\$ 729,447	8

(Continued)

CODE		For the Three Months Ended September 30, 2021		For the Three Months Ended September 30, 2020 (Restated and Reviewed)		For the Nine Months Ended September 30, 2021		For the Nine Months Ended September 30, 2020 (Restated and Reviewed)	
		Amount	%	Amount	%	Amount	%	Amount	%
	Net profit attributable to:								
8610	Owners of the Company	\$ 494,739	9	\$ 357,618	11	\$ 1,868,124	12	\$ 613,469	7
8620	Non-controlling Interests	<u>25,411</u>	<u>-</u>	<u>30,672</u>	<u>1</u>	<u>132,086</u>	<u>1</u>	<u>58,826</u>	<u>-</u>
8600		<u>\$ 520,150</u>	<u>9</u>	<u>\$ 388,290</u>	<u>12</u>	<u>\$ 2,000,210</u>	<u>13</u>	<u>\$ 672,295</u>	<u>7</u>
	Total comprehensive income attributable to:								
8710	Owners of the Company	\$ 494,124	9	\$ 398,995	12	\$ 1,908,213	13	\$ 670,578	7
8720	Non-controlling Interests	<u>25,603</u>	<u>-</u>	<u>30,672</u>	<u>1</u>	<u>132,498</u>	<u>1</u>	<u>58,869</u>	<u>1</u>
8700		<u>\$ 519,727</u>	<u>9</u>	<u>\$ 429,667</u>	<u>13</u>	<u>\$ 2,040,711</u>	<u>14</u>	<u>\$ 729,447</u>	<u>8</u>
	Earnings per share (Note 26)								
9710	Basic	<u>\$ 0.85</u>		<u>\$ 0.62</u>		<u>\$ 3.22</u>		<u>\$ 1.06</u>	
9810	Diluted	<u>\$ 0.85</u>		<u>\$ 0.62</u>		<u>\$ 3.21</u>		<u>\$ 1.06</u>	

(Concluded)

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

(Please refer to Deloitte & Touche auditors' review report dated November 3, 2021)

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China General Plastics Corporation and Subsidiaries
Consolidated Statements of Changes in Equity
For the Nine Months Ended September 30, 2021 and 2020
(Reviewed, Not Audited)

Unit: NT\$ thousand

Equity attributable to owners of the Company (Notes 4, 8, 13, 14, 22, and 25)

CODE		Equity attributable to owners of the Company (Notes 4, 8, 13, 14, 22, and 25)								Other Equity		Non-controlling Interests	Total equity		
		Share capital		Capital surplus		Retained earnings				Exchange differences on translating the financial statements of foreign operations	Unrealized gain on financial assets at FVTOCI				
		Ordinary shares	Unpaid Dividends	Others	Total	Legal reserve	Special reserve	Unappropriated earnings	Total					Total	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
	Appropriation and distribution of earnings for 2019														
B1	Legal reserve	-	-	-	-	64,393	-	(64,393)	-	-	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	(263,515)	(263,515)	-	-	-	(263,515)	-	(263,515)
B9	Share dividends distributed by the Company	263,515	-	-	-	-	-	(263,515)	(263,515)	-	-	-	-	-	-
O1	Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(19,927)	(19,927)
C17	Other changes in capital surplus	-	(2)	-	(2)	-	-	-	-	-	-	(2)	(1)	(3)	
D1	Net profit for the nine months ended September 30, 2020	-	-	-	-	-	-	613,469	613,469	-	-	-	613,469	58,826	672,295
D3	Other comprehensive income (loss) for the nine months ended September 30, 2020, net of income tax	-	-	-	-	-	-	-	-	(9,116)	66,225	57,109	57,109	43	57,152
D5	Total comprehensive income (loss) for the nine months ended September 30, 2020	-	-	-	-	-	-	613,469	613,469	(9,116)	66,225	57,109	670,578	58,869	729,447
Z1	Balance as of September 30, 2020	\$ 5,533,814	\$ 9,744	\$ 314	\$ 10,058	\$ 704,963	\$ 408,223	\$ 1,910,440	\$ 3,023,626	(\$ 42,879)	\$ 133,254	\$ 90,375	\$ 8,657,873	\$ 500,695	\$ 9,158,568
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
	Appropriation and distribution of earnings for 2020														
B1	Legal reserve	-	-	-	-	165,369	-	(165,369)	-	-	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	(996,086)	(996,086)	-	-	-	(996,086)	-	(996,086)
B9	Share dividends distributed by the Company	276,691	-	-	-	-	-	(276,691)	(276,691)	-	-	-	-	-	-
O1	Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(87,619)	(87,619)
C17	Other changes in capital surplus	-	(14)	-	(14)	-	-	-	-	-	-	(14)	-	(14)	
M5	Acquisition of part of the equity of subsidiaries	-	-	251	251	-	-	-	-	-	-	-	251	(2,904)	(2,653)
D1	Net profit for the nine months ended September 30, 2021	-	-	-	-	-	-	1,868,124	1,868,124	-	-	-	1,868,124	132,086	2,000,210
D3	Other comprehensive income (loss) for the nine months ended September 30, 2021, net of income tax	-	-	-	-	-	-	-	-	(10,125)	50,214	40,089	40,089	412	40,501
D5	Total comprehensive income (loss) for the nine months ended September 30, 2021	-	-	-	-	-	-	1,868,124	1,868,124	(10,125)	50,214	40,089	1,908,213	132,498	2,040,711
Z1	Balance as of September 30, 2021	\$ 5,810,505	\$ 10,010	\$ 565	\$ 10,575	\$ 870,332	\$ 408,223	\$ 3,380,640	\$ 4,659,195	(\$ 53,384)	\$ 188,988	\$ 135,604	\$ 10,615,879	\$ 642,218	\$ 11,258,097

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

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China General Plastics Corporation and Subsidiaries
Consolidated Statements of Cash Flows
For the Nine Months Ended September 30, 2021 and 2020
(Reviewed, Not Audited)

Unit: NT\$ thousand

CODE		For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020 (Restated and Reviewed)
	Cash flows from operating activities		
A10000	Income before income tax	\$ 2,491,153	\$ 804,434
A20010	Adjustments for:		
A20100	Depreciation expenses	508,553	485,126
A20200	Amortization expense	19,902	31,269
A20300	Bad debt expenses	778	-
A20400	Net (gain) loss on fair value change on financial instruments at FVTPL	6,224	(4,849)
A20900	Interest expense	2,998	6,514
A21200	Interest income	(1,868)	(3,499)
A21300	Dividend income	(23,060)	(1,187)
A22300	Share of profit of associates accounted for using the equity method	(14,221)	(18,688)
A22500	Loss on disposal of property, plant and equipment	70,201	115
A22600	Property, plant and equipment transferred to expense	5,437	1,440
A23200	Loss from disposal of investments under equity method	-	173
A23800	Provision for write-downs of inventories and obsolescence losses	4,525	9,642
A30000	Changes in operating assets and liabilities		
A31115	Financial assets mandatorily classified as at FVTPL	(641,447)	(483,327)
A31130	Notes receivable	(47,523)	69,600
A31150	Trade receivables	(591,181)	50,344
A31180	Other receivables	(33,554)	(56,724)
A31190	Other receivables from related parties	(53,656)	12,763
A31200	Inventories	(1,022,577)	265,821
A31230	Prepayments	(43,543)	58,565
A31240	Other current assets	(1,925)	1,087
A32150	Trade payables	690,278	76,686
A32160	Trade payables to related parties	8,964	(118,063)
A32180	Other payables	93,334	62,469
A32190	Other payables to related parties	63,787	(5,952)
A32230	Other current liabilities	38,802	10,857
A32240	Net defined benefit liabilities	(39,676)	(39,578)
A33000	Cash generated from operations	1,490,705	1,215,038
A33100	Interest received	2,066	3,773
A33300	Interest paid	(2,788)	(6,473)
A33500	Income tax paid	(372,093)	(95,911)
AAAA	Net cash generated from operating activities	<u>1,117,890</u>	<u>1,116,427</u>

(Continued)

<u>CODE</u>		<u>For the Nine Months Ended September 30, 2021</u>	<u>For the Nine Months Ended September 30, 2020 (Restated and Reviewed)</u>
	Cash flows from investing activities		
B00030	Return of capital from financial assets at FVTOCI	\$ 10,449	\$ 12,647
B00040	Purchase of financial assets at amortized cost	(478,514)	(453,354)
B00050	Proceeds from sale of financial assets at amortized cost	478,470	453,255
B02700	Payments for property, plant and equipment	(1,372,598)	(799,646)
B02800	Proceeds from disposal of property, plant and equipment	19,974	2,233
B03700	Increase in refundable deposits	(53,775)	(33,005)
B03800	Decrease in refundable deposits	49,629	33,875
B05400	Acquisition of investment properties	(55)	(38,661)
B06700	Increase in other non-current assets	(23,356)	(6,824)
B07600	Dividends received	22,907	1,187
B09900	Refund of shares from liquidation on investments accounted for using the equity method	<u>-</u>	<u>1,274</u>
BBBB	Net cash used in investing activities	<u>(1,346,869)</u>	<u>(827,019)</u>
	Cash flows from financing activities		
C00500	Increase in short-term notes payable	119,987	-
C01600	Proceeds from long-term borrowings	450,000	50,000
C01700	Repayments of long-term borrowings	(150,000)	-
C03000	Proceeds from guarantee deposits received	2,322	15,579
C03100	Refunds of guarantee deposits received	(354)	(589)
C04020	Repayment of the principal portion of lease liabilities	(25,770)	(25,526)
C04300	Increase in other non-current liabilities	46	7
C04500	Dividends paid	(214)	(261,032)
C05400	Acquisition of subsidiaries	(2,653)	-
C05800	Cash dividends paid on non-controlling interests	<u>(87,619)</u>	<u>(19,927)</u>
CCCC	Net cash generated from (used in) financing activities	<u>305,745</u>	<u>(241,488)</u>
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	<u>(2,192)</u>	<u>(2,353)</u>
EEEE	Net increase in cash and cash equivalents	74,574	45,567
E00100	Cash and cash equivalents at the beginning of the period	<u>777,101</u>	<u>653,347</u>
E00200	Cash and cash equivalents at the end of the period	<u>\$ 851,675</u>	<u>\$ 698,914</u>

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

(Please refer to Deloitte & Touche auditors' review report dated November 3, 2021) (Concluded)

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 Nine Months Ended September 30, 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 November 3, 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) IFRSs endorsed by the FSC that are applicable in 2022

New/Amended/Revised Standards and Interpretations	Effective Date Announced by IASB
"Annual Improvements to IFRSs 2018-2020 Cycle"	January 1, 2022 (Note 1)
Amendment to IFRS 3 "Amendments to References to the Conceptual Framework in IFRS Standards"	January 1, 2022 (Note 2)
Amendments to IAS 16 "Property, Plant and Equipment — Proceeds before Intended Use"	January 1, 2022 (Note 3)
Amendments to IAS 37 "Onerous Contracts - Cost of Fulfilling a Contract"	January 1, 2022 (Note 4)

Note 1: The amendments to IFRS 9 are applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IAS 41 "Agriculture" are applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 "First-time Adoptions of IFRSs" are applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

Note 2: The amendments are applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2022.

Note 3: The amendments are applicable to property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after January 1, 2021.

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

As of the date the consolidated financial statements were 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.

(3) IFRSs that have been issued by IASB but not yet endorsed by the FSC

<u>New/Amended/Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
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 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendment to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"	January 1, 2023 (Note 4)

Note 1: Unless otherwise specified, the aforementioned New/Amended/Revised Standards and Interpretations shall be effective for the annual reporting period after the specified dates.

Note 2: The amendments shall be applied prospectively for the annual reporting periods beginning on or after January 1, 2023.

Note 3: The amendments are applicable to changes in accounting estimates and changes in accounting policies that occur during the annual reporting period beginning on or after January 1, 2023.

Note 4: Except for the recognition of deferred income tax on temporary differences between lease and decommissioning obligations on January 1, 2022, the amendments are applicable to transactions that occur after January 1, 2022.

As of the date the consolidated financial statements were 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

	September 30, 2021	December 31, 2020	September 30, 2020
Cash on hand and petty cash	\$ 528	\$ 369	\$ 523
Checking accounts and demand deposits	463,475	342,063	310,276
Cash equivalents			
Time deposits	387,672	434,669	388,115
	<u>\$ 851,675</u>	<u>\$ 777,101</u>	<u>\$ 698,914</u>

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

	September 30, 2021	December 31, 2020	September 30, 2020
Time deposits	0.06%-0.16%	0.10%-0.49%	0.10%-1.30%

7. Financial Instruments at FVTPL

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Financial assets mandatorily classified as at FVTPL</u>			
Derivative financial assets (not under hedge accounting)			
- Foreign exchange forward contracts	\$ 3,411	\$ 3,443	\$ 3,860
Non-derivative financial assets			
- Mutual Funds	2,041,770	1,471,300	1,212,343
- Beneficiary securities	47,383	49,918	49,305
- Domestic listed equity investments	65,387	-	-
- Overseas unlisted equity investments	-	-	-
	<u>\$ 2,157,951</u>	<u>\$ 1,524,661</u>	<u>\$ 1,265,508</u>
<u>Financial liabilities held for trading</u>			
Derivative financial assets (not under hedge accounting)			
- Foreign exchange forward contracts	<u>\$ 2,623</u>	<u>\$ 4,556</u>	<u>\$ 2,482</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>September 30, 2021</u>				
Buy	NTD/USD	2021/10/15~2021/12/20	NTD 942,404	/USD 33,910
Sell	USD/NTD	2021/10/01~2021/12/29	USD 27,710	/NTD 770,296
<u>December 31, 2020</u>				
Buy	NTD/USD	2021/01/04~2021/03/02	NTD 191,350	/USD 6,750
Sell	USD/NTD	2021/01/04~2021/03/18	USD 28,490	/NTD 807,532
<u>September 30, 2020</u>				
Buy	NTD/USD	2020/10/19~2020/11/23	NTD 265,688	/USD 9,060
Sell	USD/NTD	2020/10/05~2021/01/04	USD 20,160	/NTD 589,564

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

	September 30, 2021	December 31, 2020	September 30, 2020
Domestic equity investments			
Listed ordinary shares	\$ 5,985	\$ 2,746	\$ 2,260
Unlisted ordinary share	<u>106,368</u>	<u>137,731</u>	<u>156,735</u>
	<u>\$ 112,353</u>	<u>\$ 140,477</u>	<u>\$ 158,995</u>

In order to adjust its capital structure, on August 2021, January 2021, November 2020, and May 2020, the shareholders' meeting of KHL IB Venture Capital Co., Ltd. resolved to respectively reduce its ordinary shares by 50 shares, 130 shares, 59 shares, and 165 shares per 1,000 shares, representing a refund of NT\$500, NT\$1,300, NT\$590 and NT\$1,650. In 2021 and 2020, the Group received a capital refund of NT\$10,449 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

	September 30, 2021	December 31, 2020	September 30, 2020
Domestic equity investments			
Pledged time deposits	<u>\$ 269,268</u>	<u>\$ 269,224</u>	<u>\$ 269,202</u>

As of September 30, 2021, December 31, 2020, and September 30, 2020, the interest rates for pledged time deposits ranged from 0.040%~0.765%, 0.040%~1.015%, and 0.040%~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

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Notes receivable</u>			
Notes receivable - operating	\$ 248,300	\$ 200,777	\$ 140,390
<u>Trade receivables (including related parties) (Note 29)</u>			
Financial liabilities measured at amortized cost			
Gross carrying amount	\$ 2,302,895	\$ 1,716,848	\$ 1,228,286
Less: Allowance for impairment loss	(12,740)	(13,458)	(13,515)
	<u>\$ 2,290,155</u>	<u>\$ 1,703,390</u>	<u>\$ 1,214,771</u>
<u>Other receivables</u>			
Tax refunds receivables	\$ 156,458	\$ 93,081	\$ 87,626
Lend raw material receivables	-	27,067	38,488
Interest receivables	206	404	537
Others	2,937	5,706	3,519
Less: Allowance for impairment loss	(243)	(248)	(242)
	<u>\$ 159,358</u>	<u>\$ 126,010</u>	<u>\$ 129,928</u>
<u>Other receivables from related parties (Note29)</u>	<u>\$ 56,620</u>	<u>\$ 2,811</u>	<u>\$ 1,552</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 of impairment loss is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using an allowance matrix by referencing to past default experience with the respective debtors and an analysis of the debtors' current financial positions, adjusted for general economic

conditions of the industry and an assessment of economic conditions at the reporting date.

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

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

September 30, 2021

	Credit Rating A	Credit Rating B	Credit Rating C	Others	Total
Gross carrying amount	\$ 327,443	\$ 688,005	\$ 201,126	\$1,334,621	\$2,551,195
Loss allowance (lifetime ECLs)	-	(5,890)	(4,703)	(2,147)	(12,740)
Amortized cost	<u>\$ 327,443</u>	<u>\$ 682,115</u>	<u>\$ 196,423</u>	<u>\$1,332,474</u>	<u>\$2,538,455</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>

September 30, 2020

	Credit Rating A	Credit Rating B	Credit Rating C	Others	Total
Gross carrying amount	\$ 31,246	\$ 421,809	\$ 163,649	\$ 751,972	\$1,368,676
Loss allowance (lifetime ECLs)	-	(4,341)	(3,792)	(5,382)	(13,515)
Amortized cost	<u>\$ 31,246</u>	<u>\$ 417,468</u>	<u>\$ 159,857</u>	<u>\$ 746,590</u>	<u>\$1,355,161</u>

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

	September 30, 2021	December 31, 2020	September 30, 2020
Not past due	\$ 2,338,912	\$ 1,824,754	\$ 1,345,741
Less than and including 60 days	203,269	90,454	20,852
Over 61 days	<u>9,014</u>	<u>2,417</u>	<u>2,083</u>
	<u>\$ 2,551,195</u>	<u>\$ 1,917,625</u>	<u>\$ 1,368,676</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 Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Balance at January 1, 2021	\$ 13,458	\$ 13,600
Add: allowance of impairment loss for the current period	778	-
Less: Amounts written off	(1,435)	-
Foreign exchange gains and losses	(61)	(85)
Balance at September 30, 2021	<u>\$ 12,740</u>	<u>\$ 13,515</u>

(2) Other receivables

As of September 30, 2021, December 31, 2020, and September 30, 2020, the Group assessed the impairment loss of other receivables using expected credit losses.

11. Inventories

	September 30, 2021	December 31, 2020	September 30, 2020
Finished goods	\$ 1,058,487	\$ 593,470	\$ 585,109
Work in progress	51,551	48,411	37,131
Raw materials	<u>1,115,169</u>	<u>565,248</u>	<u>566,352</u>
	<u>\$ 2,225,207</u>	<u>\$ 1,207,129</u>	<u>\$ 1,188,592</u>

The cost of inventories recognized as the cost of goods sold for the three months ended September 30, 2021 and 2020, and for the nine months ended September 30, 2021 and 2020 was \$4,492,094 thousand, \$2,511,263 thousand, \$11,263,610 thousand, and \$7,555,667 thousand, respectively. For the nine months ended September 30, 2021 and 2020, the costs of goods sold included provisions of allowance for write-downs of inventories and obsolescence losses amounted to NT\$4,525 thousand and NT\$9,642 thousand, respectively. For the three months ended September 30, 2021 and 2020, the reversal of allowance for write-downs of inventories and obsolescence losses amounted to NT\$3,125 thousand, and NT\$7,261 thousand. The reversal of allowance for write-downs of inventories and obsolescence losses are resulted by the recovery of inventory prices.

12. Discontinued Operations

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

operations as continuing operations since 2021 after an assessment, when preparing a set of comparative financial statements, the Group is required to restate the previously stated amounts in accordance with International Financial Reporting Standards No. 5 "Non-current assets held for sale and discontinued operations." The effects of restating the consolidated statement of comprehensive income for the three months and nine months ended September 30, 2020 are stated below:

Effects on total comprehensive income (loss) for the three months ended September 30, 2020	Amount Before Restatement	Profit or Loss from Discontinued Operations	Amount After Restatement
General and administrative expenses	(\$ 65,341)	(\$ 1,540)	(\$ 66,881)
Interest income	356	67	423
Other income	6,274	6,877	13,151
Other gain and loss	(11,918)	(4,753)	(16,671)
Effects on net profit for the period	(\$ 70,629)	\$ 651	(\$ 69,978)
Effects on total comprehensive income (loss) for the nine months ended September 30, 2020	Amount Before Restatement	Profit or Loss from Discontinued Operations	Amount After Restatement
General and administrative expenses	(\$ 197,745)	(\$ 5,127)	(\$ 202,872)
Interest income	3,311	188	3,499
Other income	19,573	19,945	39,518
Other gain and loss	(13,812)	(12,899)	(26,711)
Effects on net profit for the period	(\$ 188,673)	\$ 2,107	(\$ 186,566)

13. Subsidiaries

Subsidiaries included in the consolidated financial statements:

Investor	Subsidiary	Nature of Activities	Proportion of Ownership (%)			Note
			September 30, 2021	December 31, 2020	September 30, 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	87.27%	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 and 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 and 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 157 thousand shares of TVCM from external shareholders from March to September 2021, with NT\$2,653 thousand, increasing its shareholding ratio in TVCM from 87.22% to 87.27%. On May 12, 2021 and May 6, 2020, the shareholders' meeting of TVCM resolved to re-capitalize earnings of NT\$220,328 thousand and NT\$155,892 thousand to issue new shares of 22,033 thousand and 15,589 thousand with a record date set on July 2, 2021 and July 3, 2020, respectively.

Note 2: The board of directors of the Company passed a resolution in October 2011 to dissolve CGPC (ZS) and CGPC (CP). The Company has considered that its discontinued operations was resumed its operating substance, and, therefore, the Company reclassified the discontinued operations as continuing operations since 2021 after an assessment. Please refer to Note 12 for details.

Except for the financial statements of TVCM and CGPCPOL, the financial statements of other non-significant subsidiaries included in the consolidated financial statements were not reviewed by the auditors.

14. Investment Accounted for Equity Method

Investments in associates that are not individually material

	September 30, 2021	December 31, 2020	September 30, 2020
Listed companies			
Acme Electronics Corporation ("ACME")	\$ 22,734	\$ 22,517	\$ 22,124
Unlisted companies			
China General Terminal & Distribution Corporation ("CGTD")	397,476	315,711	290,058
	<u>\$ 420,210</u>	<u>\$ 338,228</u>	<u>\$ 312,182</u>

Aggregate information of associates that are not individually material

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
The Group's share of:				
Profit for the current period	\$ 4,946	\$ 3,306	\$ 14,221	\$ 18,688
Other comprehensive income	31,887	10,630	67,761	14,174
Total comprehensive income	<u>\$ 36,833</u>	<u>\$ 13,936</u>	<u>\$ 81,982</u>	<u>\$ 32,862</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:

Company name	September 30, 2021	December 31, 2020	September 30, 2020
ACME	1.74%	1.74%	1.74%
CGTD	33.33%	33.33%	33.33%

Refer to Table 7 "Information on Reinvestment" for the nature of activities, principal places of business and countries of incorporation of the associates.

On April 12, 2019, the board of directors of 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. In February 2021, the refund of business tax of TMC was approved by the National Taxation Bureau of Taipei, Ministry of Finance. In April 2021, the Group recovered NT\$153 thousand according to the shareholding ratio before liquidation and recognized it as other income.

The Group in conjunction with its affiliates jointly held more than 20% of each of the shareholdings of ACME and had significant influence over each entity. Therefore, the Group adopted the equity method to evaluate the above investments.

Fair values (Level 1) of investments in associates with open market quotations are summarized as follows:

Company name	September 30, 2021	December 31, 2020	September 30, 2020
ACME	<u>\$ 138,633</u>	<u>\$ 60,027</u>	<u>\$ 48,117</u>

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 nine months ended September 30, 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 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	-	-	-	-	214	1,413,482	1,413,696
Disposal	-	(1,015)	(257,335)	-	(9,802)	(7,396)	(275,548)
Reclassification	-	45,784	224,953	-	3,504	(285,693)	(11,452)
Effect of foreign currency exchange differences	-	(5)	(339)	(60)	(127)	(8)	(539)
Balance as of September 30, 2021	<u>\$ 2,090,707</u>	<u>\$ 1,776,327</u>	<u>\$ 10,459,805</u>	<u>\$ 68,639</u>	<u>\$ 393,377</u>	<u>\$ 2,467,172</u>	<u>\$ 17,256,027</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	-	48,739	386,396	5,104	20,975	-	461,214
Disposal	-	(1,014)	(167,180)	-	(9,783)	(7,396)	(185,373)
Effect of foreign currency exchange differences	-	(8)	(583)	(43)	(93)	(7)	(734)
Balance as of September 30, 2021	<u>\$ -</u>	<u>\$ 1,042,279</u>	<u>\$ 8,431,708</u>	<u>\$ 50,927</u>	<u>\$ 309,411</u>	<u>\$ 415</u>	<u>\$ 9,834,740</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 September 30, 2021	<u>\$ 2,090,707</u>	<u>\$ 734,048</u>	<u>\$ 2,028,097</u>	<u>\$ 17,712</u>	<u>\$ 83,966</u>	<u>\$ 2,466,757</u>	<u>\$ 7,421,287</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	-	-	-	-	123	811,330	811,453
Disposal	-	(11,969)	(86,650)	(2,895)	(4,763)	-	(106,277)
Reclassification	-	49,422	297,633	10,160	42,174	(406,721)	(7,332)
Effect of foreign currency exchange differences	-	(12)	(305)	(54)	(134)	(3)	(508)
Balance as of September 30, 2020	<u>\$ 2,090,707</u>	<u>\$ 1,731,946</u>	<u>\$ 10,429,217</u>	<u>\$ 65,905</u>	<u>\$ 381,086</u>	<u>\$ 1,168,141</u>	<u>\$ 15,867,002</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	-	47,199	371,620	4,199	14,717	-	437,735
Disposal	-	(11,935)	(84,336)	(2,895)	(4,763)	-	(103,929)
Effect of foreign currency exchange differences	-	(9)	(262)	(25)	(94)	(2)	(392)
Balance as of September 30, 2020	<u>\$ -</u>	<u>\$ 982,076</u>	<u>\$ 8,114,316</u>	<u>\$ 44,962</u>	<u>\$ 294,239</u>	<u>\$ 7,809</u>	<u>\$ 9,443,402</u>
Net amount as of September 30, 2020	<u>\$ 2,090,707</u>	<u>\$ 749,870</u>	<u>\$ 2,314,901</u>	<u>\$ 20,943</u>	<u>\$ 86,847</u>	<u>\$ 1,160,332</u>	<u>\$ 6,423,600</u>

The additions to the construction in progress and machinery to be inspected during the current period were mainly due to the civil engineering works of the Company's plant and warehouse and terminal facilities and the back-line land works of the petrochemical oil storage and transportation center of the subsidiary, TVCM, for phase II of the Port of Kaohsiung Intercontinental Container Terminal.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and Improvements	
Dormitories, restaurants and office buildings	26 to 60 years
Cell room and improvements	5 to 21 Years
General plants and improvements	3 to 55 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 20 years
Transportation Equipment	
Cars	2 to 7 years
Forklifts	5 to 8 Years
Other vehicles	2 to 15 years
Miscellaneous Equipment	
General office computers	2 to 5 Years
Industrial computers	3 to 15 years
Other miscellaneous equipment	2 to 21 years

For the nine months ended September 30, 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

	September 30, 2021	December 31, 2020	September 30, 2020
Carrying amount of right-of-use assets			
Land	\$ 136,277	\$ 152,350	\$ 157,395
Buildings	5,156	8,239	9,429
Machinery and Equipment	11,396	18,234	20,514
	<u>\$ 152,829</u>	<u>\$ 178,823</u>	<u>\$ 187,338</u>
	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021
Depreciation expense of right-of-use assets			For the Nine Months Ended September 30, 2020
Land	\$ 5,358	\$ 5,374	\$ 16,067
Buildings	967	1,022	3,105
Machinery and Equipment	2,279	2,279	6,838
	<u>\$ 8,604</u>	<u>\$ 8,675</u>	<u>\$ 25,828</u>
			<u>\$ 26,066</u>

Except for the recognition of depreciation expenses, the Group's right-of-use assets did not experience significant sublease and impairment for the nine months ended September 30, 2021 and 2020.

CGPC (ZS), a subsidiary of CGPC (BVI), which is a subsidiary of the Group, leases land located in Huoju Development Zone, Zhongshan City, Guangdong Province and sub-leases to other companies under operating leases. The corresponding right-of-use assets are accounted for as investment properties. Please refer to Note 17. The corresponding amount of the above-mentioned right-of-use assets excludes the right-of-use assets that meet the definition of investment property.

(2) Lease liabilities

	September 30, 2021	December 31, 2020	September 30, 2020
Carrying amount of lease liabilities			
Current	<u>\$ 36,037</u>	<u>\$ 36,029</u>	<u>\$ 36,059</u>
Non-current	<u>\$ 121,243</u>	<u>\$ 147,189</u>	<u>\$ 155,641</u>

Range of discount rate for lease liabilities was as follows:

	September 30, 2021	December 31, 2020	September 30, 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 –in activities and terms

The Group has leased certain land and buildings from others for use as factories and offices, with lease term ranging from 4 to 14 years. At the end of the lease term, the Group has no preferential right to purchase the leased land and buildings.

The Group has also leased certain machinery and equipment from others for use as product manufacturing and company operations, with a lease term of 5 years. At the end of the lease term, the Group has no preferential right to purchase leased machinery and equipment.

The Group adjusted its lease payments arising from the lease contract of land located in Kaohsiung for the change in the publicly announced land price.

(4)Other lease information

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Expenses relating to short-term leases	<u>\$ 3,019</u>	<u>\$ 3,017</u>	<u>\$ 8,433</u>	<u>\$ 9,205</u>
Expenses relating to low-value asset leases	<u>\$ 177</u>	<u>\$ 153</u>	<u>\$ 505</u>	<u>\$ 454</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 11,325</u>	<u>\$ 7,538</u>	<u>\$ 30,419</u>	<u>\$ 28,974</u>
Total cash outflow for leases			<u>(\$ 66,464)</u>	<u>(\$ 65,766)</u>

17. Investment Properties

	September 30, 2021	December 31, 2020	September 30, 2020
Investment properties - completed			
Land	\$ 113,443	\$ 113,388	\$ 107,715
Building and improvements - net	311,163	331,548	336,004
Right-of-use assets	<u>85,643</u>	<u>89,529</u>	<u>88,457</u>
	<u>\$ 510,249</u>	<u>\$ 534,465</u>	<u>\$ 532,176</u>

The Group's investment properties are located in Toufen industrial districts. Due to the characteristics of the districts, the market for comparable properties is inactive and alternative reliable measurements of fair value were not available. Therefore, the Group determined that the fair value of its investment properties is not reliably measurable.

The total amount of lease payments to be collected in the future for investment properties as operating lease as of September 30, 2021, December 31, 2020, and September 30, 2020 were as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Year 1	\$ 32,312	\$ 32,578	\$ 36,473
Year 2	22,300	17,620	19,603
Year 3	11,144	12,608	14,436
Year 4	10,776	6,622	6,622
Year 5	10,776	6,622	6,623
Over 5 years	<u>29,634</u>	<u>23,178</u>	<u>24,833</u>
	<u>\$ 116,942</u>	<u>\$ 99,228</u>	<u>\$ 108,590</u>

Except for the recognition of depreciation expense, the Group's investment properties did not experience significant additions, disposals, and impairments for the nine months ended September 30, 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
Right-of-use assets	50 years

18. **Borrowings**

(1) Short-term notes payable (as of December 31 and September 30, 2020: N/A)

	September 30, 2021
Commercial note payable	<u>\$ 120,000</u>
Less: discount on short-term notes payable	<u>(13)</u>
	<u>\$ 119,987</u>
The range of interest rate	<u>0.80%</u>

(2) Long-term borrowings

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Line of credit borrowings	<u>\$ 350,000</u>	<u>\$ 50,000</u>	<u>\$ 550,000</u>
The range of interest rate	<u>0.82%-0.85%</u>	<u>0.82%</u>	<u>0.82%-0.94%</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 addition, the Company entered into a medium- and long-term credit contract with a bank in July 2021, with a credit limit of NT\$800,000 thousand and a credit period due in August 2024 and onwards, and any revolving drawdown within the credit limit can be made before the expiration date of the contract. As of September 30, 2021, the Company has not made any drawdown from its credit limit.

In order to enrich medium- and long-term working capital, CGPCPOL entered into long-term credit contracts with banks, with a total credit limit of 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

respectively canceled a credit facility of NT\$500,000 thousand and NT\$800,000 thousand in August 2021 and November 2020, respectively. As of September 30, 2021, CGPCPOL has not made any drawdown from its credit limit.

In order to enrich medium- and long-term working capital, TVCM entered into long-term credit contracts with banks, with a credit limit of NT\$1,671,000 thousand and a credit period due in October 2026 and onwards. Any revolving or installment drawdown within the credit limit can be made before the expiration dates of the contracts. As of September 30, 2021, TVCM has made drawdowns of NT\$350,000 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 September 30, 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. Notes Payable and Trade Payable

	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
<u>Trade payables</u> (including related parties)			
Notes receivable - operating	<u>\$ 1,591,132</u>	<u>\$ 893,771</u>	<u>\$ 796,052</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 - Non-Related Parties - Current

	September 30, 2021	December 31, 2020	September 30, 2020
Dividends payable	\$ 611,620	\$ 9,345	\$ 9,697
Payables for salaries or bonuses	423,786	343,379	270,562
Payables for freight	170,090	133,405	73,577
Payables for utilities and fuel fees	124,759	114,259	104,065
Payables for purchases of equipment	88,345	47,247	72,075
Payables for business taxes	26,091	40,305	5,339
Borrowed raw materials payable	-	-	89,908
Land purchase payment payable	-	-	41,339
Others	133,390	114,929	75,652
	<u>\$ 1,578,081</u>	<u>\$ 802,869</u>	<u>\$ 742,214</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 September 30, 2021 and 2020, and for the nine months ended September 30, 2021 and 2020 were NT\$3,842 thousand, NT\$4,595 thousand, NT\$11,527 thousand, and NT\$13,974 thousand, respectively. Under the defined benefit plans adopted by the Group, the Company and TVCM 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\$51,188 thousand and NT\$53,552 thousand for the nine months ended September 30, 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

	September 30, 2021	December 31, 2020	September 30, 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>581,050</u>	<u>553,381</u>	<u>553,381</u>
Share capital issued	<u>\$ 5,810,505</u>	<u>\$ 5,533,814</u>	<u>\$ 5,533,814</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 shareholders' meetings approved the earnings distribution proposal for years ended December 31, 2020 and 2019 on July 27, 2021 and May 28, 2020 as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	2020	2019	2020	2019
Legal reserve	\$ 165,369	\$ 64,393		
Cash dividends	996,086	263,515	\$ 1.8	\$ 0.5
Share dividends	276,691	263,515	0.5	0.5

(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 September 30, 2021, there was no change.

(5) Other Equity

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

	For the Nine Months Ended <u>September 30, 2021</u>	For the Nine Months Ended <u>September 30, 2020</u>
Balance at January 1, 2021	(\$ 43,259)	(\$ 33,763)
Recognized for the period		
Exchange differences on translating the financial statements of foreign operations	(11,981)	(11,076)
Share of exchange of differences of associates accounted for using the equity method	(540)	(255)
Related income tax	<u>2,396</u>	<u>2,215</u>
Balance at September 30, 2021	(\$ <u>53,384</u>)	(\$ <u>42,879</u>)

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

	For the Nine Months Ended <u>September 30, 2021</u>	For the Nine Months Ended <u>September 30, 2020</u>
Balance at January 1, 2021	\$138,774	\$ 67,029
Recognized for the period		
Unrealized gain (loss) equity instruments	(18,087)	51,796
Share of gain of associates accounted for using the equity method	<u>68,301</u>	<u>14,429</u>
Balance at September 30, 2021	<u>\$188,988</u>	<u>\$133,254</u>

23. Revenue

(1) Revenue from contracts with customers

	For the Three Months Ended <u>September 30, 2021</u>	For the Three Months Ended <u>September 30, 2020</u>	For the Nine Months Ended <u>September 30, 2021</u>	For the Nine Months Ended <u>September 30, 2020</u>
Revenue from the sale of goods				
PVC products	\$ 5,188,389	\$ 3,255,246	\$14,553,616	\$ 8,944,437
VCM products	<u>356,735</u>	<u>7,062</u>	<u>546,081</u>	<u>196,141</u>
	<u>\$ 5,545,124</u>	<u>\$ 3,262,308</u>	<u>\$15,099,697</u>	<u>\$ 9,140,578</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.

	September 30, 2021	December 31, 2020	September 30, 2020	January 1, 2020
Contract liabilities (presented in other current liabilities)	\$ 43,081	\$ 64,270	\$ 30,372	\$ 32,763

The changes in the balance of contract liabilities primarily result from the timing difference between the Group's fulfillment of performance obligation and the respective customers' payment.

(3) Refunds liabilities

	September 30, 2021	December 31, 2020	September 30, 2020
Refunds liabilities (presented in other current liabilities)	\$ 27,652	\$ 9,612	\$ 11,817

Refund liabilities relating to sales return and discount are estimated based on historical experience, management judgment, and other known factors, and are presented as a deduction to operating revenue in the period in which the goods are sold.

24. Net Profit for the Period

(1) Interest income

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Bank deposits (Note 12)	\$ 191	\$ 291	\$ 646	\$ 1,990
Financial assets at FVTPL	-	-	902	1,077
Financial assets at amortized cost	73	103	230	348
Others	31	29	90	84
	<u>\$ 295</u>	<u>\$ 423</u>	<u>\$ 1,868</u>	<u>\$ 3,499</u>

(2) Other income

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Rental income (Note 12)	\$ 12,176	\$ 8,903	\$ 35,030	\$ 26,650
Others (Note 12)	<u>27,873</u>	<u>4,248</u>	<u>36,850</u>	<u>12,868</u>
	<u>\$ 40,049</u>	<u>\$ 13,151</u>	<u>\$ 71,880</u>	<u>\$ 39,518</u>

(3) Other gain and loss

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Net gain (loss) on disposal of property, plant and equipment	\$ 1,553	\$ 410	(\$ 70,201)	(\$ 115)
Gross foreign exchange gains (Note 12)	32,480	2,046	96,857	46,050
Gross foreign exchange losses	(21,379)	(19,437)	(131,892)	(60,967)
Loss on financial liabilities held for trading (see Note 7)	(5,508)	(4,035)	(21,873)	(9,140)
Gain (loss) on financial assets mandatorily classified as at FVTPL (Note 7)	(2,349)	14,000	28,470	27,186
Depreciation expenses from investment properties (Note 12)	(7,144)	(7,101)	(21,511)	(21,325)
Loss from disposal of investments under equity method	-	(173)	-	(173)
Others (Note 12)	(<u>4,123</u>)	(<u>2,381</u>)	(<u>7,669</u>)	(<u>8,227</u>)
	<u>(\$ 6,470)</u>	<u>(\$ 16,671)</u>	<u>(\$ 127,819)</u>	<u>(\$ 26,711)</u>

(4) Interest expense

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Interest on bank loans	\$ 1,251	\$ 1,345	\$ 1,661	\$ 4,939
Interest on lease liabilities	423	513	1,337	1,607
Less: Capitalized interest (presented under construction in progress)	<u>-</u>	<u>(1)</u>	<u>-</u>	<u>(32)</u>
	<u>\$ 1,674</u>	<u>\$ 1,857</u>	<u>\$ 2,998</u>	<u>\$ 6,514</u>

Information about capitalized interest was as follows: (For the three months and nine months ended September 30, 2021: None.)

	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2020
Capitalization rate	0.85%	0.76%

(5) Depreciation and amortization

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Property, plant and equipment	\$ 153,957	\$ 147,168	\$ 461,214	\$ 437,735
Right-of-use assets	8,604	8,675	25,828	26,066
Investment property	7,144	7,101	21,511	21,325
Intangible assets	-	30	61	91
Others	<u>3,856</u>	<u>11,337</u>	<u>19,841</u>	<u>31,178</u>
	<u>\$ 173,561</u>	<u>\$ 174,311</u>	<u>\$ 528,455</u>	<u>\$ 516,395</u>
An analysis of depreciation by function				
Operating costs	\$ 157,157	\$ 151,690	\$ 470,736	\$ 451,131
Operating expenses	5,404	4,153	16,306	12,670
Other gain and loss	<u>7,144</u>	<u>7,101</u>	<u>21,511</u>	<u>21,325</u>
	<u>\$ 169,705</u>	<u>\$ 162,944</u>	<u>\$ 508,553</u>	<u>\$ 485,126</u>
An analysis of amortization by function				
Operating costs	\$ 3,856	\$ 11,337	\$ 19,841	\$ 31,178
General and administrative expenses	<u>-</u>	<u>30</u>	<u>61</u>	<u>91</u>
	<u>\$ 3,856</u>	<u>\$ 11,367</u>	<u>\$ 19,902</u>	<u>\$ 31,269</u>

(6) Employee benefits expense

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Post-employment benefits				
Defined contribution plans	\$ 7,517	\$ 7,187	\$ 22,158	\$ 21,578
Defined benefit plans (Note 21)	<u>3,842</u>	<u>4,595</u>	<u>11,527</u>	<u>13,974</u>
	11,359	11,782	33,685	35,552
Other employee benefits	<u>326,471</u>	<u>328,325</u>	<u>1,014,881</u>	<u>889,994</u>
Total employee benefits expenses	<u>\$ 337,830</u>	<u>\$ 340,107</u>	<u>\$ 1,048,566</u>	<u>\$ 925,546</u>
An analysis of employee benefits expense by function				
Operating costs	\$ 261,053	\$ 269,989	\$ 821,427	\$ 727,736
Operating expenses	<u>76,777</u>	<u>70,118</u>	<u>227,139</u>	<u>197,810</u>
	<u>\$ 337,830</u>	<u>\$ 340,107</u>	<u>\$ 1,048,566</u>	<u>\$ 925,546</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 September 30, 2021 and 2020, and for the nine months ended September 30, 2021 and 2020, the remuneration of employees and directors were as follows:

Accrual rate

	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Remuneration of Employees	1%	1%
Remuneration of Directors	-	-

Amount

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Remuneration of Employees	<u>\$ 5,346</u>	<u>\$ 3,694</u>	<u>\$ 20,025</u>	<u>\$ 6,427</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 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 September 30, 2021</u>	<u>For the Three Months Ended September 30, 2020</u>	<u>For the Nine Months Ended September 30, 2021</u>	<u>For the Nine Months Ended September 30, 2020</u>
Current tax				
In respect of the current period	\$ 114,868	\$ 64,581	\$ 491,001	\$ 130,217
Unappropriated earnings	-	2	-	2,627
Adjustments for prior periods	(<u>213</u>)	<u>-</u>	(<u>4,972</u>)	(<u>9,216</u>)
	<u>114,655</u>	<u>64,583</u>	<u>486,029</u>	<u>123,628</u>
Deferred tax				
In respect of the current period	(1,208)	3,080	4,158	8,901
Adjustments for prior periods	<u>-</u>	<u>-</u>	<u>756</u>	(<u>390</u>)
	(<u>1,208</u>)	<u>3,080</u>	<u>4,914</u>	<u>8,511</u>
Income tax expense recognized in profit or loss	<u>\$ 113,447</u>	<u>\$ 67,663</u>	<u>\$ 490,943</u>	<u>\$ 132,139</u>

(2) Income tax recognized in other comprehensive income

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
<u>Deferred tax</u> Recognized for the period - Translation of foreign operations	<u>\$ 258</u>	<u>(\$ 97)</u>	<u>\$ 2,396</u>	<u>\$ 2,215</u>

(3) Income tax assessments

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

(4) Income tax related to subsidiaries:

CGPC (BVI) had no income tax expense for the nine months ended September 30, 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

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
	Unit: NT\$ Per Share			
Basic earnings per share	<u>\$ 0.85</u>	<u>\$ 0.62</u>	<u>\$ 3.22</u>	<u>\$ 1.06</u>
Diluted earnings per share	<u>\$ 0.85</u>	<u>\$ 0.62</u>	<u>\$ 3.21</u>	<u>\$ 1.06</u>

The weighted average number of shares outstanding used in the earnings per share computation was adjusted retroactively for the issuance of bonus shares, for which the record date was set on September 10, 2021. The basic and diluted earnings per share adjusted retrospectively for the three months and nine months ended September 30, 2020 were as follows:

	Before Retrospective Adjustment		After Retrospective Adjustment	
	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2020	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2020
Basic and Diluted earnings per share	<u>\$ 0.64</u>	<u>\$ 1.10</u>	<u>\$ 0.62</u>	<u>\$ 1.06</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 September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Earnings used in the computation of basic and diluted earnings per share	<u>\$ 494,739</u>	<u>\$ 357,618</u>	<u>\$ 1,868,124</u>	<u>\$ 613,469</u>

Ordinary Shares Outstanding

Unit: Thousands of shares

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Weighted average number of ordinary shares used in the computation of basic earnings per share	581,050	581,050	581,050	581,050
Effect of potentially dilutive ordinary shares:				
Remuneration of Employees	<u>433</u>	<u>331</u>	<u>561</u>	<u>414</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>581,483</u>	<u>581,381</u>	<u>581,611</u>	<u>581,464</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

September 30, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at</u>				
<u>FVTPL</u>				
Derivative financial assets	\$ -	\$ 3,411	\$ -	\$ 3,411
Mutual Funds	2,041,770	-	-	2,041,770
Beneficiary securities	47,383	-	-	47,383
Investments in equity instruments				
- Domestic listed equity investments	65,387	-	-	65,387
- Overseas unlisted equity investments	-	-	-	-
	<u>\$ 2,154,540</u>	<u>\$ 3,411</u>	<u>\$ -</u>	<u>\$ 2,157,951</u>
<u>Financial assets at</u>				
<u>FVTOCI</u>				
Investments in equity instruments				
- Domestic listed equity investments	\$ 5,985	\$ -	\$ -	\$ 5,985
- Domestic unlisted equity investments	-	-	106,368	106,368
	<u>\$ 5,985</u>	<u>\$ -</u>	<u>\$ 106,368</u>	<u>\$ 112,353</u>
<u>Financial liabilities at</u>				
<u>FVTPL</u>				
Derivative financial assets	\$ -	\$ 2,623	\$ -	\$ 2,623

December 31, 2020

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at</u>				
<u>FVTPL</u>				
Derivative financial assets	\$ -	\$ 3,443	\$ -	\$ 3,443
Mutual Funds	1,471,300	-	-	1,471,300
Beneficiary securities	49,918	-	-	49,918
Investments in equity instruments				
- Overseas unlisted equity investments	-	-	-	-
	<u>\$ 1,521,218</u>	<u>\$ 3,443</u>	<u>\$ -</u>	<u>\$ 1,524,661</u>
 <u>Financial assets at</u>				
<u>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</u>				
<u>FVTPL</u>				
Derivative financial assets	<u>\$ -</u>	<u>\$ 4,556</u>	<u>\$ -</u>	<u>\$ 4,556</u>

September 30, 2020

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
<u>Financial assets at</u>				
<u>FVTPL</u>				
Derivative financial assets	\$ -	\$ 3,860	\$ -	\$ 3,860
Mutual Funds	1,212,343	-	-	1,212,343
Beneficiary securities	49,305	-	-	49,305
Investments in equity instruments				
- Overseas unlisted equity investments	-	-	-	-
	<u>\$ 1,261,648</u>	<u>\$ 3,860</u>	<u>\$ -</u>	<u>\$ 1,265,508</u>
 <u>Financial assets at</u>				
<u>FVTOCI</u>				
Investments in equity instruments				
- Domestic listed equity investments	\$ 2,260	\$ -	\$ -	\$ 2,260
- Domestic unlisted equity investments	-	-	156,735	156,735
	<u>\$ 2,260</u>	<u>\$ -</u>	<u>\$ 156,735</u>	<u>\$ 158,995</u>
 <u>Financial liabilities at</u>				
<u>FVTPL</u>				
Derivative financial assets	<u>\$ -</u>	<u>\$ 2,482</u>	<u>\$ -</u>	<u>\$ 2,482</u>

There were no transfers between Levels 1 and 2 for the nine months ended September 30, 2021 and 2020.

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

For the Nine Months Ended September 30, 2021

	<u>Financial assets at FVTOCI</u>
Balance at January 1, 2021	\$137,731
Recognized in other comprehensive income (included an unrealized loss on financial assets at FVTOCI)	(20,914)
Return of capital	(<u>10,449</u>)
Balance at September 30, 2021	<u>\$106,368</u>

For the Nine Months Ended September 30, 2020

	<u>Financial assets at FVTOCI</u>
Balance at January 1, 2020	\$117,882
Recognized in other comprehensive income (included an unrealized gain on financial assets at FVTOCI)	51,500
Return of capital	(<u>12,647</u>)
Balance at September 30, 2020	<u>\$156,735</u>

3) Valuation techniques and inputs applied for Level 2 fair value measurement

<u>Financial Instruments</u>	<u>Valuation Technique and Inputs</u>
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 September 30, 2021, December 31, 2020, and September 30, 2020. When other inputs remain unchanged, the fair value will decrease by NT\$1,251 thousand, NT\$1,620 thousand, and NT\$1,844 thousand, respectively, if the discount for lack of marketability increases by 1%.

(3) Categories of financial instruments

	September 30, 2021	December 31, 2020	September 30, 2020
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily classified at FVTPL	\$ 2,157,951	\$ 1,524,661	\$ 1,265,508
Financial assets at amortized cost			
Cash and cash equivalents	851,675	777,101	698,914
Pledged time deposits	269,268	269,224	269,202
Notes receivable	248,300	200,777	140,390
Trade receivables (including related parties)	2,290,155	1,703,390	1,214,771
Other receivables (including related parties and excluding tax refund receivable)	59,520	35,740	43,854
Refundable deposits	29,926	25,785	25,757
Financial assets at FVTOCI			
Equity instruments	112,353	140,477	158,995
<u>Financial liabilities</u>			
Financial liabilities at FVTPL			
Held for trading	2,623	4,556	2,482
Financial liabilities measured at amortized cost			
Short-term notes payable	119,987	-	-
Trade payables (including related parties)	1,591,132	893,771	796,052
Other payables (Note 1)	1,560,245	432,656	475,445
Long-term borrowings	350,000	50,000	550,000
Guarantee deposits	6,153	4,185	19,230

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

(4) Financial risk management objectives and policies

The Group's conduct of risk control and hedging strategy is influenced by the operational environment. The Group monitors and manages the financial risk by business nature and risk dispersion. These risks include market risk (including foreign currency risk, interest rate risk and other price risks), credit risk and liquidity risk.

1) Market risk

The Group's operating activities exposed itself primarily to the market risks of changes in foreign currency exchange rates and interest rates.

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

a) Foreign currency risk

The Group conducted foreign currency sales and purchases, which exposed the Group to foreign currency risk. In order to avoid the impact of foreign currency exchange rate changes, which lead to deductions in foreign currency denominated assets and fluctuations in their future cash flows, the Group maintains a balance of hedged net foreign currency denominated assets and liabilities. The Group also utilizes foreign exchange forward contracts to hedge the currency exposure. The use of foreign exchange forward contracts is regulated by the policies passed by the Group's board of directors. Internal auditors focus on reviewing the observance of the policies and the quota of risk exposures. The foreign exchange forward contracts that the Group engaged in were not for speculation purposes.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 32.

Sensitivity analysis

The Group's sensitivity analysis mainly focuses on the foreign currency risk of U.S. dollars at the end of the reporting period. Assuming a 3% strengthening/weakening of the functional currency against USD, the net income before tax for the nine months ended September 30, 2021 and 2020

would have decreased/increased by NT\$35,121 thousand and NT\$24,704 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:

	September 30, 2021	December 31, 2020	September 30, 2020
Fair value interest rate risk			
- Financial assets	\$ 681,425	\$ 723,227	\$ 676,647
- Financial liabilities	577,267	183,218	191,700
Cash flow interest rate risk			
- Financial assets	290,324	300,025	249,030
- Financial liabilities	50,000	50,000	550,000

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 nine months ended September 30, 2021 and 2020 would have increased/decreased by NT\$901 thousand and decreased/increased by NT\$1,129 thousand, respectively.

c) Other price risks

The Group was exposed to the equity price risk through its investments in domestic listed shares, domestic unlisted shares, mutual funds and other equity securities investments. The Group manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Group has appointed a special team to monitor the price risk.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to securities price risk at the end of the reporting period. As such, the Group's money market funds recognized under financial assets at FVTPL were not included in the analysis because their price fluctuation risk is extremely low. If marketable securities price had increased/decreased by 5%, the pre-tax profit for the nine months ended September 30, 2021 and 2020 would have increased/decreased by NT\$5,639 thousand and NT\$2,465 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 nine months ended September 30, 2021 and 2020 would have increased/decreased by NT\$5,618 thousand and NT\$7,950 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations and result in financial loss to the Group. As at the end of the reporting period, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of counterparties to discharge an obligation and financial guarantees provided by the Group, could arise from:

- a) The carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets; and
- b) The maximum amount the Group would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

The Group adopted a policy of only dealing with creditworthy counterparties as a means of mitigating the risk of financial loss from defaults. The Group's exposure and the credit ratings of its counterparties are continuously monitored.

The counterparties of the Group's trade receivable included numerous clients distributed over a variety of areas and were not centered on a single client or location. Furthermore, the Group continuously assesses the financial condition of its clients, and then the Group's credit risk was limited. As of the end of the reporting period, the Group's largest exposure to credit risk is approximately that of the carrying amounts of its financial assets.

3) Liquidity risk

The Group managers maintain working capital and mitigate liquidity risk by maintaining a level of cash and cash equivalents and financing facilities deemed adequate.

a) Liquidity and interest rate risk tables

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table was drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows.

September 30, 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		\$ 3,157,530	\$ -	\$ -
Lease liabilities	0.82%-1.04%	36,231	64,788	62,880
Floating interest rate liabilities	0.82%	12,861	37,655	-
Fixed interest rate liabilities	0.80%-0.85%	420,238	-	-
		<u>\$ 3,626,860</u>	<u>\$ 102,443</u>	<u>\$ 62,880</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>\$ 36,231</u>	<u>\$ 64,788</u>	<u>\$ 62,605</u>	<u>\$ 275</u>

December 31, 2020

	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		\$ 1,330,612	\$ -	\$ -
Lease liabilities	0.82%-1.04%	36,389	80,953	73,891
Floating interest rate liabilities	0.82%	<u>412</u>	<u>50,412</u>	<u>-</u>
		<u>\$ 1,367,413</u>	<u>\$ 131,365</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>\$ 36,389</u>	<u>\$ 80,953</u>	<u>\$ 73,410</u>	<u>\$ 481</u>

September 30, 2020

	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		\$ 1,290,727	\$ -	\$ -
Lease liabilities	1.04%	36,254	86,201	77,562
Floating interest rate liabilities	0.93%	<u>5,098</u>	<u>552,858</u>	<u>-</u>
		<u>\$ 1,332,079</u>	<u>\$ 639,059</u>	<u>\$ 77,562</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>\$ 36,254</u>	<u>\$ 86,201</u>	<u>\$ 73,410</u>	<u>\$ 4,152</u>

b) Financing facilities

The Group relies on bank loans as a significant source of liquidity. As of September 30, 2021, December 31, 2020, and September 30, 2020, the unused amounts of bank loan facilities were as follows:

	September 30, 2021	December 31, 2020	September 30, 2020
Bank loan facilities			
– Amount unused	<u>\$ 6,556,241</u>	<u>\$ 6,664,900</u>	<u>\$ 7,681,291</u>

29. Transactions with Related Parties

As of September 30, 2021, December 31, 2020, and September 30, 2020, USI Corporation held through its subsidiary, Union Polymer International Investment Corporation, 24.97% of the Company's outstanding ordinary shares.

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

(1) Related party names and categories

<u>Related Party Name</u>	<u>Related Party Category</u>
USI Corporation ("USI")	Ultimate parent company
Union Polymer Int'l Investment Corp. ("UPIIC")	Parent company
Taita Chemical Company, Limited ("TTC")	Investor with significant influence
Asia Ploymer Corporation ("APC")	Investor with significant influence
China General Terminal & Distribution Corporation ("CGTD")	Associate
Acme Electronics Corporation	Associate
USI Optronics Corporation ("USIO")	Fellow subsidiary
USI Management Consulting Corporation ("UM")	Fellow subsidiary
Swanson Plastics Corporation ("SP")	Fellow subsidiary
Taiwan United Venture Management Corporation	Fellow subsidiary
Chong Loong Trading Co., Ltd.	Fellow subsidiary
Dynamic Ever Investments Limited	Fellow subsidiary
USIFE Investment Co., Ltd.	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

<u>Related Party Category</u>	<u>For the Three Months Ended September 30, 2021</u>	<u>For the Three Months Ended September 30, 2020</u>	<u>For the Nine Months Ended September 30, 2021</u>	<u>For the Nine Months Ended September 30, 2020</u>
Investor of significant influence	\$ 542	\$ 467	\$ 1,801	\$ 1,560
Fellow subsidiary	<u>244</u>	<u>284</u>	<u>457</u>	<u>661</u>
	<u>\$ 786</u>	<u>\$ 751</u>	<u>\$ 2,258</u>	<u>\$ 2,221</u>

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

(3) Purchases of goods

<u>Related Party Category/Name</u>	<u>For the Three Months Ended September 30, 2021</u>	<u>For the Three Months Ended September 30, 2020</u>	<u>For the Nine Months Ended September 30, 2021</u>	<u>For the Nine Months Ended September 30, 2020</u>
Fellow subsidiary	\$ 16,805	\$ 10,071	\$ 45,398	\$ 20,456
Ultimate parent company				
USI	42	17	244	70
Investor of significant influence	-	24	-	24
	<u>\$ 16,847</u>	<u>\$ 10,112</u>	<u>\$ 45,642</u>	<u>\$ 20,550</u>

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

(4) Trade receivables

<u>Related Party Category</u>	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Fellow subsidiary	\$ 120	\$ -	\$ 298
Investor of significant influence	-	511	-
	<u>\$ 120</u>	<u>\$ 511</u>	<u>\$ 298</u>

The outstanding trade receivables from related parties were unsecured. For the nine months ended September 30, 2021 and 2020, no impairment loss was recognized for trade receivables from related parties.

(5) Trade payables to related parties

<u>Related Party Category/Name</u>	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Ultimate parent company			
USI	\$ 104,189	\$ 95,761	\$ 30,024
Fellow subsidiary	<u>11,810</u>	<u>11,274</u>	<u>8,252</u>
	<u>\$ 115,999</u>	<u>\$ 107,035</u>	<u>\$ 38,276</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

<u>Related Party Category/Name</u>	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Ultimate parent company			
USI	\$ 55,284	\$ 783	\$ 884
Investor of significant influence	680	1,964	612
Associate	631	4	3
Fellow subsidiary	24	59	52
Subsidiary of investor with significant influence	<u>1</u>	<u>1</u>	<u>1</u>
	<u>\$ 56,620</u>	<u>\$ 2,811</u>	<u>\$ 1,552</u>

Other receivables from the ultimate parent company as of September 30, 2021 were mainly due from lending of raw materials.

(7) Other payables to related parties

<u>Related Party Category/Name</u>	<u>September 30, 2021</u>	<u>December 31, 2020</u>	<u>September 30, 2020</u>
Parent company			
UPIIC	\$ 248,707	\$ -	\$ -
Investor of significant influence	100,461	236	291
Ultimate parent company			
USI	65,210	4,567	2,498
Associate	16,314	8,440	6,004
Fellow subsidiary	1,079	210	309
Subsidiary of investor with significant influence	<u>270</u>	<u>18</u>	<u>30</u>
	<u>\$ 432,041</u>	<u>\$ 13,471</u>	<u>\$ 9,132</u>

Other payables to related parties of the parent company and the investors with significant influence as of September 30, 2021 and 2020 were mainly cash dividend payables.

(8) Acquisitions of property, plant and equipment

Related Party Category/Name	Purchase Price	
	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Ultimate parent company USI	<u>\$ 6,070</u>	<u>\$ -</u>

(9) Lease arrangements

Related Party Category/Name	September 30, 2021	December 31, 2020	September 30, 2020
<u>Lease liabilities</u>			
Investor of significant influence			
APC	\$ 127,007	\$ 136,780	\$ 140,021
TTC	14,478	21,560	23,909
Associate			
CGTD	<u>9,792</u>	<u>15,607</u>	<u>17,535</u>
	<u>\$ 151,277</u>	<u>\$ 173,947</u>	<u>\$ 181,465</u>

Related Party Category/Name	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
<u>Interest expenses</u>				
Investor of significant influence				
APC	\$ 336	\$ 369	\$ 1,032	\$ 1,133
TTC	42	67	144	217
Associate				
CGTD	<u>28</u>	<u>49</u>	<u>101</u>	<u>162</u>
	<u>\$ 406</u>	<u>\$ 485</u>	<u>\$ 1,277</u>	<u>\$ 1,512</u>
<u>Lease expenses</u>				
Ultimate parent company				
USI	\$ 1,704	\$ 1,965	\$ 5,103	\$ 5,912
Investor of significant influence				
	<u>709</u>	<u>784</u>	<u>1,928</u>	<u>2,352</u>
	<u>\$ 2,413</u>	<u>\$ 2,749</u>	<u>\$ 7,031</u>	<u>\$ 8,264</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 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

Related Party Category/Name	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Associate				
CGTD	<u>\$ 26,307</u>	<u>\$ 15,072</u>	<u>\$ 65,826</u>	<u>\$ 53,592</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 paid by the end of next month following such services.

(11) Management service revenue

Related Party Category/Name	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Ultimate parent company				
USI	\$ 866	\$ 834	\$ 2,535	\$ 2,454
Investor of significant influence	<u>19</u>	<u>38</u>	<u>56</u>	<u>38</u>
	<u>\$ 885</u>	<u>\$ 872</u>	<u>\$ 2,591</u>	<u>\$ 2,492</u>

(12) Management service expenses

Related Party Category/Name	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Fellow subsidiary				
UM	\$ 17,643	\$ 16,980	\$ 56,027	\$ 55,297
Others	-	-	-	29
Ultimate parent company				
USI	<u>1,010</u>	<u>965</u>	<u>2,940</u>	<u>2,842</u>
	<u>\$ 18,653</u>	<u>\$ 17,945</u>	<u>\$ 58,967</u>	<u>\$ 58,168</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

Related Party Category/Name	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Related party in substance				
USIF	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,000</u>	<u>\$ 1,250</u>

(14) Rental income

Related Party Category	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Fellow subsidiary	\$ 835	\$ 845	\$ 2,527	\$ 2,535
Subsidiary of the investor with significant influence	264	-	800	-
Investor of significant influence	<u>74</u>	<u>66</u>	<u>207</u>	<u>199</u>
	<u>\$ 1,173</u>	<u>\$ 911</u>	<u>\$ 3,534</u>	<u>\$ 2,734</u>

USIO signed a factory lease contract with the Company with a lease term until April 15, 2022. The Company collects fixed rental amounts on a monthly basis. USIO does not have a bargain purchase option to acquire the leased factory at the expiry of the lease period.

(15) Other income

Related Party Category	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Investor of significant influence	<u>\$ 556</u>	<u>\$ 470</u>	<u>\$ 1,211</u>	<u>\$ 1,084</u>

(16) Compensation of key management personnel

The compensation of directors and key executives for the three months and nine months ended September 30, 2021 and 2020 were as follows:

	For the Three Months Ended September 30, 2021	For the Three Months Ended September 30, 2020	For the Nine Months Ended September 30, 2021	For the Nine Months Ended September 30, 2020
Salaries and others	\$ 3,976	\$ 3,345	\$ 13,309	\$ 11,318
Post-employment benefits	54	76	162	228
	<u>\$ 4,030</u>	<u>\$ 3,421</u>	<u>\$ 13,471</u>	<u>\$ 11,546</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 as collateral for bank borrowings or as performance guarantee for the tariffs of imported raw materials and use of fuel:

	September 30, 2021	December 31, 2020	September 30, 2020
Pledge deposits (classified as financial assets at amortized cost or other non-current assets)	\$ 293,753	\$ 288,558	\$ 288,532
Property, plant and equipment			
Land	-	-	1,650,957
Building and improvements, net	-	-	465,313
Machinery and equipment, net	-	-	455,232
	<u>\$ 293,753</u>	<u>\$ 288,558</u>	<u>\$ 2,860,034</u>

The Company pledged land and plants as collateral against a medium-and long-term secured loan contract with a revolving credit limit of \$1,000,000 thousand signed with a bank to enrich working capital. Any drawdown within the limit can be made during the life of the contract. However, the Company had canceled the financing facility and removed the liens on the land and plants in November 2020.

The Company's subsidiary, CGPCPOL, pledged its land, plants, machinery and equipment as collateral against a medium- and long-term credit contract with a bank. However, CGPCPOL had canceled the financing facilities and removed the liens placed on its land, plants, and machinery and equipment in November 2020.

31. Significant Contingent Liabilities and Unrecognized Commitments

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of the end of the reporting period were as follows:

- (1) As of September 30, 2021, December 31, 2020, and September 30, 2020, the Group's unused letters of credit amounted to NT\$1,883,454 thousand, NT\$623,494 thousand and NT\$603,951 thousand, respectively.

- (2) Description of Kaohsiung gas explosions:

Regarding the associate, China General Terminal & Distribution Corporation (hereinafter "CGTD"), who was commissioned to operate the LCY Chemical Corp.'s propylene pipeline resulting in a gas explosion on July 31, 2014, the appeal was dismissed by the Supreme Court on September 15, 2021, and all three employees of CGTD were innocent.

CGTD reached an agreement with Kaohsiung City Government on February 12, 2015 and pledged a term deposit NT\$227,499 thousand (including interests) to the Government as a guarantee for losses caused by the gas explosions. The Kaohsiung City Government has also filed civil litigation against LCY Chemical Corp., CGTD, and CPC Corporation, Taiwan. Taiwan Power Company applied for provisional attachment against CGTD's property on August 27 and November 26, 2015. CGTD had deposited cash of NT\$ 99,207 thousand to the court to avoid provisional attachment. Taiwan Water Corporation also applied for provisional attachment against CGTD's property on February 3 and March 2, 2017. Assets under attachment amounted to approximately NT\$11,855 thousand as of October 29, 2021.

As for the victims, CGTD, LCY Chemical Corp. and Kaohsiung City Government signed a tripartite agreement on July 17, 2015 agreeing to negotiate the compensation first with the 32 victim's successors and persons entitled to the claims ("family of the victim"). Each victim's family was entitled to 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 victim.

As for the seriously injured victims, CGTD, LCY Chemical Corp. and the Kaohsiung City Government signed a tripartite agreement for serious injuries on October 25, 2017 agreeing to negotiate the compensation first with the 65 seriously injured victims. The compensation was first paid by CGTD and the Kaohsiung City Government. CGTD also represents the three parties in negotiating settlements with victims who suffered

serious injuries in the incident. It has signed settlement agreements with 64 of the victims.

As of October 29, 2021, victims and their families have filed civil (including supplementary civil action) lawsuits against LCY Chemical Corp., CGTD and CPC for compensation. To reduce the lawsuit costs, CGTD had reached a settlement on the original claim of 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

September 30, 2021

	Foreign currencies	Exchange Rate (In Single Dollars)	Functional Currencies	NT\$
Foreign currency assets				
<u>Monetary items</u>				
USD	\$ 76,347	27.85 (USD:NTD)	\$2,126,275	\$2,126,275
AUD	721	20.07 (AUD:NTD)	14,474	14,474
EUR	850	32.32 (EUR:NTD)	27,470	27,470
USD	293	6.4854 (USD:CNY)	1,897	8,147
GBP	71	37.46 (GBP:NTD)	2,670	2,670
Foreign currency liabilities				
<u>Monetary items</u>				
USD	34,604	27.85 (USD:NTD)	963,733	963,733
GBP	105	37.46 (GBP:NTD)	3,949	3,949

December 31, 2020

	Foreign currencies	Exchange Rate (In Single Dollars)	Functional Currencies	NT\$
Foreign currency assets				
<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
Foreign currency liabilities				
<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

September 30, 2020

	<u>Foreign currencies</u>	<u>Exchange Rate (In Single Dollars)</u>	<u>Functional Currencies</u>	<u>NT\$</u>
Foreign currency assets				
<u>Monetary items</u>				
USD	\$ 42,122	29.100 (USD:NTD)	\$ 1,225,762	\$ 1,225,762
AUD	742	20.715 (AUD:NTD)	15,365	15,365
EUR	363	34.150 (EUR:NTD)	12,408	12,408
USD	293	6.8101 (USD:CNY)	1,992	8,512
Foreign currency liabilities				
<u>Monetary items</u>				
USD	14,117	29.100 (USD:NTD)	410,801	410,801

For the three months ended September 30, 2021 and 2020 and for the nine months ended September 30, 2021 and 2020, net foreign exchange gains (losses) were NT\$11,101 thousand, NT\$(17,391) thousand, NT\$(35,035) thousand, and NT\$(14,917) 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) Significant transactions for the year

- 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; and,

- 10) Intercompany relationships and significant intercompany transactions: See Table 6 attached.
- 11) Information on investee companies: See Table 7 attached.
- (2) Information on Reinvestment: see Table 7 attached.
- (3) Information on Investments in Mainland China
 - 1) Information on any investee company in Mainland China, including the company names, major business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China: See Table 8.
 - 2) The following information on any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None.
 - a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
 - b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
 - c) The amount of property transactions and the amount of the resultant gains or losses.
 - d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and their purposes.
 - e) The highest balance during the period, the end of period balance, the interest rate range, and total current period interest with respect to the financing of funds.
 - f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.
- (4) Information of major shareholders: List of all shareholders with ownership of 5% or greater showing the names and the number shares and percentage of ownership held by each shareholder: 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 reportable segments, including departments of VCM products and PVC products, under IFRS 8 "Operating Segments" were as follows:

Segment revenue and results

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

For the Nine Months Ended September 30, 2021

	<u>VCM Products</u>	<u>PVC Products</u>	<u>Total</u>
Revenue from external customers	\$ 546,081	\$ 14,553,616	\$ 15,099,697
Inter-segment revenue	9,651,298	598,094	10,249,392
Segment revenue	<u>\$ 10,197,379</u>	<u>\$ 15,151,710</u>	25,349,089
Eliminations			(10,249,392)
Consolidated revenue			<u>\$ 15,099,697</u>
Segment income	<u>\$ 71,750</u>	<u>\$ 2,462,251</u>	\$ 2,534,001
Interest income			1,868
Other income			71,880
Other gain and loss			(127,819)
Share of profit of associates accounted for using the equity method			14,221
Interest expense			(2,998)
Profit before income tax			<u>\$ 2,491,153</u>

For the Nine Months Ended September 30, 2020

	<u>VCM Products</u>	<u>PVC Products</u>	<u>Total</u>
Revenue from external customers	\$ 196,141	\$ 8,944,437	\$ 9,140,578
Inter-segment revenue	5,279,916	314,661	5,594,577
Segment revenue	<u>\$ 5,476,057</u>	<u>\$ 9,259,098</u>	14,735,155
Eliminations			(5,594,577)
Consolidated revenue			<u>\$ 9,140,578</u>
Segment income	<u>\$ 20,001</u>	<u>\$ 755,953</u>	\$ 775,954
Interest income			3,499
Other income			39,518
Other gain and loss			(26,711)
Share of profit of associates accounted for using the equity method			18,688
Interest expense			(6,514)
Profit before income tax			<u>\$ 804,434</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 Nine Months Ended September 30, 2021

Table 1

Unit: NT\$ thousand

Number	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Made for Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note 1)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement / Guarantee Made by Parent for Subsidiaries	Endorsement / Guarantee Made by Subsidiaries for Parent	Endorsement / Guarantee Made for Companies in Mainland China
		Company name	Relationship										
0	China General Plastics Corporation	CGPC Polymer Corporation	Subsidiary	\$ 6,369,527	\$ 2,450,000	\$ 1,100,000	\$ 696	None	10.36%	\$ 10,615,879	Yes	No	No

Note 1: The ratio is calculated using the ending balance of equity of the Company as of September 30, 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
 September 30, 2021

Table 2

Unit: NT\$ thousand

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 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	\$ 47,383	-	\$ 47,383	(Note 1)
	<u>Mutual Funds</u>							
	FSITC Money Market Fund	-	Financial assets at FVTPL - current	1,165,954	210,030	-	210,030	(Note 1)
	FSITC Taiwan Money Market Fund	-	Financial assets at FVTPL - current	12,289,827	190,033	-	190,033	(Note 1)
	Hua Nan Phoenix Money Market Fund	-	Financial assets at FVTPL - current	9,142,997	150,051	-	150,051	(Note 1)
	Taishin Ta-Chong Money Market Fund	-	Financial assets at FVTPL - current	6,974,279	100,033	-	100,033	(Note 1)
	Nomura Taiwan Money Market Fund	-	Financial assets at FVTPL - current	6,074,522	100,033	-	100,033	(Note 1)
	Jih Sun Money Market Fund	-	Financial assets at FVTPL - current	6,677,975	100,032	-	100,032	(Note 1)
	Taishin 1699 Money Market Fund	-	Financial assets at FVTPL - current	7,316,573	100,024	-	100,024	(Note 1)
	Capital Money Market Fund	-	Financial assets at FVTPL - current	5,526,762	90,028	-	90,028	(Note 1)
	Yuanta De-Li Money Market Fund	-	Financial assets at FVTPL - current	1,762,082	29,008	-	29,008	(Note 1)
	<u>Ordinary shares</u>							
	China Steel Corporation	-	Financial assets at FVTPL - current	650,000	23,595	-	23,595	(Note 1)
	Quanta Computer Incorporated	-	Financial assets at FVTPL - current	250,000	19,375	-	19,375	(Note 1)
	Tungho Steel Corporation	-	Financial assets at FVTPL - current	250,000	10,275	-	10,275	(Note 1)
United Microelectronics Corporation	-	Financial assets at FVTPL - current	120,000	7,680	-	7,680	(Note 1)	
ShunSin Technology Holdings Limited	-	Financial assets at FVTPL - current	51,000	4,462	-	4,462	(Note 1)	
KHL IB Venture Capital Co., Ltd.	-	Financial assets at FVTOCI - non-current	4,977,475	106,368	5.95%	106,368	(Note 1)	
Taiwan VCM Corporation	<u>Ordinary shares</u> Asia Polymer Corporation	The major shareholders are the same as the those of the Company	Financial assets at FVTOCI - non-current	130,244	5,985	-	5,985	(Note 1)
CGPC Polymer Corporation	<u>Mutual Funds</u>							
	FSITC Taiwan Money Market Fund	-	Financial assets at FVTPL - current	32,874,421	508,324	-	508,324	(Note 1)
	FSITC Money Market Fund	-	Financial assets at FVTPL - current	744,010	134,023	-	134,023	(Note 1)
	Taishin Ta-Chong Money Market Fund	-	Financial assets at FVTPL - current	9,066,470	130,042	-	130,042	(Note 1)
	Hua Nan Phoenix Money Market Fund	-	Financial assets at FVTPL - current	4,876,176	80,026	-	80,026	(Note 1)
	Prudential Financial Money Market Fund	-	Financial assets at FVTPL - current	4,384,646	70,083	-	70,083	(Note 1)
	Taiwan Cooperative Bank Money Market Fund	-	Financial assets at FVTPL - current	4,877,811	50,000	-	50,000	(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)

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 September 30, 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 and Prices of at Least NT\$300 Million or 20% of the Paid-in Capital
 For the Nine Months Ended September 30, 2021

Table 3

Unit: NT\$ thousand

Buyer/Seller	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Disposal				Ending Balance (Note)	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Amount	Gain on disposal	Shares	Amount
China General Plastics Corporation	<u>Mutual Funds</u>													
	CTBC Hua-Win Money Market Fund	Financial assets at FVTPL - current	-	-	4,501,666	\$ 50,000	46,771,745	\$ 520,000	51,273,411	\$ 570,046	\$ 570,000	\$ 46	-	\$ -
	Taishin Ta-Chong Money Market Fund	Financial assets at FVTPL - current	-	-	4,190,295	60,000	30,005,492	430,000	27,221,508	390,042	390,000	42	6,974,279	100,000
	Hua Nan Phoenix Money Market Fund	Financial assets at FVTPL - current	-	-	-	-	24,392,560	400,000	15,249,563	250,023	250,000	23	9,142,997	150,000
	FSITC Money Market Fund	Financial assets at FVTPL - current	-	-	-	-	3,109,635	560,000	1,943,681	350,027	350,000	27	1,165,954	210,000
Taiwan VCM Corporation	<u>Mutual Funds</u>													
	Taishin Ta-Chong Money Market Fund	Financial assets at FVTPL - current	-	-	6,983,874	100,000	22,338,288	320,000	29,322,162	420,059	420,000	59	-	-
	FSITC Taiwan Money Market Fund	Financial assets at FVTPL - current	-	-	3,240,147	50,000	25,887,463	400,000	29,127,610	450,075	450,000	75	-	-
CGPC Polymer Corporation	<u>Mutual Funds</u>													
	Hua Nan Kirin Money Market Fund	Financial assets at FVTPL - current	-	-	3,315,451	40,000	43,731,391	528,000	47,046,842	568,067	568,000	67	-	-
	FSITC Taiwan Money Market Fund	Financial assets at FVTPL - current	-	-	3,178,916	49,000	29,695,505	459,000	-	-	-	-	32,874,421	508,000
	FSITC Money Market Fund	Financial assets at FVTPL - current	-	-	250,312	45,000	1,999,224	360,000	1,505,526	271,137	271,000	137	744,010	134,000
	Taiwan Cooperative Bank Money Market Fund	Financial assets at FVTPL - current	-	-	-	-	37,588,761	385,000	32,710,950	335,035	335,000	35	4,877,811	50,000

Note: 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 Nine Months Ended September 30, 2021

Table 4

Unit: NT\$ thousand

Buyer/Seller	Related Parties	Relationship	Transaction Details				Abnormal Transaction		Notes/Trade Receivables (Payables)		
			Purchase / Sales	Amount (Note)	Ratio to Total Purchase / Sales	Payment terms	Unit Price	Payment terms	Financial Statement Account and Ending Balance (Note)	Ratio to Total Notes or Trade Receivable (payable)	
China General Plastics Corporation	Taiwan VCM Corporation	Subsidiary	Purchases	\$ 4,994,501	78%	45 days	No major difference	No major difference	Trade payables to related parties	(\$ 1,168,119)	(80%)
	CGPC America Corporation	Subsidiary	Sale	(549,936)	(6%)	90 days	No major difference	No major difference	Trade receivables from related parties	213,254	14%
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Sale	(4,994,501)	(49%)	45 days	No major difference	No major difference	Trade receivables from related parties	1,168,119	38%
	CGPC Polymer Corporation	Fellow subsidiary	Sale	(4,656,499)	(46%)	75 days	No major difference	No major difference	Trade receivables from related parties	1,674,331	54%
CGPC Polymer Corporation	Taiwan VCM Corporation	Fellow subsidiary	Purchases	4,656,499	97%	75 days	No major difference	No major difference	Trade payables to related parties	(1,674,331)	(98%)
CGPC America Corporation	China General Plastics Corporation	Parent company	Purchases	549,936	91%	90 days	No major difference	No major difference	Trade payables to related parties	(213,524)	(100%)

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
 September 30, 2021

Table 5

Unit: NT\$ thousand

Company Name	Related Party	Relationship	Financial Statement Account and Ending Balance (Note 3)	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Treatment Method		
China General Plastics Corporation	CGPC America Corporation	Subsidiary	Trade receivables from related parties \$ <u>213,254</u>	4.53	\$ -	-	\$ 40,326	(Note 1)
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Trade receivables from related parties \$ <u>1,168,119</u>	5.95	-	-	594,619	(Note 1)
	CGPC Polymer Corporation	Fellow subsidiary	Trade receivables from related parties \$ <u>1,674,331</u>	3.99	-	-	577,662	(Note 1)

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

Note 2: The subsequent period is between October 1 and October 27, 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 Nine Months Ended September 30, 2021

Table 6

Unit: NT\$ thousand

Number (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	\$ 1,168,119	No major difference	7%
			1	Purchases	4,994,501	No major difference	33%
		CGPC America Corporation	1	Trade receivables from related parties	213,254	No major difference	1%
			1	Other receivables from related parties	3,992	No major difference	-
			1	Sales revenue	549,936	No major difference	4%
		CGPC Polymer Corporation	1	Other receivables from related parties	2,039	No major difference	-
			1	Trade payables to related parties	8,307	No major difference	-
			1	Purchases	47,990	No major difference	-
		1	CGPC Polymer Corporation	Taiwan VCM Corporation	3	Trade payables to related parties	1,674,331
3	Other payables to related parties				20,064	No major difference	-
3	Purchases				4,656,499	No major difference	31%
3	Rental income				1,314	No major difference	-

Note 1: The information correlation between the numeral and the entity are stated as follows:

1. The parent company: 0.
2. The subsidiaries: 1 onward.

Note 2: The direction of the investment is as follows:

1. The parent company to its subsidiary.
2. The subsidiary to the parent company.
3. Between subsidiaries.

Note 3: The ratio of transactions related to total sales revenue or assets is calculated as follows:

- a. Assets or liabilities: The ratio was calculated based on the ending balance of total consolidated assets; and
- b. Income or loss: The ratio was calculated based on the midterm accumulated amount of total consolidated sales revenue.

China General Plastics Corporation and Subsidiaries
Information on Investee
For the Nine Months Ended September 30, 2021

Table 7

Unit: NT\$ thousand

Investor Company	Investee Company	Location	Business Content	Original Investment Amount		As of September 30, 2021			Net Income (Loss) of Investee	Share of Profit (Loss)	Note
				September 30, 2021	December 31, 2020	Shares	%	Carrying Amount			
China General Plastics Corporation	Taiwan VCM Corporation	No. 1, Gongye 1st Rd., Linyuan Dist., Kaohsiung City 832, Taiwan (R.O.C.)	Manufacturing and marketing of VCM	\$ 2,933,648	\$ 2,930,995	259,591,005	87.27%	\$ 4,309,908	\$ 1,035,977	\$ 884,692	Subsidiary
	CGPC Polymer Corporation	12th Floor, No. 37, Jihu Road, Taipei City, Taiwan, R.O.C.	Manufacturing and marketing of PVC resins	800,000	800,000	80,000,000	100%	1,384,505	461,738	461,738	Subsidiary
	CGPC (BVI) Holding Co., Ltd.	Citco Building, Wickhams Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	Reinvestment	1,073,906	1,073,906	16,308,258	100%	341,086	(4,726)	(4,726)	Subsidiary
	China General Terminal & Distribution Corporation	No. 1, Jianji St., Qianzhen Dist., Kaohsiung City 806, Taiwan (R.O.C.)	Warehousing and transportation of petrochemical raw materials	41,106	41,106	22,009,594	33.33%	397,476	40,390	13,463	Associate accounted for using the equity method
	CGPC America Corporation	1181 California Ave., Suite 235 Corona, CA 92881	Marketing of PVC film and leather products	648,931	648,931	100	100%	216,705	32,997	32,997	Subsidiary
	Acme Electronics Corporation	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Manufacturing and marketing of Mn-Zn and Ni-Zn ferrite cores	33,995	33,995	3,176,019	1.74%	22,734	43,672	758	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 Nine Months Ended September 30, 2021

Table 8

Unit: In Thousands of New Taiwan Dollars, Unless Stated Otherwise

Investee Company	Business Content	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021 (Note 1)	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2021 (Note 1)	Net Income (Loss) of Investee	Ownership Percentage of Direct or Indirect Investment	Investment Gain (Loss) (Note 5)	Carrying Amount as of September 30, 2021 (Notes 1 and 5)	Accumulated Repatriation of Investment Income as of September 30, 2021
					Outflow	Inflow						
Continental General Plastics (Zhong Shan) Co., Ltd. ("CGPC (ZS)") (Note 4)	Manufacturing and marketing of PVC film and consumer products	\$ 557,000 (US\$20,000 thousand)	Investment through CGPC (BVI) Holding Co., Ltd. ("CGPC (BVI)")	\$ 557,000 (US\$20,000 thousand)	\$ -	\$ -	\$ 557,000 (US\$20,000 thousand)	(\$ 4,811) (US\$-174 thousand)	100%	(\$ 4,811) (US\$-174 thousand)	\$ 257,238 (US\$9,237 thousand)	\$ -
CGPC Consumer Products Corporation ("CGPC (CP)") (Note 4)	Manufacturing and marketing of PVC consumer products	41,775 (US\$1,500 thousand)	Investment through CGPC (BVI) Holding Co., Ltd. ("CGPC (BVI)")	41,775 (US\$1,500 thousand)	-	-	41,775 (US\$1,500 thousand)	(9) (US\$ - thousand)	100%	(9) (US\$ - thousand)	13,290 (US\$477 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 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)
\$ 754,234 (US\$ 27,082 thousand)	\$ 874,490 (US\$ 31,400 thousand)	\$ -

Note 1: The calculation was based on the spot exchange rate of September 30, 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\$19,049 thousand (US\$684 thousand), the investment amount of Union (ZS) of NT\$25,009 thousand (US\$898 thousand), and the investment amount of CGPC (SH) of NT\$111,400 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). The Company has considered that its discontinued operations was resumed its operating substance, and, therefore, the Company reclassified the discontinued operations as continuing operations since 2021 after an assessment. Please refer to Note 12.

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

China General Plastics Corporation and Subsidiaries
Information on Major Shareholders
September 30, 2021

Table 9

Names 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	8.07%

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.