Stock Code: 1305

Notice to Readers:

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China General Plastics Corporation and Subsidiaries

Consolidated Financial Statements for the
Years Ended December 31, 2021 and 2020 and
Independent Auditors' Report

Address: 12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)
Tel:(02)8751-6888

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Declaration of Consolidated Financial Statements of Affiliates

In 2021 (from January 1, 2021 to December 31, 2021), the companies required to be included in the consolidated financial statements of affiliates under the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are all the same as companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in the International Financial Reporting Standards (IFRS) 10, and relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. The Company hereby produces this declaration to the effect that no preparation for the separate consolidated financial statements of affiliates is required.

Very truly yours,

CHINA GENERAL PLASTICS CORPORATION

YI-GUI WU
Chairman

March 9, 2022

Independent Auditors' Report

The Board of Directors and Shareholders

China General Plastics Corporation

Opinion

We have audited the accompanying consolidated financial statements of China General Plastics Corporation and its subsidiaries (collectively referred to as the “Group”), which comprise the consolidated balance sheets as of December 31, 2021 and 2020, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”).

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2021 and 2020, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China ("The Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Matters to Be Emphasized

As stated in Note 12 to the consolidated financial statements, China General Plastics Corporation and Subsidiaries has considered that its discontinued operations was resumed its operating substance. Such discontinued operations have been reclassified to continuing operations since 2021; therefore, when preparing comparative financial statements, it is required to restate the previously stated amounts as well as the financial statements for the comparative periods in accordance with International Financial Reporting Standards No. 5 "Non- current assets held for sale and discontinued operations." The effects of restating the previously stated amounts of the comparative periods are set out in Note 12. As such, we have not modified our audit opinion accordingly.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the Group for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Group’s consolidated financial statements for the year ended December 31, 2021 are stated as follows:

<u>Authenticity of revenue recognition for sales to specific customers</u>

The Group's sales revenue of specific products increased significantly in 2021 compared to the same period of last year. The growth of sales revenue from some customers was higher than the average growth rate and the amount was substantial, which had a significant impact on the sales revenue and financial results of the Group. Therefore, authenticity of revenue recognition for the sales to those customers is identified as one of the key audit matters.

Please refer to Notes 4 and 23 to the consolidated financial statements for relevant accounting policies and information in relation to revenue recognition.

We have performed the following audit procedures to validate authenticity of revenue recognition:

1. We studied and tested the internal control mechanism to monitor authenticity of revenue recognition, and assessed the effectiveness of its design and implementation. We evaluated the appropriateness of revenue recognition accounting policies adopted by management.
2. We reviewed original orders, shipping documents, invoice and receipt documents to verify the authenticity of revenue recognition.
3. We inspected the occurrence of sales returns and allowances subsequent to the balance sheet date, and sent letters to confirm whether there were any irregularities in accounts receivable at year-end.

Other Matters

We have also audited the parent company only financial statements of China General Plastics Corporation as of and for the years ended December 31, 2021 and 2020 on which we have issued an unmodified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

To ensure that the Consolidated Financial Statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the IFRS, IAS, law and regulation reviews and their announcements recognized and announced by the Financial Supervisory Commission, and for preparing and maintaining necessary internal control procedures pertaining to the consolidated financial statements.

In preparing the consolidated financial statements, the management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to the going concern and using the going concern basis of accounting unless the management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including the audit committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with the auditing standards generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and evaluate the risk of material misstatements due to fraud or error in the consolidated financial statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Group.
3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.
4. Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to operate as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall expression, structure and contents of the consolidated financial statements (including relevant Notes), and whether the consolidated financial statements fairly present relevant transactions and items.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit and for expressing an opinion on the financial statements of the Group.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine the key audit matters of the Group's the consolidated financial statements for the year ended December 31, 2021. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche,

Taipei, Taiwan, Republic of China

CPA Huang, Hsiu-Chun

CPA Chiu, Cheng-Chun

Securities and Futures Commission
Approved Document No.

Tai Cai Zheng Liu Zi No. 0920123784

Financial Supervisory Commission

Approved Document No.

Jin Guan Zheng Liu Zi No. 0930160267

March 9, 2022

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China General Plastics Corporation and Subsidiaries

Consolidated Balance Sheets

December 31, 2021 and 2020

Unit: NT$ thousand

CODE	ASSETS	December 31, 2021 Amount	%	December 31, 2020 (Restated) Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 6)	$ 1,220,291	7	$ 777,101	6
1110	Financial assets at fair value through profit or loss (FVTPL) - current (Note 7)	862,460	5	1,524,661	11
1136	Financial assets at amortized cost - current (Notes 9 and 30)	269,291	2	269,224	2
1150	Notes receivables (Note 10)	404,709	2	200,777	1
1170	Trade receivables (Notes 10 and 29)	1,638,291	10	1,703,390	12
1200	Other receivables (Note 10)	135,890	1	126,010	1
1210	Other receivables from related parties (Notes 10 and 29)	1,791	-	2,811	-
1220	Current tax assets (Notes 5 and 25)	-	-	16,481	-
1310	Inventories (Note 11)	3,102,691	18	1,207,129	9
1410	Prepayments	251,816	1	45,425	-
1470	Other current assets	1,062	-	1,576	-
11XX	Total current assets	7,888,292	46	5,874,585	42
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Notes 8)	87,151	1	140,477	1
1550	Investments accounted for using the equity method (Notes 5 and 14)	396,902	2	338,228	3
1600	Property, plant and equipment (Notes 15, 18, 29, and 30)	7,666,434	45	6,570,237	47
1755	Right-of-use assets (Notes 16 and 29)	156,057	1	178,823	1
1760	Investment Properties (Notes 17)	507,848	3	534,465	4
1840	Deferred tax assets (Notes 5 and 25)	228,381	2	216,299	2
1990	Other non-current assets (Note 30)	44,250	-	40,511	-
15XX	Total non-current assets	9,087,023	54	8,019,040	58
1XXX	Total Assets	$ 16,975,315	100	$ 13,893,625	100
CODE	LIABILITIES AND EQUITY				
	Current Liabilities				
2100	Short-term borrowings (Note 18)	$ 200,000	1	$ -	-
2120	Financial liabilities at fair value through profit or loss at FVTPL-current (Note 7)	-	-	4,556	-
2170	Trade payables (Note 19)	676,836	4	786,736	5
2180	Trade payables to related parties (Notes 19 and 29)	237,498	1	107,035	1
2200	Other payables (Note 20)	1,018,080	6	802,869	6
2220	Other payables to related parties (Note 29)	15,197	-	13,471	-
2230	Current tax liabilities (Notes 5 and 25)	687,974	4	374,688	3
2280	Lease liability - current (Notes 16 and 29)	36,404	-	36,029	-
2300	Other current liabilities (Note 23)	120,512	1	95,219	1
21XX	Total current liabilities	2,992,501	17	2,220,603	16
	Non-current liabilities				
2540	Long-term borrowings (Notes 15, 18, and 30)	882,575	5	50,000	1
2570	Deferred tax liabilities (Notes 5 and 25)	594,632	4	594,562	4
2580	Lease liability - current (Notes 16 and 29)	124,307	1	147,189	1
2640	Net defined benefit liabilities (Note 21)	517,380	3	572,981	4
2670	Other non-current liabilities	28,651	-	4,532	-
25XX	Total non-current liabilities	2,147,545	13	1,369,264	10
2XXX	Total Liabilities	5,140,046	30	3,589,867	26
	Equity attributable to owners of the Company (Notes 8, 13, 14, 22, and 25)				
3110	Ordinary shares	5,810,505	34	5,533,814	40
3200	Capital surplus	12,002	-	10,338	-
	Retained earnings				
3310	Legal reserve	870,332	5	704,963	5
3320	Special reserve	408,223	2	408,223	3
3350	Unappropriated earnings	3,981,643	24	2,950,662	21
3300	Total retained earnings	5,260,198	31	4,063,848	29
3400	Other equity	80,272	1	95,515	1
31XX	Total equity attributable to owners of the Company	11,162,977	66	9,703,515	70
36XX	Non-controlling Interests	672,292	4	600,243	4
3XXX	Total equity	11,835,269	70	10,303,758	74
	Total Liabilities and Equity	$ 16,975,315	100	$ 13,893,625	100

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to Deloitte & Touche auditors' report dated March 9, 2022)

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China General Plastics Corporation and Subsidiaries

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2021 and 2020

Unit: NT$ thousand, except Earnings Per Share

CODE		2021 Amount	2021 %	2020 (Restated) Amount	2020 (Restated) %
4100	Net revenue (Notes 23 and 29)	$ 20,221,524	100	$ 13,733,148	100
5110	Cost of revenue (Notes 11, 21, 24, and 29)	15,181,144	75	10,373,858	75
5900	Gross profit	5,040,380	25	3,359,290	25
	Operating expenses (Notes 12, 21, 24, and 29)				
6100	Selling and marketing expenses	1,353,416	7	874,540	6
6200	General and administrative expenses	292,634	2	271,846	2
6300	Research and development expenses	77,173	-	68,776	1
6000	Total operating expenses	1,723,223	9	1,215,162	9
6900	Profit from Operations	3,317,157	16	2,144,128	16
	Non-operating income and expenses (Notes 7, 12, 14, 24, and 29)				
7100	Interest income	2,235	-	3,882	-
7010	Other income	103,761	1	65,006	-
7020	Other gain and loss	(132,984)	(1)	(63,999)	-
7510	Interest expense	(5,294)	-	(7,387)	-
7060	Share of profit of associates accounted for using the equity method	22,159	-	23,708	-
7000	Total non-operating income and expenses	(10,123)	-	21,210	-
7900	Profit before income tax	3,307,034	16	2,165,338	16
7950	Income tax expense (Notes 5 and 25)	675,616	3	373,628	3
8200	Net Profit for the Year	2,631,418	13	1,791,710	13
	Other comprehensive income (loss) (Notes 8, 14, 21,22 and 25)				
	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	1,171	-	23,527	-
8316	Unrealized gain (loss) on investments in equity instruments at FVTOCI	(42,877)	-	37,096	1
8321	Share of other comprehensive income (loss) of associates accounted for using the equity method- remeasurement of defined benefit plans	(242)	-	241	-
8326	Share of the other comprehensive income of associates accounted for using the equity method unrealized gain on investments in equity instruments at FVTOCI	37,095	-	34,754	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	(906)	-	(3,475)	-
8310		(5,759)	-	92,143	1
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	(11,080)	-	(12,122)	-
8371	Share of the other comprehensive income (loss) of associates accounted for using the equity method - exchange differences on translating the financial statements of foreign operations	(338)	-	203	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	2,216	-	2,423	-
8360		(9,202)	-	(9,496)	-
8300	Other comprehensive income (loss) for the year, net of income tax	(14,961)	-	82,647	1
8500	Total comprehensive income for the year	$ 2,616,457	13	$ 1,874,357	14
	Net profit attributable to:				
8610	Owners of the Company	$ 2,468,676	12	$ 1,634,184	12
8620	Non-controlling Interests	162,742	1	157,526	1
8600		$ 2,631,418	13	$ 1,791,710	13
	Total comprehensive income attributable to:				
8710	Owners of the Company	$ 2,453,884	12	$ 1,715,940	13
8720	Non-controlling Interests	162,573	1	158,417	1
8700		$ 2,616,457	13	$ 1,874,357	14
	Earnings per share (Note 26)				
9750	Basic	$ 4.25		$ 2.81	
9850	Diluted	$ 4.24		$ 2.81	

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China General Plastics Corporation and Subsidiaries

Consolidated Statements of Changes in Equity

For the Years Ended December 31, 2021 and 2020

Unit: NT$ thousand

CODE		Equity attributable to owners of the Company (Notes 8, 13, 14, 22, and 25)												Non-controlling Interests	Total equity
			Capital surplus			Retained earnings				Other Equity					
		Ordinary shares	Unpaid Dividends	Others	Total	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translating the financial statements of foreign operations	Unrealized gain on financial assets at FVTOCI	Total	Total		
A1	Balance as of January 1, 2020	$ 5,270,299	$ 9,746	$ 314	$ 10,060	$ 640,570	$ 408,223	$ 1,888,394	$ 2,937,187	($ 33,763)	$ 67,029	$ 33,266	$ 8,250,812	$ 461,754	$ 8,712,566
	Appropriation and distribution of earnings for 2019														
B1	Legal reserve	-	-	-	-	64,393	-	(64,393)	-	-	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	(263,515)	(263,515)	-	-	-	(263,515)	-	(263,515)
B9	Share dividends distributed by the Company	263,515	-	-	-	-	-	(263,515)	(263,515)	-	-	-	-	-	-
O1	Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(19,927)	(19,927)
C17	Other changes in capital surplus	-	278	-	278	-	-	-	-	-	-	-	278	(1)	277
D1	Net profit in 2020	-	-	-	-	-	-	1,634,184	1,634,184	-	-	-	1,634,184	157,526	1,791,710
D3	Other comprehensive income (loss) in 2020, net of income tax	-	-	-	-	-	-	19,507	19,507	(9,496)	71,745	62,249	81,756	891	82,647
D5	Total comprehensive income (loss) in 2020	-	-	-	-	-	-	1,653,691	1,653,691	(9,496)	71,745	62,249	1,715,940	158,417	1,874,357
Z1	Balance as of December 31, 2020	5,533,814	10,024	314	10,338	704,963	408,223	2,950,662	4,063,848	(43,259)	138,774	95,515	9,703,515	600,243	10,303,758
	Appropriation and distribution of earnings for 2020														
B1	Legal reserve	-	-	-	-	165,369	-	(165,369)	-	-	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	(996,086)	(996,086)	-	-	-	(996,086)	-	(996,086)
B9	Share dividends distributed by the Company	276,691	-	-	-	-	-	(276,691)	(276,691)	-	-	-	-	-	-
O1	Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(87,619)	(87,619)
C17	Other changes in capital surplus	-	1,412	-	1,412	-	-	-	-	-	-	-	1,412	-	1,412
M5	Acquisition of part of the equity of subsidiaries	-	-	252	252	-	-	-	-	-	-	-	252	(2,905)	(2,653)
D1	Net profit in 2021	-	-	-	-	-	-	2,468,676	2,468,676	-	-	-	2,468,676	162,742	2,631,418
D3	Other comprehensive income (loss) in 2021, net of income tax	-	-	-	-	-	-	451	451	(9,202)	(6,041)	(15,243)	(14,792)	(169)	(14,961)
D5	Total comprehensive income (loss) in 2021	-	-	-	-	-	-	2,469,127	2,469,127	(9,202)	(6,041)	(15,243)	2,453,884	162,573	2,616,457
Z1	Balance as of December 31, 2021	$ 5,810,505	$ 11,436	$ 566	$ 12,002	$ 870,332	$ 408,223	$ 3,981,643	$ 5,260,198	($ 52,461)	$ 132,733	$ 80,272	$ 11,162,977	$ 672,292	$ 11,835,269

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China General Plastics Corporation and Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2021 and 2020

Unit: NT$ thousand

CODE		2021	2020 (Restated)
	Cash flows from operating activities		
A10000	Profit before income tax	$ 3,307,034	$ 2,165,338
A20010	Adjustments for:		
A20100	Depreciation expenses	681,269	653,933
A20200	Amortization expense	23,761	40,690
A20300	Expected credit loss	967	-
A20400	Net gain on fair value change on financial instruments at FVTPL	(19,628)	(24,501)
A20900	Interest expense	5,294	7,387
A21200	Interest income	(2,235)	(3,882)
A21300	Dividend income	(34,369)	(9,265)
A22300	Share of profit of associates accounted for using the equity method	(22,159)	(23,708)
A22500	Gain on disposal of property, plant and equipment	70,193	(764)
A22600	Property, plant and equipment transferred to expense	-	9,431
A23200	Loss from disposal of investments under equity method	-	173
A23700	Provision for write-downs of inventories and obsolescence losses	22,917	10,404
A30000	Net change in operating assets and liabilities		
A31115	Financial Instruments at FVTPL	677,273	(720,754)
A31130	Notes receivable	(203,932)	9,213
A31150	Trade receivables (including related parties)	60,503	(440,883)
A31180	Other receivables (including related parties)	(8,965)	(41,426)
A31200	Inventories	(1,924,507)	242,839
A31230	Prepayments	(156,391)	88,045
A31240	Other current assets	514	1,242
A32150	Trade payables (including related parties)	20,669	60,083
A32180	Other payables (including related parties)	95,848	188,642
A32230	Other current liabilities	25,293	20,999
A32240	Net defined benefit liabilities	(54,430)	(45,707)
A33000	Cash generated from operations	2,564,919	2,187,529
A33100	Interest received	2,328	4,289
A33300	Interest paid	(4,275)	(7,462)
A33500	Income tax paid	(356,551)	(96,032)
AAAA	Net cash generated from operating activities	2,206,421	2,088,324

(Continued)

CODE		2021	2020 (Restated)
	Cash flows from investing activities		
B00030	Return of capital from financial assets at FVTOCI	$ 10,449	$ 16,423
B00040	Purchase of financial assets at amortized cost	(662,805)	(662,578)
B00050	Proceeds from sale of financial assets at amortized cost	662,738	662,457
B02000	Increase in prepayments for investments	(50,000)	-
B02400	Refund of shares from reduction on investments accounted for using the equity method	-	1,274
B02700	Payments for property, plant and equipment	(1,681,675)	(1,133,190)
B02800	Proceeds from disposal of property, plant and equipment	20,288	4,115
B03700	Increase in refundable deposits	(59,949)	(50,062)
B03800	Decrease in refundable deposits	55,796	50,898
B05400	Acquisition of investment properties	(3,298)	(85,673)
B06700	Increase in other non-current assets	(23,356)	(7,235)
B07600	Dividends received	34,369	9,265
BBBB	Net cash used in investing activities	(1,697,443)	(1,194,306)
	Cash flows from financing activities		
C00100	Proceeds from short-term borrowings	200,000	-
C01600	Proceeds from long-term borrowings	1,350,200	50,000
C01700	Repayments of long-term borrowings	(500,000)	(500,000)
C03000	Proceeds from guarantee deposits received	8,230	15,683
C03100	Refunds of guarantee deposits received	(2,800)	(15,738)
C04020	Repayment of the principal portion of lease liabilities	(34,658)	(34,088)
C04300	Increase in other non-current liabilities	46	3
C04500	Dividends paid	(995,375)	(261,104)
C05400	Acquisition of subsidiaries	(2,653)	-
C05800	Cash dividends paid on non-controlling interests	(87,619)	(19,927)
CCCC	Net cash used in financing activities	(64,629)	(765,171)
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	(1,159)	(5,093)
EEEE	Net increase in cash and cash equivalents	443,190	123,754
E00100	Cash and cash equivalents at the beginning of the year	777,101	653,347
E00200	Cash and cash equivalents at the end of the year	$ 1,220,291	$ 777,101

(Concluded)

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to Deloitte & Touche auditors' report dated March 9, 2022)

Notice to Readers:
The consolidated financial statement (Chinese version) of our company is audited by the CPA HUANG, HSIU-CHUN and CPA CHIU, CHENG-CHUN of Deloitte Taiwan. For the convenience of reading, the statement has been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail.

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China General Plastics Corporation and Subsidiaries

Notes to Consolidated Financial Report

For the Years Ended December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. Company History

China General Plastics Corporation ("the Company") was incorporated and began operations on April 29, 1964. The Company mainly engages in the production and sale of PVC films, PVC leather, PVC pipes, PVC compounds, PVC resins, construction products, chlor- alkali products and other related products.

The Company's ordinary shares have been listed on the Taiwan Stock Exchange since March 1973.

The consolidated financial statements of the Company and its subsidiaries (collectively referred to as "the Group") are presented in the Company's functional currency, the New Taiwan dollar (NT$).

2. Date and Procedures of Authorization of Financial Statements

The consolidated financial statements have been approved by the Board of Directors on March 9, 2022.

3. Application of New, Amended, and Revised Standards and Interpretations

(1) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations of IFRS (IFRIC), and Interpretations of IAS (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC).

The application of the latest Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs endorsed and issued into effect by the FSC should not result in major changes in the accounting policies of the Group.

(2) IFRSs endorsed by the FSC that are applicable in 2022

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

Note 1. The amendments to IFRS 9 are applied prospectively to modifications and exchanges of financial liabilities that occur on or after the annual reporting periods

beginning on or after January 1, 2022. The amendments to IAS 41 "Agriculture" are applied prospectively to the fair value measurements on or after the annual reporting periods beginning on or after January 1, 2022. The amendments to IFRS 1 "First-time Adoptions of IFRSs" are applied retrospectively for annual reporting periods beginning on or after January 1, 2022.

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

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

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

As of the date the consolidated financial statements were authorized for issue, the Group's assessment of the effects of amendments to other standards and interpretations should not cause material effects on the financial conditions and performance.

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

New/Amended/Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture"	Yet to be decided
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9—Comparative Information”	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendment to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"	January 1, 2023 (Note 4)

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

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

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

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

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group' s consolidated financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. Summary of Significant Accounting Policies

(1) Statement of compliance

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

(2) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurement, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

(3) Standards for assets and liabilities classified as current and non-current

Current assets include:

1) Assets held primarily for trading purposes;

2) Assets expected to be realized within 12 months after the balance sheet date; and

3) Cash and cash equivalents (excluding assets restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date).

Current liabilities include:

1) Liabilities held primarily for trading purposes;

2) Liabilities with settlement within 12 months after the balance sheet date; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

All other assets or liabilities that are not specified above are classified as non-current.

(4) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. The total comprehensive income of subsidiaries is attributed to the owners of the Company and the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

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

(5) Foreign currencies

In the preparation of financial statements, transactions denominated in a currency other than the Group's functional currency (i.e., foreign currency) are translated into the Group's functional currency by using the exchange rate at the date of the transaction.

Monetary items denominated in foreign currencies are translated at the closing rates on the balance sheet date. Exchange differences arising from settlement or translation of monetary items are recognized in profit or loss in the year in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. The resulting exchange difference is recognized in profit or loss. For items whose changes in fair value are recognized in other comprehensive income, the resulting exchange difference is recognized in other comprehensive income.

Non-monetary items measured at historical cost that are denominated in foreign currencies are translated at the rates of exchange prevailing on the transaction dates and are not re-translated.

In the preparation of the consolidated financial statements, the assets and liabilities of foreign operations (including subsidiaries and associates that operate in a country or currency different from the Company) are translated into the New Taiwan dollar at the closing rate of exchange prevailing on the balance sheet date. Income and expenses are translated at the average rate of the year. The exchange differences arising are recognized in other comprehensive income and are attributable to owners of the Company and non-controlling interests respectively.

(6) Inventories

Inventories comprise raw materials, finished goods and work in process. Inventories are measured at the lower of cost and net realizable value. The comparison between costs and net realizable values is based on individual items except for the same type of inventory. The net realizable value is the estimated selling price in the ordinary course of business less the estimated costs to completion and the estimated cost necessary to make the sale. Inventory costs are calculated using the weighted average method.

(7) Investments in associates

An associate is an entity over which the Group has significant influence other than a subsidiary.

The Group accounts for investments in associates using the equity method.

Under the equity method, the investment is initially recognized at cost. The carrying amount of investment is adjusted thereafter for the post-acquisition changes in the Group's share of profit or loss and other comprehensive income and profit distribution of the associates. In addition, equity changes in associates are recognized based on the shareholding ratio.

When the Group's share of losses of an associate equals or exceeds its interest in that associate (including any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payment on behalf of that associate.

To assess impairment, the Group has to consider the overall carrying amount of the investment as a single asset to compare the recoverable and carrying amounts. The impairment loss recognized is not allocated to any asset that forms part of the carrying amount of the investment. Reversal of the impairment loss is recognized to the extent of subsequent increases in the recoverable amount of investment.

The Group shall cease the use of equity method from the date when its investment is no longer an associate. Its retained interest in the associate is measured at fair value, and the difference between the fair value and the carrying amount of the investment and the carrying amount of the investment at the date of acquisition of the equity method is included in profit or loss for the current period. In addition, the Group shall account for all the amounts recognized in other comprehensive income in relation to that associate on the same basis as would be required if the an associate had directly disposed of the related assets or liabilities.

Profits and losses in upstream, downstream and side-stream transactions between the Group and associates are recognized in the consolidated financial statements only to the extent that the profits and losses are irrelevant to the Group's interests in the associates.

(8) Property, Plant and Equipment

Property, plant, and equipment shall be recognized at cost and subsequently at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are recognized at cost less accumulated impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except freehold land, each significant part of property, plant, and equipment is separately depreciated over its useful life on a straight-line basis. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

When property, plant, and equipment is derecognized, the difference between the net disposal proceeds and the carrying amount of the asset shall be recognized in profit or loss.

(9) Investment Properties

Investment properties are real estate held for rent or capital appreciation or both.

Investment properties are initially measured at cost, including transaction cost. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

The investment properties are depreciated on a straight-line basis.

When investment properties are derecognized, the difference between the net disposal proceeds and the carrying amount of the property shall be recognized in profit or loss of the current year.

(10) Impairment of property, plant, equipment, right-of-use assets and investment property

At the end of each reporting date, the Group reviews the carrying amounts of its property, plant, and equipment as well as right-of-use assets and investment property to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. If it is not possible to determine the recoverable amount for an individual asset, the Group shall estimate the recoverable amount of the asset's cash-generating unit. Shared assets are allocated to individual cash-generating units when they can be allocated to the cash-generating units on a reasonable and consistent basis. Otherwise, they can be allocated to the smallest group of cash-generating units on a reasonable and consistent basis.

The recoverable amount is the fair value minus cost of sales or its value in use, whichever is higher. If the recoverable amount of individual asset or the cash-generating unit is lower than its carrying amount, the carrying amount of the asset or the cash-generating unit shall be reduced to the recoverable amount and the impairment loss shall be recognized in profit or loss.

When the impairment loss is subsequently reversed, the carrying amount of the asset or the related asset of the cash-generating unit will be reduced to the extent of recoverable amount prior to revision, provided the increased carrying amount does not exceed the carrying amount (minus amortization or depreciation) of the asset or of the related asset of the cash-generating unit not declared as impairment loss in the previous years. A reversal of an impairment loss is recognized in profit or loss.

(11) Financial Instruments

Financial assets and financial liabilities shall be recognized in the consolidated balance sheets when the Group becomes a party of the financial instrument contract.

When showing the original financial assets and liabilities, if their fair value was not assessed based on profit or loss, it is the fair value plus the cost of transaction, that is, of its acquisition or issuance of the financial assets or financial liabilities. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

Regular trading of financial assets shall be recognized and derecognized in accordance with trade date accounting.

I) Types of measurement

The types of financial assets held by the Group are financial assets at FVTPL, financial assets at amortized cost, and investments in equity instruments at FVTOCI

A. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified as at FVTPL. Financial assets that are mandatorily measured at FVTPL include investments in equity instruments that are not designated to be measured at FVTOCI and investments in debt instruments that do not qualify for classification as measured at amortized cost or measured at FVTOCI.

Financial assets at FVTPL are measured at fair value. Any gain or loss of remeasurements (excluding any stock dividends or interests from the said assets) are recognized in profit or loss. Fair value is determined in the manner described in Note 28.

B. Financial assets at amortized cost

When the Group's investments in financial assets match the following two conditions simultaneously, they are classified as financial assets at amortized cost:

a. Financial assets are under a business model whose purpose is to hold financial assets and collecting contractual cash flows; and

b. The terms of the contract generate a cash flow on a specified date that is solely for the payment of interest on the principal and the amount of principal outstanding.

After initial recognition, financial assets measured at amortized (including cash and cash equivalents, notes receivable, trade receivable, other receivables, pledged time deposits, and refundable deposits) are measured at amortized cost using the effective interest method, less any impairment loss, and any foreign currency exchange gain or loss is recognized in profit or loss.

Except for the following two circumstances, interest income is calculated at the value of effective interest rate times the gross carrying amount of financial assets:

a. For purchased or originated credit-impaired financial assets, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial assets.

b. Financial assets that are not credit impairment from purchases or at the time of founding but subsequently become credit impairments shall be calculated by multiplying the effective interest rate in the reporting period after the credit impairment by the cost after the amortization of financial assets.

A credit-impaired financial asset refers to the situation where the issuer or debtor has experienced significant financial difficulties or defaults and therefore the debtor is likely to file for bankruptcy or declare financial restructuring, or the disappearance of an active market for that financial asset due to financial difficulties has occurred.

Cash equivalents include time deposits with high liquidity and relatively low price changes convertible to cash any time. They are used for meeting short-term cash commitments.

C. Investments in Equity Instruments at FVTOCI

The Group may, at initial recognition, make an irrevocable decision to designate an equity instrument that is neither held for trading nor contingent consideration arising from a business combination to be measured at fair value through other comprehensive income.

Investments in equity instruments at fair value through other comprehensive income are measured at fair value, and any subsequent fair value changes are recognized in other comprehensive income and accumulated in other equity. When the investment is disposed of, the cumulative profit or loss is directly transferred to retained earnings and not reclassified to profit or loss.

Dividends of investments in equity instruments at fair value through other comprehensive income are recognized in profit or loss when the Group's right to receive payment is confirmed unless such dividends clearly represent the recovery of a part of the investment cost.

II) Impairment of financial assets

The impairment loss of financial assets at amortized cost (including trade receivables) is measured by the Group on the balance sheet date based on the expected credit losses.

Allowances shall be appropriated for accounts receivable for expected credit losses for the duration of their existence. A loss allowance for the 12-month expected credit losses is required for a financial asset if its credit risk has not increased significantly since initial recognition. A loss allowance for full lifetime expected credit losses is required for a financial asset if its credit risk has increased significantly since initial recognition.

The expected credit loss is the weighted average credit loss determined by the risk of default. The 12-month expected credit losses represent the expected credit losses arising from the possible default of the financial instrument in the 12 months after the balance sheet date, and the expected credit losses during the lifetime represent the expected credit losses arising from all possible defaults of the financial instrument during the expected existence period.

For the purpose of internal credit risk management, under the premise that the collateral held is not under consideration, the Group determines that the financial assets have breached the contract by the following circumstances:

A. Internal or external information indicates that the debtor is unlikely to pay its creditors.

B. The underlying debt is overdue for a specified number of days, unless there is reasonable and supportable information indicating that a delayed basis of default is more appropriate.

The impairment loss of all financial assets is reduced based on the allowance account.

III) Derecognition of financial assets

The Group derecognizes the financial assets when the contractual rights to the cash flow from the said financial assets expire or when the Group transfers almost all the risks and rewards of ownership of the financial assets to other enterprises.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received is recognized in profit or loss. Through the full derecognition of the investments in equity instruments at fair value through other comprehensive income, the cumulative profit or loss is directly transferred to retained earnings and not reclassified to profit or loss.

2) Instruments

Debt and equity instruments issued by the Group are classified as either financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Group are recognized at the proceeds received after deducting direct issue costs.

3) Financial liabilities

I) Subsequent measurement

Except for the following circumstances, financial liabilities are assessed at amortized cost using the effective interest method.

Financial liabilities at FVTPL

Financial liabilities at FVTPL are held for trading.

Financial liabilities held for trading are measured at fair value, and their gains or losses arising from remeasurement are recognized in other gains and losses. Fair value is determined in the manner described in Note 28.

II) Derecognition of financial liabilities

When financial liabilities are derecognized, the difference between their carrying amount and the paid consideration (including any transferred non-cash assets or liabilities assumed) shall be recognized in profit or loss.

4) Derivative financial assets

Derivative instruments entered into by the Group are forward foreign exchange contracts, which are used to manage the Group's exchange rate risk.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss. When the fair value of derivative financial instrument is positive, the derivative is recognized as a financial asset. When the fair value of derivative financial instrument is negative, the derivative is recognized as a financial liability.

(12) Revenue recognition

After the Group identifies its performance obligations in contracts with customers, it shall amortize the transaction costs to each obligation in the contract and recognize revenue upon satisfaction of performance obligations. Refund liabilities are provided based on past experience and other relevant factors to reasonably estimate the amount of future returns.

Sales revenue of commodities

Sales revenue of commodities comes from the sale of VCM, chlor-alkali products, PVC resins, PVC compounds and other related products. When commodities are delivered to the customers, the customers have already obtained the rights to establish the price and usage of the commodities and are primarily liable for the resale of the commodities. The customers shall undertake the related obsolescence risk and the Group will recognize revenue and accounts receivable at that time.

(13) Leases

The Group assesses whether the contract is (or includes) a lease on the date of its establishment.

1. Where the Group is a lessor:

Under operating leases, revenue is recognized on a straight-line basis over the relevant lease term.

2. Where the Group is a lessee:

Except that the lease payments of the low value subject-matter assets and short-term leases applicable to recognition exemption are recognized as expenses on a straight-line basis during the lease period, other leases are recognized as right-of-use assets and lease liabilities on the lease commencement date.

The right-of-use asset is initially measured at cost (including the original measured amount of the lease liability, the lease payment paid before the lease commencement date minus the lease incentive received, the original direct cost and the estimated cost of the recovery target asset), and subsequently measured at cost minus the accumulated depreciation and the accumulated impairment loss and adjusted for the remeasurement of the lease liability. The right-of-use assets are separately expressed in the consolidated balance sheets.

The right-of-use assets shall be depreciated on a straight-line basis from lease commencement date to the end of the useful life or the end of the lease term.

Lease liabilities are initially measured at the present value of the lease payments (including fixed payments). If the implicit interest rate of lease is easy to determine, the interest rate is used to discount the lease payment. If the interest rate is not easy to determine, the lessee's incremental borrowing rate shall be used.

Subsequently, the lease liability is measured on the basis of amortized cost using the effective interest method, and the interest expense is apportioned during the lease period. Lease liabilities are presented separately in the consolidated balance sheets.

(14) Borrowings costs

Borrowing costs directly attributable to an acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(15) Government subsidies

Government subsidies are recognized only when there is reasonable assurance that the Group will comply with the conditions associated with the subsidies and that the subsidies will be received.

Government subsidies whose condition is that the Group should purchase, construct or otherwise acquire the assets are recognized as deferred income, which should be transferred to profit or loss over the useful lives of the related assets on a reasonable and systematic basis.

For government loan with lower than market interest rates obtained by the Group, the difference between the loan amount received and the fair value of the loan based on the prevailing market interest rate is recognized as a government subsidy.

(16) Employee benefits

1. Short-term employee benefits

   Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2. Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered service entitling them to the contributions.

The costs of defined benefits under the defined benefit pension plan (including service cost, net interest, and the remeasurement) are calculated based on the projected unit credit method. The cost of services (including the cost of services of the current period) and the net interest of the net defined benefit liabilities (assets) are recognized as employee benefit expenses. The remeasurement amount (including actuarial gains and losses and the return on plan assets after deducting interest) is recognized in other comprehensive income and presented in retained earnings when it occurs. It shall not be reclassified to profit or loss in subsequent periods.

Net defined benefit liabilities (assets) are the deficit (surplus) of the contribution made according to the defined benefit pension plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

(17) Taxation

The income tax expense represents the sum of the tax currently payable and deferred tax.

1. Current tax

The Group determines the income (loss) of the current year in accordance with the laws and regulations in each income tax declaration jurisdiction, and calculates the income tax payable (recoverable) accordingly.

A tax is levied on the unappropriated earnings pursuant to the Income Tax Act of the Republic of China and is recorded as an income tax expense in the year when the shareholders' meeting resolves to appropriate the earnings.

Adjustments to prior year income taxes are shown in the taxes of the current year.

2. Deferred tax

Deferred income tax is calculated based on the temporary difference between the carrying amount of the assets and liabilities and the taxable basis of the taxable income.

Deferred income tax liabilities are generally recognized for all taxable temporary differences and deferred income tax assets are recognized when there are likely taxable income for the deducting temporary differences.

Deferred income tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. For deductible temporary differences associated with such investment, when it is probable that sufficient taxable income will be available to realize such temporary difference, a deferred tax asset is recognized, but only to the extent of the amount that is expected to be reversed in the foreseeable future.

The carrying amount of the deferred income tax assets is re-examined at the end of each reporting period and the carrying amount is reduced for assets that are no longer likely to generate sufficient taxable income to recover all or part of the assets. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rate of the period of expected repayment of liabilities or realization of assets. The rate is based on the tax rate and tax laws that have been enacted prior to the balance sheet date or have been substantially legislated. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3. Current and deferred taxes for the year

Current and deferred taxes are recognized in profit or loss except for those related to items recognized in other comprehensive income or equity that shall be recognized in other comprehensive income or entity, respectively.

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

When the Group adopts accounting policies, the management must make judgments, estimates, and assumptions based on historical experience and other critical factors for related information that are not readily available from other sources. Actual results may differ from these estimates.

The estimates and assumptions are reviewed on an ongoing basis by the management of the Group. If an amendment of estimates only affects the current period, it shall be recognized in the period of amendment; if an amendment of accounting estimates affects the current year and future periods, it shall be recognized in the period of amendment and future periods.

Key Sources of Estimation and Uncertainty

(1) Taxation

As of December 31, 2021 and 2020, the carrying amounts of deferred tax assets in relation to unused tax losses were $228,381 thousand and $216,299 thousand, respectively. Due to the unpredictability of future profit streams, as of December 31, 2021 and 2020, there were still loss carryforwards and deductible temporary differences of $345,171 thousand and $536,533 thousand respectively, which were not recognized as deferred tax assets. The realizability of deferred tax assets depends primarily on the availability of sufficient future profits or taxable temporary differences. If the actual profits generated in the future are less than expected, there may be a significant reversal of deferred tax assets, and these reversals are recognized as profit or loss in the period in which they occur.

(2) Associate's estimated of damage compensation for gas explosion incident

The associate, China General Terminal & Distribution Corporation, has recognized the liability provision for civil damages compensation arising from the gas explosion incident. The management has considered the progress of the relevant civil and criminal litigation and settlement with reference to legal advice to estimate the amount of the liability provision. However, actual results may differ from current estimates.

6. Cash and Cash Equivalents

	December 31, 2021	December 31, 2020
Cash on hand and petty cash	$ 416	$ 369
Checking accounts and demand deposits	629,408	342,063
Cash equivalents		
Time deposits	500,485	434,669
Reverse repurchase agreements collateralized by bonds	89,982	-
	$ 1,220,291	$ 777,101

The market rate intervals of time deposits in banks and reverse repurchase agreements at the end of the reporting period were as follows:

	December 31, 2021	December 31, 2020
Time deposits	0.07%-0.77%	0.10%-0.49%
Reverse repurchase agreements collateralized by bonds	0.37%	-

7. Financial Instruments at FVTPL

	December 31, 2021	December 31, 2020
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
－Foreign exchange forward contracts	$ 4,079	$ 3,443
Non-derivative financial assets		
－Mutual Funds	747,243	1,471,300
－Beneficiary securities	52,541	49,918
－Domestic listed equity investments	58,597	-
－Overseas unlisted equity investments	-	-
	$ 862,460	$ 1,524,661
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
－Foreign exchange forward contracts	$ -	$ 4,556

At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Contract Amount (In Thousands)
December 31, 2021			
Buy	NTD/USD	2022.03.07	NTD 128,458 /USD 4,640
Sell	USD/NTD	2022.01.03~2022.03.30	USD 31,290 /NTD 870,183
December 31, 2020			
Buy	NTD/USD	2021.01.04~2021.03.02	NTD 191,350 /USD 6,750
Sell	USD/NTD	2021.01.04~2021.03.18	USD 28,490 /NTD 807,532

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. These contracts did not meet the criteria for hedge accounting. Therefore, the Group did not apply a hedge accounting treatment for these contracts.

8. Financial Assets at FVTOCI - Non-current

Investments in equity instruments

	December 31, 2021	December 31, 2020
Domestic equity investments		
Listed ordinary shares		
Asia Ploymer Corporation	$ 4,774	$ 2,746
Unlisted ordinary share		
KHL IB Venture Capital Co., Ltd.	82,377	137,731
	$ 87,151	$140,477

In order to adjust its capital structure, on August 2021, January 2021, November 2020, and May 2020, the shareholders' meeting of KHL IB Venture Capital Co., Ltd. resolved to respectively reduce its ordinary shares by 50 shares, 130 shares, 59 shares, and 165 shares per 1,000 shares, representing a refund of $500, $1,300, $590 and $1,650. In 2021 and 2020, the Group received a capital refund of $10,449 thousand and $16,423 thousand, respectively.

The Group invested in equity instruments for medium to long-term strategic purposes and expects to make a profit via long-term investment. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as it believes that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. Financial Assets at Amortized Cost - Current

	December 31, 2021	December 31, 2020
Domestic equity investments		
Pledged time deposits	$269,291	$269,224

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

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

10. Notes Receivable, Trade Receivables and Other Receivables

	December 31, 2021	December 31, 2020
Notes receivable		
Notes receivable - operating	$ 404,709	$ 200,777
Trade receivables (including related parties)(Note 29)		
At amortized cost		
Total carrying amount	$ 1,651,208	$ 1,716,848
Less: Allowance for impairment loss	(12,917)	(13,458)
	$ 1,638,291	$ 1,703,390
Other receivables (including related parties) (Notes 29)		
Tax refunds receivables	$ 126,882	$ 93,081
Interest receivables	311	404
Lend raw material receivables	-	27,067
Others	10,488	8,269
	$ 137,681	$ 128,821

(1) Trade receivables

The Group's credit period for the sale of goods ranges from 10 days to 60 days. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Before accepting a new customer, the Group surveys the customers' credit history and measures the potential customer's credit quality to set a credit limit. A customer's credit limit and rating are reviewed annually. In addition, the Group reviews the recoverable amount of trade debt at the end of the reporting period to ensure that adequate allowance of impairment loss is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

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

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

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

December 31, 2021

	Credit Rating A	Credit Rating B	Credit Rating C	Others	Total
Gross carrying amount	$ 364,648	$ 695,681	$ 220,017	$ 775,571	$2,055,917
Loss allowance (lifetime ECLs)	-	(6,728)	(4,972)	(1,217)	(12,917)
Amortized cost	$ 364,648	$ 688,953	$ 215,045	$ 774,354	$2,043,000

December 31, 2020

	Credit Rating A	Credit Rating B	Credit Rating C	Others	Total
Gross carrying amount	$ 70,205	$ 560,442	$ 165,823	$1,121,155	$1,917,625
Loss allowance (lifetime ECLs)	-	(4,990)	(3,844)	(4,624)	(13,458)
Amortized cost	$ 70,205	$ 555,452	$ 161,979	$1,116,531	$1,904,167

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

	December 31, 2021	December 31, 2020
Not past due	$ 1,827,949	$ 1,824,754
Less than and including 60 days	206,426	90,454
Over 61 days	21,542	2,417
	$ 2,055,917	$ 1,917,625

The above aging schedule was based on the number of days past due from the end of the credit term.

The movements of the loss allowance of trade receivables were as follows:

	2021	2020
Balance at January 1	$ 13,458	$ 13,600
Add: Allowance of impairment loss	967	-
Less: Amounts written off	(1,435)	-
Foreign exchange gains and losses	(73)	(142)
Balance at December 31	$ 12,917	$ 13,458

(2) Other receivables

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

11. Inventories

	December 31, 2021	December 31, 2020
Finished goods	$ 2,384,405	$ 593,470
Work in progress	43,483	48,411
Raw materials	674,803	565,248
	$ 3,102,691	$ 1,207,129

For the years ended December 31, 2021 and 2020, the costs of goods sold for inventories amounted to $15,181,144 thousand and $10,373,858 thousand, respectively. For the years ended December 31, 2021 and 2020, the costs of goods sold included provisions of allowance for write-downs of inventories and obsolescence losses amounted to $22,917 thousand and $10,404 thousand, respectively.

12. Discontinued Operations

On October 24, 2011, the Company's board of directors approved to dispose of Continental General Plastics (Zhong Shan) Co., Ltd. and CGPC Consumer Products Corporation to be listed as discontinued operations. The Group has considered that its discontinued operations was resumed its operating substance, and, therefore, the Group reclassified the discontinued operations as continuing operations since 2021 after an assessment, when preparing a set of comparative financial statements, the Group is required to restate the previously stated amounts in accordance with International Financial Reporting Standards No. 5 "Non-current assets held for sale and discontinued operations." The effects of restating the consolidated statement of comprehensive income for the year ended December 31, 2020 are stated below:

2020

Effect on Comprehensive Income	Amount Before Restatement	Profit or Loss from Discontinued Operations	Amount After Restatement
General and administrative expenses	($ 262,422)	($ 9,424)	($ 271,846)
Interest income	3,621	261	3,882
Other income	36,181	28,825	65,006
Other gain and loss	(48,610)	(15,389)	(63,999)
Effects on net profit for the year	($ 271,230)	$ 4,273	($ 266,957)

13. Subsidiary

Subsidiaries included in the consolidated financial statements:

Investor Company	Subsidiary	Nature of Activities	Proportion of Ownership (%) December 31, 2021	Proportion of Ownership (%) December 31, 2020	Note
The Company	CGPC Polymer Corporation ("CGPCPOL")	Manufacturing and marketing of PVC resins	100.00%	100.00%	Subsidiary
The Company	Taiwan VCM Corporation ("TVCM")	Manufacturing and marketing of VCM	87.27%	87.22%	Subsidiary (Note 1)
The Company	CGPC (BVI) Holding Co., Ltd. ("CGPC (BVI)")	Reinvestment	100.00%	100.00%	Subsidiary
The Company	CGPC America Corporation ("CGPC-America")	Marketing of PVC film and leather products	100.00%	100.00%	Subsidiary
CGPC (BVI)	Continental General Plastics (Zhong Shan) Co., Ltd. ("CGPC (ZS)")	Manufacturing and marketing of PVC film and consumer products	100.00%	100.00%	Subsidiary of CGPC (BVI) (Note 2)
CGPC (BVI)	CGPC Consumer Products Corporation ("CGPC (CP)")	Manufacturing and marketing of PVC consumer products	100.00%	100.00%	Subsidiary of CGPC (BVI) (Note 2)

Note 1. Based on the medium- and long-term investment strategy, the Company acquired 157 thousand shares of TVCM from external shareholders from March to September 2021, with $2,653 thousand, increasing its shareholding ratio in TVCM from 87.22% to

87.27%. On May 12, 2021 and May 6, 2020, the shareholders' meeting of TVCM resolved to re-capitalize earnings of $220,328 thousand and $155,892 thousand to issue new shares of 22,033 thousand and 15,589 thousand with a record date set on July 2, 2021 and July 3, 2020, respectively.

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

The subsidiaries included in the consolidated financial statements are recognized according to the audited financial statements of each subsidiary for the same years.

14. Investment Accounted for Equity Method

Investments in associates that are not individually material

	December 31, 2021	December 31, 2020
Listed companies		
Acme Electronics Corporation ("ACME")	$ 23,171	$ 22,517
Unlisted companies		
China General Terminal & Distribution Corporation ("CGTD")	373,731	315,711
	$396,902	$338,228

Aggregate information of associates that are not individually material

	2021	2020
The Group's share of:		
Net profit for the year	$ 22,159	$ 23,708
Other comprehensive income	36,515	35,198
Total comprehensive income	$ 58,674	$ 58,906

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

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

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

On April 12, 2019, the board of directors of Thintec Materials Corporation (“TMC”) approved the proposal for the dissolution and liquidation starting from the dissolution date of May 25, 2019. The liquidation and dissolution process was completed on July 22, 2020. In May 2020, the Group received the proceeds distribution of $1,274 thousand derived from the residual assets in the liquidation process, and thus recognized a disposal loss of $173 thousand. In February 2021, the refund of business tax of TMC was approved by the National Taxation Bureau of Taipei, Ministry of Finance. In April 2021, the Group recovered $153 thousand according to the shareholding ratio before liquidation and recognized it as other income.

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

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

Company name	December 31, 2021	December 31, 2020
ACME	$169,917	$ 60,027

Except ACME’s financial statement as of and for the year ended December 31, 2020, the Group’s investments accounted for using the equity method and its share of profit or loss and other comprehensive income or loss as of and for the years ended December 31, 2021 and 2020 were based on the associates’ financial statements which have been audited for the same years; The management considered ACME's Financial Statements not yet be audited by CPA might not generate material effect.

15. Property, Plant and Equipment

	Freehold Land	Buildings and Improvements	Machinery and Equipment	Transportation Equipment	Miscellaneous Equipment	Construction in Progress and Machinery in Transit	Total
Cost							
Balance as of January 1, 2021	$ 2,090,707	$ 1,731,563	$ 10,492,526	$ 68,699	$ 399,588	$ 1,346,787	$ 16,129,870
Additions	-	-	271	-	469	1,803,407	1,804,147
Disposal	-	(1,014)	(305,577)	-	(11,567)	(7,396)	(325,554)
Reclassification	-	51,468	489,772	1,020	8,399	(550,659)	-
Effect of foreign currency exchange differences	-	(6)	(279)	(49)	(128)	(4)	(466)
Balance as of December 31, 2021	$ 2,090,707	$ 1,782,011	$ 10,676,713	$ 69,670	$ 396,761	$ 2,592,135	$ 17,607,997
Accumulated depreciation and impairment							
Balance as of January 1, 2021	$ -	$ 994,562	$ 8,213,075	$ 45,866	$ 298,312	$ 7,818	$ 9,559,633
Depreciation expenses	-	65,812	517,301	6,754	27,514	-	617,381
Disposal	-	(1,014)	(215,113)	-	(11,550)	(7,396)	(235,073)
Effect of foreign currency exchange differences	-	(7)	(247)	(29)	(93)	(2)	(378)
Balance as of December 31, 2021	$ -	$ 1,059,353	$ 8,515,016	$ 52,591	$ 314,183	$ 420	$ 9,941,563
Net amount as of December 31, 2021	$ 2,090,707	$ 722,658	$ 2,161,697	$ 17,079	$ 82,578	$ 2,591,715	$ 7,666,434
Cost							
Balance as of January 1, 2020	$ 2,090,707	$ 1,694,505	$ 10,218,539	$ 58,694	$ 343,686	$ 763,535	$ 15,169,666
Additions	-	-	-	-	123	1,120,046	1,120,169
Disposal	-	(15,715)	(118,325)	(3,666)	(6,980)	-	(144,686)
Reclassification	-	52,795	392,029	13,719	62,935	(536,801)	(15,323)
Effect of foreign currency exchange differences	-	(22)	283	(48)	(176)	7	44
Balance as of December 31, 2020	$ 2,090,707	$ 1,731,563	$ 10,492,526	$ 68,699	$ 399,588	$ 1,346,787	$ 16,129,870
Accumulated depreciation and impairment							
Balance as of January 1, 2020	$ -	$ 946,821	$ 7,827,294	$ 43,683	$ 284,379	$ 7,811	$ 9,109,988
Depreciation expenses	-	63,438	500,435	5,849	21,041	-	590,763
Disposal	-	(15,681)	(115,009)	(3,666)	(6,979)	-	(141,335)
Effect of foreign currency exchange differences	-	(16)	355	-	(129)	7	217
Balance as of December 31, 2020	$ -	$ 994,562	$ 8,213,075	$ 45,866	$ 298,312	$ 7,818	$ 9,559,633
Net amount as of December 31, 2020	$ 2,090,707	$ 737,001	$ 2,279,451	$ 22,833	$ 101,276	$ 1,338,969	$ 6,570,237

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

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

Buildings and Improvements	3~60 years
Machinery and Equipment	2~26 years
Transportation Equipment	2~10 years
Miscellaneous Equipment	2~21 years

The Group's property, plant and equipment were assessed and there was no impairment as of December 31, 2021 and 2020.

16. Lease Arrangements

(1) Right-of-use assets

	December 31, 2021	December 31, 2020
Carrying amount of right-of-use assets		
Land	$ 142,776	$ 152,350
Buildings	4,164	8,239
Machinery and Equipment	9,117	18,234
	$ 156,057	$ 178,823

	2021	2020
Depreciation expense of right-of-use assets		
Land	$ 21,914	$ 21,451
Buildings	3,889	4,103
Machinery and Equipment	9,117	9,117
	$ 34,920	$ 34,671

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

(2) Lease liabilities

	December 31, 2021	December 31, 2020
Carrying amount of lease liabilities		
Current	$ 36,404	$ 36,029
Non-current	$ 124,307	$ 147,189

Range of discount rate for lease liabilities was as follows:

	December 31, 2021	December 31, 2020
Land	0.8244%-1.0392%	0.8244%-1.0392%
Buildings	1.0392%	1.0392%
Machinery and Equipment	1.0392%	1.0392%

(3) Material lease activities and contractual terms and conditions

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

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

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

(4) Other lease information

	2021	2020
Expenses relating to short-term leases	$ 11,272	$ 12,101
Expenses relating to low-value asset leases	$ 635	$ 616
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 41,454	$ 36,421
Total cash outflow for leases	($ 89,843)	($ 85,322)

The Group selects to apply the recognition exemptions to leases of buildings and transportation equipment that qualify as short-term leases, and land and office equipment that qualify as leases of low-value assets. Consequently, the Group does not recognize any right-of-use assets or lease liabilities for the said leases.

17. Investment Property

	Land	Buildings and Improvements	Right-of-use assets	Total
Cost				
Balance as of January 1, 2021	$ 113,388	$ 607,576	$ 96,140	$ 817,104
Additions	3,298	-	-	3,298
Effect of foreign currency exchange differences	-	(1,680)	(513)	(2,193)
Balance as of December 31, 2021	$ 116,686	$ 605,896	$ 95,627	$ 818,209
Accumulated depreciation				
Balance as of January 1, 2021	$ -	$ 276,028	$ 6,611	$ 282,639
Depreciation expenses	-	25,405	3,563	28,968
Effect of foreign currency exchange differences	-	(1,210)	(36)	(1,246)
Balance as of December 31, 2021	$ -	$ 300,223	$ 10,138	$ 310,361
Net amount as of December 31, 2021	$ 116,686	$ 305,673	$ 85,489	$ 507,848
Cost				
Balance as of January 1, 2020	$ 27,715	$ 602,724	$ 94,658	$ 725,097
Additions	85,673	-	-	85,673
Effect of foreign currency exchange differences	-	4,852	1,482	6,334
Balance as of December 31, 2020	$ 113,388	$ 607,576	$ 96,140	$ 817,104
Accumulated depreciation				
Balance as of January 1, 2020	$ -	$ 247,244	$ 3,255	$ 250,499
Depreciation expenses	-	25,255	3,244	28,499
Effect of foreign currency exchange differences	-	3,529	112	3,641
Balance as of December 31, 2020	$ -	$ 276,028	$ 6,611	$ 282,639
Net amount as of December 31, 2020	$ 113,388	$ 331,548	$ 89,529	$ 534,465

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

CGPC (ZS), a subsidiary of CGPC (BVI), which is a subsidiary of the Group, leases land located in Huoju Development Zone, Zhongshan City, Guangdong Province and sub-leases to other companies under operating leases. The corresponding right-of-use assets are accounted for as investment properties.

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

	December 31, 2021	December 31, 2020
Year 1	$ 38,389	$ 32,578
Year 2	25,649	17,620
Year 3	10,983	12,608
Year 4	10,776	6,622
Year 5	10,776	6,622
Over 5 years	26,940	23,178
	$123,513	$ 99,228

The investment properties are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and Improvements	5~26 years
Right-of-use assets	50 years

The Group's investment properties were assessed and there was no impairment as of December 31, 2021 and 2020.

18. Borrowings

(1) Short-term borrowings

	December 31, 2021	December 31, 2020
Unsecured borrowings		
Bank loans	$ 200,000	$ -
The range of interest rate	0.74%	-

(2) Long-term borrowings

	December 31, 2021	December 31, 2020
Unsecured borrowings		
Bank loans	$ 882,575	$ 50,000
The range of interest rate	0.10%-0.29%	0.82%

In order to enrich medium- and long-term working capital, the Company entered into a long-term credit contract with a bank, with a credit limit of $1,000,000 thousand and a credit period due in July 2023. Any revolving drawdown within the credit limit can be made before the expiration date of the contract. However, the Company had canceled the credit facility in November 2020, For the details, please refer to Note 30. In addition, the Company entered into a medium- and long-term credit contract with a bank in July and August 2021, with a credit limit of $800,000 thousand and a credit period due in August 2024 and onwards, and any revolving drawdown within the credit limit can be made before the expiration date of the contract. As of December 31, 2021, the Company has not made any drawdown from its credit limit.

In order to enrich medium- and long-term working capital, CGPCPOL entered into long-term credit contracts with banks, with a total credit limit of $1,800,000 thousand and credit periods due in August 2023 and onwards. Any revolving drawdown within the credit limit can be made before the expiration dates of the contracts. However, CGPCPOL had respectively canceled a credit facility of $500,000 thousand and $800,000 thousand in August 2021 and November 2020, respectively. For the details, please refer to Note 30. As of December 31, 2021, CGPCPOL has not made any drawdown from its credit limit.

In order to enrich medium- and long-term working capital, TVCM entered into long-term credit contracts with banks, with a credit limit of $300,000 thousand and a credit period due in May 2023 and onwards. Any revolving drawdown within the credit limit can be made before the expiration dates of the contracts. As of December 31, 2021, TVCM has not made any drawdown from its credit limit.

Through "Action Plan of Accelerated Investment by SMEs" TVCM obtained a low-interest bank loan of $2,442,200 thousand. The difference between the market interest rate of 0.80% to 0.99% recognized and measured for the bank loan and the actual interest paid at preferential rate of 0.10% to 0.29% was recognized as government subsidy. As of December 31, 2021, TVCM has made drawdowns of $900,200 thousand.

Some of the Group's credit contracts stipulate that the current ratio and debt ratio as stated on the financial statements shall not be less than a certain percentage, and that if such a percentage fails to be met, the Group shall propose improvement measures to the bank concerned. As of December 31, 2021, the Group has not defaulted on any of the aforementioned financial ratios.

19. Trade Payables

	December 31, 2021	December 31, 2020
Trade payables (including related parties) (Note 29)		
Operating	$ 914,334	$ 893,771

The average payment period of trade payables was 2 months. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

20. Other Payables - Current

	December 31, 2021	December 31, 2020
Payables for salaries and bonuses	$ 464,418	$ 343,379
Payables for purchases of equipment	169,719	47,247
Payables for utilities and fuel fees	127,285	114,259
Payables for freight	91,462	133,405
Payables for business taxes	30,678	40,305
Others	134,518	124,274
	$ 1,018,080	$ 802,869

21. Retirement Benefit Plans

(1) Defined contribution plans

The Company, CGPCPOL and TVCM adopt a pension plan under the Labor Pension Act, which is a state-managed defined contribution plan. According to the Labor Pension Act, and make monthly contributions to employees' individual pension accounts at 6% of their monthly salaries.

The employees of the Group's CGPC-America are the members of a retirement benefit plan operated by the local government. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit plan to fund the plan. The obligation of the Group with respect to the state-run retirement benefit plan is merely to make the specified contributions.

(2) Defined benefit plans

The pension system adopted by the Company and TVCM under the "Labor Standards Act" is a state-managed defined benefit plan. The payment of the employee's pension is based on the period of service and the average salary in a specific period before the approved retirement date. The Company and TVCM allocate 10% of employees' monthly salaries respectively to the Supervisory Committee of Labor Retirement Reserve's dedicated account in the Bank of Taiwan as pension reserve funds. The Bureau of Labor Funds, Ministry of Labor administers the account. The Group has no right over its investment and administration strategies.

The amounts of defined benefit plans included in the consolidated balance sheets are as follows:

	December 31, 2021	December 31, 2020
Present value of defined benefit obligation	$ 1,399,384	$ 1,485,005
Fair value of plan assets	(882,004)	(912,024)
Net defined benefit liabilities	$ 517,380	$ 572,981

Changes in net defined benefit liabilities (assets) are as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities (assets)
Balance as of January 1, 2020	$ 1,597,593	($ 955,378)	$ 642,215
Service costs for the current period	14,707	-	14,707
Interest expense (income)	9,988	(6,126)	3,862
Components recognized in profit or loss	24,695	(6,126)	18,569
Remeasurement			
Return on plan assets (excluding amounts included in net interest expense)	-	(32,914)	(32,914)
Actuarial loss - changes in financial assumptions	28,991	-	28,991
Actuarial gain - experience adjustments	(19,604)	-	(19,604)
Components recognized in other comprehensive income	9,387	(32,914)	(23,527)
Contribution by the employer	-	(64,276)	(64,276)
Benefits	(146,670)	146,670	-
Balance as of December 31, 2020	1,485,005	(912,024)	572,981
Service costs for the current period	13,224	-	13,224
Interest expense (income)	5,902	(3,756)	2,146

(Continued)

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities (assets)
Components recognized in profit or loss	19,126	(3,756)	15,370
Remeasurement			
Return on plan assets (excluding amounts included in net interest expense)	-	(13,250)	(13,250)
Actuarial loss - changes in demographic assumptions	34,618	-	34,618
Actuarial gain - changes in financial assumptions	(9,962)	-	(9,962)
Actuarial gain - experience adjustments	(12,577)	-	(12,577)
Components recognized in other comprehensive income	12,079	(13,250)	(1,171)
Contribution by the employer	-	(61,779)	(61,779)
Benefits	(116,826)	108,805	(8,021)
Balance as of December 31, 2021	$ 1,399,384	($ 882,004)	$ 517,380

(Concluded)

Amounts recognized in profit or loss for defined benefit plan are summarized by functions as follows:

	2021	2020
Operating costs	$ 12,635	$ 14,879
Selling and marketing expenses	1,306	1,546
General and administrative expenses	963	1,547
Research and development expenses	466	597
	$ 15,370	$ 18,569

The Group has the following risks owing to the implementation of the pension system under the Labor Standards Act:

1. Investment risk: The Bureau of Labor Funds, Ministry of Labor invests the labor pension fund in equity securities, debt securities, and bank deposits in domestic (foreign) banks through independent implementation and commissioned operations. However, the distributed amount from the plan assets received by the Group shall not be lower than interest on a two-year time deposit at a local bank.

2. Interest rate risk: The decrease in the interest rate of government bonds/corporate bonds will increase the present value of defined benefit obligations, but the yield on debt investment of plan assets will also increase accordingly, which will partially offset the impact on net defined benefit liabilities.

3. Salary risk: The present value of defined benefit obligations is calculated with reference to future salaries of plan members. Therefore, the salary increase of plan members will increase the present value of the defined benefit obligation.

The present value of the Group's defined benefit obligations is calculated by certified actuaries and the major assumptions on the assessment date are as follows:

	December 31, 2021	December 31, 2020
Discount rate	0.500%	0.375%-0.500%
Average long-term salary adjustment rate	2.500%	2.500%

If changes occur in major actuarial assumptions with other assumptions unchanged, the present value of defined benefit obligations will increase (decrease) as follows:

	December 31, 2021	December 31, 2020
Discount rate		
Increase by 0.25%	($ 25,862)	($ 28,991)
Decrease by 0.25%	$ 26,656	$ 29,910
Average long-term salary adjustment rate		
Increase by 0.25%	$ 25,675	$ 28,781
Decrease by 0.25%	($ 25,046)	($ 28,050)

As actuarial assumptions may be related to one another, the likelihood of fluctuation in a single assumption is not high. Therefore, the aforementioned sensitivity analysis may not reflect the actual fluctuations of the present value of defined benefit obligations.

	December 31, 2021	December 31, 2020
Expected amount of contribution within 1 year	$ 62,962	$ 67,809
Average duration of defined benefit obligations	7.4~8.1 years	7.8~8.6 years

22. Equity

(1) Ordinary shares

	December 31, 2021	December 31, 2020
Number of shares authorized (in thousands)	650,000	650,000
Share capital authorized	$ 6,500,000	$ 6,500,000
Number of shares issued and fully paid (in thousands)	581,050	553,381
Share capital issued	$ 5,810,505	$ 5,533,814

The holders of issued ordinary shares with a par value of $10 are entitled to the right to one vote and to receive dividends.

(2) Capital surplus

Capital surplus relating to unclaimed dividends of which the claim period has expired may be used only to offset previous deficits.

Capital surplus generated from investments in associates accounted for using the equity method may not be used for any purposes.

Capital surplus generated from the difference between the acquisition price of a subsidiary's equity and the book value may be used to offset deficits, be distributed in cash, or be appropriated to share capital.

(3) Retained earnings and dividends policy

Under the dividends policy as set forth in the Company's Articles of Incorporation, where the Company makes a net income in a fiscal year, the profit shall be used first for offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. The shareholders' meeting may retain part or all of such earnings depending on the operating circumstances. The industry that the Company operates in is in the maturity stage. Consequently, in order to take R&D needs and diversification into consideration, shareholders' dividends shall not be less than 10% of the distributable earnings in the current year, of which the cash dividends shall not be less than 10% of the total dividends. However, if the distributable earnings of the year is less than $0.1 per share, it shall not be distributed. For the policies on the distribution of employees' compensation and remuneration of directors after amendment, refer to "Employees' compensation and remuneration of directors" in Note 24(7).

The appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

Items referred to under Rule No. 1010012865, Rule No. 1010047490 and Rule No. 1030006415 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Company.

The shareholders' meetings approved the earnings distribution proposal for years ended December 31, 2020 and 2019 on July 27, 2021 and May 28, 2020 as follows:

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

On March 9, 2022, the Board of Directors proposed the distribution of earnings for the year ended December 31, 2021 as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 246,913	
Cash dividends	1,452,626	$ 2.5

The distribution of earnings for the year ended December 31, 2021 is subject to the resolution in the shareholders' meeting on May 30, 2022.

(4) Special reserve

The Company appropriated a special reserve in the amount of $408,223 thousand after offsetting a deficit of $428,727 thousand, which was from the net increase of retained earnings arising from the initial adoption of IFRSs. As of December 31, 2021, there was no change.

(5) Other Equity

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

	2021	2020
Balance at January 1	($ 43,259)	($ 33,763)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	(11,080)	(12,122)
Related income tax	2,216	2,423
Share of exchange of differences of associates accounted for using the equity method	(338)	203
Balance at December 31	($ 52,461)	($ 43,259)

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

	2021	2020
Balance at January 1	$138,774	$ 67,029
Recognized for the year		
Unrealized gain (loss) equity Instruments	(43,136)	36,991
Share of gain (loss) of associates accounted for using the equity method	37,095	34,754
Balance at December 31	$132,733	$138,774

(6) Non-controlling Interests

	2021	2020
Balance at January 1	$600,243	$461,754
Net profit attributable to non-controlling interests	162,742	157,526
Other comprehensive income		
Adjustment to changes in capital surplus from investment in subsidiaries accounted for using the equity method	-	(1)
Unrealized gains on financial assets at FVTOCI	259	105
Gains on remeasurements of defined benefit plans	(428)	786
Acquisition of part of the equity of subsidiaries	(2,905)	-
Distribution of Cash dividends	(87,619)	(19,927)
Balance at December 31	$672,292	$600,243

23. Revenue

(1) Revenue from contracts with customers

	2021	2020
Revenue from the sale of goods		
PVC products	$ 19,214,128	$ 13,428,666
VCM products	1,007,396	304,482
	$ 20,221,524	$ 13,733,148

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

For the details, please refer to Note 34 for information about revenue from contracts with customers.

(2) Contract balances

Please refer to Note 10 for information related to notes receivable and trade receivables.

	December 31, 2021	December 31, 2020	January 1, 2020
Contract liabilities (presented in other current liabilities)	$ 76,557	$ 64,270	$ 32,763

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

(3) Refunds liabilities

	December 31, 2021	December 31, 2020
Refunds liabilities (presented in other current liabilities)	$ 21,833	$ 9,612

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

24. Net Profit for the Year

(1) Interest income

	2021	2020
Bank deposits (Note 12)	$ 898	$ 2,251
Financial assets at FVTPL	902	1,077
Financial assets at amortized cost	305	441
Others	130	113
	$ 2,235	$ 3,882

(2) Other income

	2021	2020
Rental income (Note 12)	$ 47,279	$ 37,628
Dividend income	34,369	9,265
Others (Note 12)	22,113	18,113
	$103,761	$ 65,006

(3) Other gain and loss

	2021	2020
Gain (loss) on disposal of property, plant and equipment	($ 70,193)	$ 764
Gross foreign exchange gains	114,165	73,989
Gross foreign exchange losses	(157,089)	(126,261)
Net gain on financial instruments at FVTPL (Note 7)	19,628	24,501
Depreciation expenses from investment properties (Note 12)	(28,968)	(28,499)
Loss from disposal of investments under equity method	-	(173)
Others (Note 12)	(10,527)	(8,320)
	($132,984)	($ 63,999)

(4) Interest expense

	2021	2020
Interest on bank loans	$ 3,470	$ 5,323
Interest on lease liabilities	1,824	2,096
Less: Capitalized interest (presented under construction in progress)	-	(32)
	$ 5,294	$ 7,387

Information about capitalized interest is as follows:

	2021	2020
Capitalized interest	$ -	$ 32
Capitalization rate	-	0.76%

(5) Depreciation and amortization

	2021	2020
Property, Plant and Equipment	$ 617,381	$ 590,763
Right-of-use assets	34,920	34,671
Investment Property	28,968	28,499
Intangible assets	61	122
Others	23,700	40,568
	$ 705,030	$ 694,623
An analysis of depreciation by function		
Operating costs	$ 630,865	$ 607,953
Operating expenses	21,436	17,481
Other gain and loss	28,968	28,499
	$ 681,269	$ 653,933
An analysis of amortization by function		
Operating costs	$ 23,700	$ 40,568
Operating expenses	61	122
	$ 23,761	$ 40,690

(6) Employee benefits expense

	2021	2020
Retirement benefits (Note 21)		
Defined contribution plans	$ 29,779	$ 28,725
Defined benefit plans	15,370	18,569
	45,149	47,294
Other employee benefits	1,346,866	1,247,421
Total employee benefits expenses	$ 1,392,015	$ 1,294,715
An analysis of employee benefits expense by function		
Operating costs	$ 1,100,151	$ 1,022,595
Operating expenses	291,864	272,120
	$ 1,392,015	$ 1,294,715

(7) The remuneration of employees and directors

The Company accrued remuneration of employees and directors at rates of no less than 1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors. The remuneration of employees and directors for 2021 and 2020, which have been approved by the Company's board of directors on March 9, 2022 and March 5, 2021, respectively, were as follows:

Accrual rate

	2021	2020
Remuneration of Employees	1%	1%
Remuneration of Directors	-	-

Amount of Cash

	2021	2020
Remuneration of Employees	$ 26,485	$ 17,034

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

There was no difference between the actual amounts of remuneration of employees and directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2020 and 2019.

Information on the remuneration of employees and directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

25. Taxation

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

Major components of income tax expenses are as follows:

	2021	2020
Current tax		
In respect of the current year	$691,290	$375,803
Income tax unappropriated earnings	-	2
Adjustments for prior years	(4,972)	(15,074)
	686,318	360,731
Deferred tax		
In respect of the current year	(11,458)	15,783
Adjustments for prior years	756	(390)
Others	-	(2,496)
	(10,702)	12,897
Income tax expense recognized in profit or loss	$675,616	$373,628

Reconciliation between accounting income and current income tax expenses is as follows:

	2021	2020
Profit before income tax	$ 3,307,034	$ 2,165,338
Income tax expenses calculated at the statutory rate	$ 1,049,782	$ 705,388
Domestic investments recognized under equity method	(358,518)	(267,161)
Tax-exempted income	(6,541)	(17,952)
Gains (loss) on financial assets	(190)	13,876
Fees that cannot be deducted from taxes	429	294
Unrecognized deductible temporary differences	(4,850)	(5,177)
Unrecognized deductible of investments	-	(1,636)
Income tax on unappropriated earnings	-	2
Loss carryforwards	-	(38,549)
Effect of tax rate changes	(280)	7
Adjustments of current income tax expenses in previous years	(4,216)	(15,464)
Income tax expense recognized in profit or loss	$ 675,616	$ 373,628

(2) Income tax recognized in other comprehensive income

	2021	2020
Deferred tax		
In respect of the current year		
- Translation of foreign operations	$ 2,216	$ 2,423
- Gains on remeasurements of defined benefit plans	(906)	(3,475)
Income tax recognized in other comprehensive income	$ 1,310	($ 1,052)

(3) Current income tax assets and liabilities

	December 31, 2021	December 31, 2020
Current income tax assets		
Tax refunds receivables	$ -	$ 16,481
Current income tax liabilities		
Income tax payable	$687,974	$374,688

(4) Deferred income tax assets and liabilities

Changes in deferred income tax assets and liabilities are as follows:

2021

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
Deferred income tax assets				
Temporary differences				
Allowance for inventory write-down	$ 17,656	$ 3,557	$ -	$ 21,213
Investments accounted for under equity method	72,361	(1,829)	2,216	72,748
Deferred revenue	8,994	13,770	-	22,764
Refunds liabilities	1,923	2,532	-	4,455
Defined benefit plans	104,188	(8,789)	(906)	94,493
Holiday benefits payable	8,976	549	-	9,525
Others	2,201	982	-	3,183
	$ 216,299	$ 10,772	$ 1,310	$ 228,381
Deferred income tax liabilities				
Temporary differences				
Revaluation increments of land	$ 592,084	$ -	$ -	$ 592,084
Others	2,478	70	-	2,548
	$ 594,562	$ 70	$ -	$ 594,632

2020

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
Deferred income tax assets				
Temporary differences				
Loss on allowance for inventory write-down	$ 16,311	$ 1,345	$ -	$ 17,656
Investments accounted for under equity method	73,424	(3,486)	2,423	72,361
Deferred revenue	9,137	(143)	-	8,994
Refunds liabilities	4,169	(2,246)	-	1,923
Defined benefit plans	115,125	(7,462)	(3,475)	104,188
Holiday benefits payable	8,219	757	-	8,976
Others	4,611	(2,410)	-	2,201
	$ 230,996	($ 13,645)	($ 1,052)	$ 216,299
Deferred income tax liabilities				
Temporary differences				
Revaluation increments of land	$ 592,084	$ -	$ -	$ 592,084
Others	3,226	(748)	-	2,478
	$ 595,310	($ 748)	$ -	$ 594,562

(5) Deductible temporary differences and unused loss carryforwards, which were not recognized in deferred tax assets of the consolidated balance sheets

	December 31, 2021	December 31, 2020
Loss carryforwards	$ 115,483	$ 300,680
Deductible temporary difference		
Investment loss using foreign equity method	$ 181,158	$ 194,414
Defined benefit plans	(1,944)	(965)
Write-downs of inventories and obsolescence losses	15,663	12,808
Differences on depreciation period between finance and tax	8,216	11,719
Others	26,595	17,877
	$ 229,688	$ 235,853

As of December 31, 2021, the Group’s unused loss carryforwards are $115,483 thousand which will expire in succession before 2028.

(6) Income tax assessments

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

(7) Income tax related to subsidiaries:

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

26. Earnings per share

Unit: NT$ Per Share

	2021	2020
Basic earnings per share	$ 4.25	$ 2.81
Diluted earnings per share	$ 4.24	$ 2.81

The weighted average number of shares outstanding used in the earnings per share computation was adjusted retroactively for the issuance of bonus shares, for which the record date was set on September 10, 2021. The basic and diluted earnings per share adjusted retrospectively for the year ended December 31, 2020 were as follows:

	Before Retrospective Adjustment	After Retrospective Adjustment
Basic earnings per share	$ 2.95	$ 2.81
Diluted earnings per share	$ 2.95	$ 2.81

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

Net Profit for the Year

	2021	2020
Earnings used in the computation of basic and diluted earnings per share	$ 2,468,676	$ 1,634,184

Ordinary Shares Outstanding

Unit: Thousands of shares

	2021	2020
Weighted average number of ordinary shares used in the computation of basic earnings per share	581,050	581,050
Effect of potentially dilutive ordinary shares:		
Remuneration of Employees	859	732
Weighted average number of ordinary shares used in the computation of diluted earnings per share	581,909	581,782

If the Group offered to settle remuneration paid to employees in cash or shares, the Group assumed the entire amount of the remuneration would be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

27. Capital Management

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

28. **Financial Instruments**

(1) Fair value of financial instruments not measured at fair value

The management of the Group believes the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair value or their fair value cannot be reliably measured.

(2) Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivative financial assets	$ -	$ 4,079	$ -	$ 4,079
Mutual Funds	747,243	-	-	747,243
Beneficiary securities	52,541	-	-	52,541
Investments in equity instruments				
— Domestic listed equity investments	58,597	-	-	58,597
— Overseas unlisted equity investments	-	-	-	-
	$ 858,381	$ 4,079	$ -	$ 862,460
Financial assets at FVTOCI				
Investments in equity instruments				
— Domestic listed equity investments	$ 4,774	$ -	$ -	$ 4,774
— Domestic unlisted equity investments	-	-	82,377	82,377
	$ 4,774	$ -	$ 82,377	$ 87,151

December 31, 2020

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

There were no transfers between Levels 1 and 2 for the years ended December 31, 2021 and 2020.

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

2021

	Financial assets at FVTOCI
Balance at January 1,2021	$137,731
Components recognized in other comprehensive income	(44,905)
Return of capital reduction	(10,449)
Balance at December 31,2021	$ 82,377

2020

	Financial assets at FVTOCI
Balance at January 1,2020	$117,882
Components recognized in other comprehensive income	36,272
Return of capital reduction	(16,423)
Balance at December 31,2020	$137,731

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

Financial Instruments	Valuation Technique and Inputs
Derivatives - foreign exchange forward contracts	Discounted cash flow: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

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

To determine the fair value for Level 3 financial instruments, the Group's financial department conducts independent fair value verification using independent resources so as to better reflect the market conditions, as well as periodically reviewing the valuation results in order to guarantee the rationality of the measurement. For unlisted domestic equity investments, the Group utilizes the asset approach and takes into account the most recent net asset value, observable financial status as well as the financing activities of investees in order to determine their net asset value. The unobservable input used was a discount for the lack of marketability of 15% on December 31, 2021 and 2020. When other inputs remain unchanged, the fair value will decrease by $969 thousand and $1,620 thousand, respectively, if the discount for lack of marketability increases by 1%.

(3) Categories of financial instruments

	December 31, 2021	December 31, 2020
Financial assets		
Financial assets at FVTPL		
Mandatorily classified at FVTPL	$ 862,460	$ 1,524,661
Financial assets at amortized cost		
Cash and Cash Equivalents	1,220,291	777,101

(Continued)

	December 31, 2021	December 31, 2020
Financial assets		
Pledged time deposits	$ 269,291	$ 269,224
Notes receivable	404,709	200,777
Trade receivables (including related parties)	1,638,291	1,703,390
Other receivables (including related parties and excluding tax refund receivable)	10,799	35,740
Refundable deposits	29,929	25,785
Financial assets at FVTOCI－Equity instruments	87,151	140,477
Financial liabilities		
Financial liabilities at FVTPL-Held for trading	-	4,556
Financial liabilities measured at amortized cost		
Short-term borrowings	200,000	-
Trade payables (including related parties)	914,334	893,771
Other payables (Note 1)	538,181	432,656
Long-term borrowings	882,575	50,000
Guarantee deposits	9,615	4,185

(Concluded)

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

(4) Financial risk management objectives and policies

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

1) Market risk

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

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

a) Foreign currency risk

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

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

Sensitivity analysis

The Group's sensitivity analysis mainly focuses on the foreign currency risk of U.S. dollars at the end of the reporting period. Assuming a 3% strengthening/weakening of the functional currency against USD, the net income before tax for the years ended December 31, 2021 and 2020 would have decreased/increased by $41,795 thousand and $43,491 thousand, respectively.

In management's opinion, the sensitivity analysis was unrepresentative of the inherent foreign currency risk because the exposure at the end of the reporting period did not reflect the exposure during the period.

b) Interest rate risk

The Group was exposed to the fair value risk of interest rate fluctuations for the fixed interest rate bearing financial assets and financial liabilities; the Group was exposed to the cash flow risk of interest rate fluctuations for the floating interest rate bearing financial assets and financial liabilities. The Group's management regularly monitors the fluctuations in market rates and then adjusted its balance of floating rate bearing financial liabilities to make the Group's interest rates more closely approach market rates in response to the interest rate risk.

The carrying amount of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31, 2021	December 31, 2020
Fair value interest rate risk		
- Financial assets	$ 884,246	$ 723,227
- Financial liabilities	360,711	183,218
Cash flow interest rate risk		
- Financial assets	546,712	300,025
- Financial liabilities	882,575	50,000

Sensitivity analysis

The fixed-rate financial assets and liabilities held by the Group are not included in the analysis as they are all measured at amortized cost. For floating rate assets and liabilities, the analysis was prepared to assume that the amount of the assets and liabilities outstanding at the end of the reporting period was outstanding for the whole year. A 50 basis point fluctuation in interest rate was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

When reporting to the management, the Group considers any interest rate fluctuation within 50 basis points reasonable. If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2021 and 2020 would have increased/decreased by $1,679 thousand and $1,250 thousand, respectively.

c) Other price risks

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

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to securities price risk at the end of the reporting period. As such, the Group's money market funds recognized under financial assets at FVTPL were not included in the analysis because their price fluctuation risk is extremely low.

If marketable securities price had increased/decreased by 5%, the pre-tax profit for the years ended December 31, 2021 and 2020 would have increased/decreased by $5,557 thousand and $2,496 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL (excluding investment in money market funds); If the equity securities price had increased/decreased by 5%, the pre-tax other comprehensive income for the years ended December 31, 2021 and 2020 would have increased/decreased by $4,358 thousand and $7,024 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

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

a) The carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets; and

b) The maximum amount the Group would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

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

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

3) Liquidity risk

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

a) Liquidity and interest rate risk tables

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

December 31, 2021

	Weighted Average Interest Rate (％)	On Demand or Less than 1 Year	1-5 Years	Over 5 Years
Non-derivative financial liabilities				
Non-interest bearing liabilities		$1,462,130	$ -	$ -
Lease liabilities	0.82%-1.04%	36,606	61,891	69,520
Floating interest rate liabilities	0.82%	1,362	910,414	-
Fixed interest rate liabilities	0.80%-0.85%	200,077	-	-
		$1,700,175	$ 972,305	$ 69,520

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1~5 years	5-10 Years	Over 10 Years
Lease liabilities	$ 36,606	$ 61,891	$ 62,259	$ 7,261

December 31, 2020

	Weighted Average Interest Rate (％)	On Demand or Less than 1 Year	1-5 Years	Over 5 Years
Non-derivative financial liabilities				
Non-interest bearing liabilities		$1,330,612	$ -	$ -
Lease liabilities	0.82%-1.04%	36,389	80,953	73,891
Floating interest rate liabilities	0.82%	412	50,412	-
		$1,367,413	$ 131,365	$ 73,891

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1~5 years	5-10 Years	Over 10 Years
Lease liabilities	$ 36,389	$ 80,953	$ 73,410	$ 481

b) Financing facilities

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

	December 31, 2021	December 31, 2020
Bank loan facilities		
－Amount unused	$ 7,394,679	$ 6,664,900

29. Transactions with Related Parties

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

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

(1) Related party names and categories

Related Party Name	Related Party Category
USI Corporation	Ultimate parent company
Union Polymer Int'l Investment Corp. ("UPIIC")	Parent company
Taita Chemical Company, Limited ("TTC")	Investor with significant influence
Asia Polymer Corporation ("APC")	Investor with significant influence
China General Terminal & Distribution Corporation ("CGTD")	Associate
Acme Electronics Corporation	Associate
USI Optronics Corporation ("USIO")	Fellow subsidiary
USI Management Consulting Corporation ("UM")	Fellow subsidiary
Swanson Plastics Corporation ("SP")	Fellow subsidiary
Swanson Technologies Corporation	Fellow subsidiary
Taiwan United Venture Management Corporation	Fellow subsidiary
Chong Loong Trading Co., Ltd.	Fellow subsidiary
Dynamic Ever Investments Limited	Fellow subsidiary
Taita Chemical (Zhong Shan) Co., Ltd. ("TTC (ZS)")	Subsidiary of investor with significant influence
APC Investment Corporation	Subsidiary of investor with significant influence
USI Educational Foundation ("USIF")	Related party in substance
Fujian Gulei Petrochemical Co., Ltd.	Related party in substance

(2) Sales of goods

Related Party Category	2021	2020
Investor of significant influence	$ 2,339	$ 2,370
Fellow subsidiary	601	661
	$ 2,940	$ 3,031

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

(3) Purchases of goods

Related Party Category	2021	2020
Related party in substance	$ 97,974	$ -
Fellow subsidiary	59,721	35,817
Ultimate parent company	420	143
Investor of significant influence	-	24
	$158,115	$ 35,984

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

(4) Trade receivables

Related Party Category	December 31, 2021	December 31, 2020
Investor of significant influence	$ -	$ 511

The outstanding trade receivables from related parties were unsecured. For the years ended December 31, 2021 and 2020, no impairment loss was recognized for trade receivables from related parties.

(5) Trade payables to related parties

Related Party Category	December 31, 2021	December 31, 2020
Ultimate parent company	$227,135	$ 95,761
Fellow subsidiary	10,363	11,274
	$237,498	$107,035

TVCM appointed Ultimate parent company (USI) to import ethylene, and the trade payables to USI are to be paid off when USI makes a payment.

The outstanding trade payables to related parties were unsecured.

(6) Other receivables from related parties

Related Party Category	December 31, 2021	December 31, 2020
Investor of significant influence	$ 981	$ 1,964
Ultimate parent company	786	783
Fellow subsidiary	20	59
Associate	3	4
Subsidiary of investor with significant influence	1	1
	$ 1,791	$ 2,811

(7) Other payables to related parties

Related Party Category	December 31, 2021	December 31, 2020
Associate	$ 11,289	$ 8,440
Ultimate parent company	3,044	4,567
Subsidiary of investor with significant influence	409	18
Investor of significant influence	307	236
Fellow subsidiary	148	210
	$ 15,197	$ 13,471

(8) Acquisitions of property, plant and equipment

Related Party Category	2021	2020
Ultimate parent company	$ 6,070	$ -

(9) Lease arrangements

Related Party Category/Name	December 31, 2021	December 31, 2020
Lease liabilities		
Investor of significant influence		
APC	$123,733	$136,780
TTC	12,104	21,560
Associate	7,844	15,607
	$143,681	$173,947

Related Party Category/Name	2021	2020
Interest expense		
Investor of significant influence		
APC	$ 1,360	$ 1,494
TTC	179	277
Associate	125	206
	$ 1,664	$ 1,977

Related Party Category	2021	2020
Lease expenses		
Ultimate parent company	$ 6,807	$ 7,880
Investor of significant influence	2,687	3,192
	$ 9,494	$ 11,072

The Company leases offices in Neihu from Ultimate parent company and Investor of significant influence. The rentals are paid on a monthly basis.

The factory belonging to the Company's subsidiaries located on the land in Linyuan was rented from Investor of significant influence. The original lease term expired in December 2011. However, if neither counterparties argued, the lease term would automatically extend for another year.

The Company's subsidiaries leased storage tanks for vinyl chloride monomer from Investor of significant influence. The original lease term expired in December 2010 and was renewed at both parties' discretion.

The Company's subsidiary leased land for their warehouses from Investor of significant influence. The lease term will expire in May 2026. The lease contract is renewable, and the rental is paid on a monthly basis.

(10) Storage tank operating expenses

Related Party Category/Name	2021	2020
Associate		
CGTD	$ 92,143	$ 74,062

The Company's subsidiaries appointed CGTD to handle the storage tank used to transport, store and load vinyl chloride monomer, ethylene and dichloroethane. The storage tank operating expenses are paid by the end of next month following such services.

(11) Management service revenue

Related Party Category	2021	2020
Ultimate parent company	$ 3,152	$ 3,038
Investor of significant influence	76	75
	$ 3,228	$ 3,113

(12) Management service expenses

Related Party Category/Name	2021	2020
Fellow subsidiary		
UM	$ 75,588	$ 74,028
Others	-	29
Ultimate parent company	4,450	4,316
	$ 80,038	$ 78,373

UM and Ultimate parent company provide labor support, equipment and other related services to the Company and its subsidiaries. The service expenses were based on the actual quarterly expenses which should be paid in the subsequent quarter following the related service.

(13) Donations

Related Party Category/Name	2021	2020
Related party in substance		
USIF	$ 4,000	$ 1,250

(14) Rental income

Related Party Category/Name	2021	2020
Fellow subsidiary		
USIO	$ 3,337	$ 3,379
Others	26	-
Subsidiary of investor with significant influence	1,132	-
Investor of significant influence	280	266
	$ 4,775	$ 3,645

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

(15) Other income

Related Party Category	2021	2020
Investor of significant influence	$ 1,627	$ 1,482

(16) Compensation of key management personnel

The compensation of directors and key executives for the years ended December 31, 2021 and 2020 were as follows:

	2021	2020
Salaries and others	$ 31,700	$ 27,416
Retirement benefits	216	289
	$ 31,916	$ 27,705

The compensation of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

30. Assets Pledged as Collateral or for Security

The following assets were provided as collateral for the performance guarantee for the tariffs of imported raw materials and use of fuel:

	December 31, 2021	December 31, 2020
Pledge time deposits (classified at amortized cost and other non-current assets)	$ 293,779	$ 288,558

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

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

31. Significant Contingent Liabilities and Unrecognized Commitments

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

(1) As of December 31, 2021 and 2020, the Group’s unused letters of credit amounted to $1,463,309 thousand and $623,494 thousand, respectively.

(2) Description of Kaohsiung gas explosions:

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

CGTD reached an agreement with Kaohsiung City Government on February 12, 2015 and pledged a term deposit $227,540 thousand (including interests) to the Government as a guarantee for losses caused by the gas explosions. The Kaohsiung City Government has also filed civil litigation against LCY Chemical Corp. CGTD, and CPC Corporation, Taiwan. Taiwan Power Company applied for provisional attachment against CGTD's property on August 27 and November 26, 2015. CGTD had deposited cash of $ 99,207 thousand to the court to avoid provisional attachment. Taiwan Water Corporation also applied for provisional attachment against CGTD's property on February 3 and March 2, 2017. Assets under attachment amounted to approximately $12,472 thousand as of February 28, 2022.

As for the victims, CGTD, LCY Chemical Corp. and Kaohsiung City Government signed a tripartite agreement on July 17, 2015 agreeing to negotiate the compensation first with the 32 victim’s successors and persons entitled to the claims ("family of the victim"). Each victim's family was entitled to $12,000 thousand and the total compensation was $384,000 thousand. The compensation was first paid by LCY who also represent the three parties in the settlement negotiation and the signing of settlement agreements with family of the victim.

As for the seriously injured victims, CGTD, LCY Chemical Corp. and the Kaohsiung City Government signed a tripartite agreement for serious injuries on October 25, 2017 agreeing to negotiate the compensation first with the 65 seriously injured victims. The compensation was first paid by CGTD and the Kaohsiung City Government. CGTD also represents the three parties in negotiating settlements with victims who suffered serious injuries in the incident. It has signed settlement agreements with 64 of the victims.

As of February 28, 2022, victims and their families have filed civil (including supplementary civil action) lawsuits against LCY Chemical Corp., CGTD and CPC for compensation. To reduce the lawsuit costs, CGTD had reached a settlement on the original claim of $46,677 thousand, and the amount of the settlement was $4,519 thousand. Along with the case still under litigation and the above-mentioned compensation, the accumulated amount of compensation is $3,856,447 thousand. The first-instance judgments of some of the above-mentioned civil cases (with a total amount of compensation of approximately $1,341,128 thousand) have been gradually announced, starting from June 22, 2018. The proportion of fault liability of the Kaohsiung City Government, LCY Chemical Corp. and CGTD is 4: 3: 3 in most judgments. The total amount of compensation that CGTD, LCY Chemical Corp. and the other defendants should pay is around $401,979 thousand. (In particular, CGTD was exempted to pay $6,194 thousand according to the court's judgment.) For the civil cases that have been sentenced but not settled, CGTD has filed an appeal and has started the second trial procedure one after another. The rest cases are still under trial in the Court of First Instance (the amount of compensation requested is approximately $2,012,493 thousand). CGTD has signed a claim settlement agreement with the insurance company in accordance with the proportion of fault liability determined in the first-instance judgment to estimate the amount of settlement for victims and seriously injured and the civil litigation compensation amount (including settled cases). The maximum amount of the insurance compensation was deducted to calculate the amount payable by CGTD and the $136,375 thousand has been included in the estimate on the account. However, the actual settlement and compensation amount described above can only be verified after the proportion of fault liability is determined in the civil judgments.

(3) TVCM signed a dichloroethane purchase contract with CPC Corporation, Formosa Plastics Corporation and Mitsui Corp. The purchase price was negotiated by both parties according to a pricing formula.

32. Significant Assets and Liabilities Denominated in Foreign Currencies

The group entities' significant financial assets and liabilities denominated in foreign currencies and aggregated by foreign currencies other than functional currencies and the related exchange rates Assets and liabilities with significant impact recognized in foreign currencies are as follows:

Unit: Except for the exchange rate, all in thousands

December 31, 2021

	Foreign currencies	Exchange Rate (In Single Dollars)	Functional Currencies	NT$
Foreign currency assets				
Monetary items				
USD	$ 63,223	27.680 (USD:NTD)	$ 1,750,011	$ 1,750,011
AUD	1,000	20.080 (AUD:NTD)	20,078	20,078
EUR	662	31.320 (EUR:NTD)	20,724	20,724
USD	293	6.3757 (USD:CNY)	1,865	8,098
GBP	91	37.300 (GBP:NTD)	3,398	3,398
Foreign currency liabilities				
Monetary items				
USD	13,184	27.680 (USD:NTD)	364,934	364,934

December 31, 2020

	Foreign currencies	Exchange Rate (In Single Dollars)	Functional Currencies	NT$
Foreign currency assets				
Monetary items				
USD	$ 62,580	28.480 (USD:NTD)	$ 1,782,265	$ 1,782,265
AUD	853	21.950 (AUD:NTD)	18,716	18,716
EUR	392	35.020 (EUR:NTD)	13,731	13,731
USD	293	6.5249 (USD:CNY)	1,909	8,331
GBP	73	38.900 (GBP:NTD)	2,834	2,834
Foreign currency liabilities				
Monetary items				
USD	11,970	28.480 (USD:NTD)	340,904	340,904
GBP	67	38.900 (GBP:NTD)	2,623	2,623

For the years ended December 31, 2021 and 2020, net foreign exchange losses were $42,924 thousand, and $52,272 thousand, respectively. It is impractical to disclose net foreign exchange losses by each significant foreign currency due to the variety of the foreign currency transactions and various functional currencies.

33. Supplementary Disclosures

(1) (1) Information on Significant Transactions

1) Financing provided to others: None;

2) Endorsements/guarantees provided: Table 1.

3) Marketable securities held: Table 2.

4) Marketable securities acquired and disposed of at costs or prices of at least $300 million or 20% of the paid-in capital: Table 3.

5) Acquisitions of individual real estate at costs of at least $300 million or 20% of the paid-in capital: None;

6) Disposals of individual real estate at prices of at least $300 million or 20% of the paid-in capital: None;

7) Total purchases from or sales to related parties amounting to at least $100 million or 20% of the paid-in capital: Table 4.

8) Receivables from related parties amounting to at least $100 million or 20% of the paid-in capital: Table 5.

9) Trading in derivative instruments: Note 7.

10) Intercompany relationships and significant intercompany transactions: Table 6.

(2) Information on Reinvestment: Table 7.

(3) Information on Investments in Mainland China

1) Information on any investee company in mainland China (name, main business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income, carrying amount of investment at end of period, repatriations of investment income, and limit on the amount of investment in mainland China): Table 8.

2) The following information on any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None.

   a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

   b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

   c) The amount of property transactions and the amount of the resultant gains or losses.

   d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and their purposes.

   e) The highest balance during the period, the end of period balance, the interest rate range, and total current period interest with respect to the financing of funds.

   f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services.

(4) Information of major shareholders: List of all shareholders with ownership of 5% or greater showing the names and the number shares and percentage of ownership held by each shareholder: Table 9.

34. Segment Information

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided. The Group's reportable segments, including departments of VCM products and PVC products, under IFRS 8 "Operating Segments" were as follows:

(1) Segment revenue and results

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

2021

	VCM Products	PVC Products	Total
Revenue from external customers	$ 1,007,396	$ 19,214,128	$ 20,221,524
Inter-segment revenue	13,657,550	739,576	14,397,126
Segment revenue	$ 14,664,946	$ 19,953,704	34,618,650
Eliminations			(14,397,126)
Consolidated revenue			$ 20,221,524
Segment income	$ 132,369	$ 3,184,788	$ 3,317,157
Interest income			2,235
Other income			103,761
Other gain and loss			(132,984)
Share of profit of associates accounted for using the equity method			22,159
Interest expense			(5,294)
Profit before income tax			$ 3,307,034

2020

	VCM Products	PVC Products	Total
Revenue from external customers	$ 304,482	$ 13,428,666	$ 13,733,148
Inter-segment revenue	8,160,549	450,212	8,610,761
Segment revenue	$ 8,465,031	$ 13,878,878	22,343,909
Eliminations			(8,610,761)
Consolidated revenue			$ 13,733,148
Segment income	$ 54,213	$ 2,089,915	$ 2,144,128
Interest income			3,882
Other income			65,006
Other gain and loss			(63,999)
Share of profit of associates accounted for using the equity method			23,708
Interest expense			(7,387)
Profit before income tax			$ 2,165,338

Segment profit represented the profit before tax earned by each segment without the share of profit (loss) of associates, interest income, rental income, gain (loss) on disposal of property, plant and equipment, foreign exchange gains (losses), gain (loss) arising from the valuation of financial instruments, and financing costs. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

Since the Group's individual segment assets and liabilities were not included in the segment information provided to the chief operating decision-maker, the measured amount of operating segment assets and liabilities was not disclosed herein.

(2) Product information

The Company and its subsidiaries are mainly engaged in the manufacturing and marketing of petrochemical products, which is a single product category. As a result, there is no need to disclosure product information

(3) Region information

The amounts of the Group's revenue from continuing operations from external customers and non-current assets by location are detailed below:

	Revenue from external customers		Non-current assets	
	2021	2020	December 31, 2021	December 31, 2020
Asia	$ 15,578,658	$ 10,996,729	$ 8,337,701	$ 7,286,849
America	3,361,005	2,149,161	6,959	11,402
Middle East	510,226	261,751	-	-
Africa	461,107	83,629	-	-
Europe	190,176	81,984	-	-
Oceania	120,352	159,894	-	-
	$ 20,221,524	$ 13,733,148	$ 8,344,660	$ 7,298,251

Non-current assets exclude those which were classified as financial instruments, investment accounted for equity method, deferred tax assets, and guarantee deposits

(4) Information about major customers

No revenue from a single customer amounted to 10% of the Group’s revenue for the years ended December 31, 2021 and 2020.

China General Plastics Corporation and Subsidiaries

Endorsements/Guarantees Provided

For the Year Ended December 31, 2021

Table 1

Unit: NT$ thousand

Number	Endorser/Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Made for Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note 2)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/Guarantee Made by Parent for Subsidiaries	Endorsement/Guarantee Made by Subsidiaries for Parent	Endorsement/Guarantee Made for Companies in Mainland China
		Company name	Relationship										
0	China General Plastics Corporation	CGPC Polymer Corporation	Subsidiary	$ 6,697,786	$ 2,450,000	$ 1,000,000	$ -	None	8.96%	$ 11,162,977	Yes	No	No

Note 1. The ratio is calculated using the ending balance of equity of the Company as of December 31, 2021.

Note 2. The total amount of guarantee that may be provided by the Company shall not exceed 100% of the Company's net worth stated on the latest financial statements; the total amount of guarantee provided by the Company to any single entity shall not exceed 60% of the Company's net worth stated on the latest financial statements.

China General Plastics Corporation and Subsidiaries

Marketable Securities Held

December 31, 2021

Table 2

Unit: NT$ thousand

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Unit / Share	Carrying Amount	Percentage of Ownership (%)	Fair value	
China General Plastics Corporation	Beneficiary securities							
	Cathay No. 1 Real Estate Investment Trust	-	Financial assets at FVTPL - current	2,898,000	$ 52,541	-	$ 52,541	Note 1
	Mutual Funds							
	FSITC Taiwan Money Market Fund	-	Financial assets at FVTPL - current	5,172,035	80,018	-	80,018	Note 1
	Cathay Taiwan Money Market Fund	-	〃	3,981,272	50,000	-	50,000	Note 1
	Hua Nan Phoenix Money Market Fund	-	〃	2,740,627	45,000	-	45,000	Note 1
	Ordinary shares							
	China Steel Corporation	-	Financial assets at FVTPL - current	650,000	22,978	-	22,978	Note 1
	Quanta Computer Incorporated	-	〃	125,000	11,837	-	11,837	Note 1
	Tungho Steel Corporation	-	〃	167,500	11,239	-	11,239	Note 1
	United Microelectronics Corporation	-	〃	120,000	7,800	-	7,800	Note 1
	ShunSin Technology Holdings Limited	-	〃	51,000	4,743	-	4,743	Note 1
	KHL IB Venture Capital Co., Ltd.	-	Financial assets at FVTOCI - non-current	4,977,475	82,377	5.95%	82,377	Note 1
Taiwan VCM Corporation	Ordinary shares							
	Asia Polymer Corporation	The major shareholders are the same as the those of the Company	Financial assets at FVTOCI - non-current	130,244	4,774	0.02%	4,774	Note 1
CGPC Polymer Corporation	Mutual Funds							
	Hua Nan Phoenix Money Market Fund	-	Financial assets at FVTPL - current	8,774,597	144,075	-	144,075	Note 1
	FSITC Taiwan Money Market Fund	-	〃	6,464,876	100,020	-	100,020	Note 1
	Taishin Ta-Chong Money Market Fund	-	〃	6,968,690	100,003	-	100,003	Note 1
	Prudential Financial Money Market Fund	-	〃	4,384,646	70,118	-	70,118	Note 1
	Taishin 1699 Money Market Fund	-	〃	4,386,606	60,003	-	60,003	Note 1
	Hua Nan Kirin Money Market Fund	-	〃	4,715,381	57,000	-	57,000	Note 1
	Taiwan Cooperative Bank Money Market Fund	-	〃	2,437,835	25,000	-	25,000	Note 1
	Yuanta De-Li Money Market Fund	-	〃	971,782	16,006	-	16,006	Note 1
CGPC (BVI) Holding Co., Ltd.	Ordinary shares							
	Teratech Corporation	-	Financial assets at FVTPL - non-current	112,000	-	0.67%	-	(Notes 1 and 3)
	SOHOware, Inc - preferred shares	-	〃	100,000	-	-	-	(Notes 1, 2, and 3)

Note 1. The marketable securities were not pledged as guarantees or collateral for borrowings and are not subject to restrictions.

Note 2. The preferred shares are not used in the calculation of the shareholding ratio and net worth.

Note 3. As of December 31, 2021, the Company evaluates the fair value of the equity instrument as $0.

China General Plastics Corporation and Subsidiaries

Marketable Securities Acquired and Disposed of at Costs and Prices of at Least NT$300 Million or 20% of the Paid-in Capital

For the Year Ended December 31, 2021

Table 3

Unit: NT$ thousand

Buyer/Seller	Type and Name of Marketable Securities	Financial Statement Account	Related Parties	Relationship	Beginning Balance (Note)		Acquisition		Disposal				Ending Balance (Note)	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Amount	Gain on disposal	Shares	Amount
China General Plastics Corporation	Mutual Funds													
	Taishin Ta-Chong Money Market Fund	Financial assets at FVTPL - current	-	-	4,190,295	$ 60,000	40,879,691	$ 586,000	45,069,986	$ 646,101	$ 646,000	$ 101	-	$ -
	FSITC Money Market Fund	〃	-	-	-	-	3,109,635	560,000	3,109,635	560,061	560,000	61	-	-
	CTBC Hua-Win Money Market Fund	〃	-	-	4,501,666	50,000	46,771,745	520,000	51,273,411	570,046	570,000	46	-	-
	Hua Nan Phoenix Money Market Fund	〃	-	-	-	-	27,133,187	445,000	24,392,560	400,077	400,000	77	2,740,627	45,000
	FSITC Taiwan Money Market Fund	〃	-	-	-	-	27,031,631	418,000	21,859,596	338,047	338,000	47	5,172,035	80,000
	Nomura Taiwan Money Market Fund	〃	-	-	-	-	24,661,509	406,000	24,661,509	406,049	406,000	49	-	-
Taiwan VCM Corporation	Mutual Funds													
	FSITC Taiwan Money Market Fund	Financial assets at FVTPL - current	-	-	3,240,147	50,000	25,887,463	400,000	29,127,610	450,075	450,000	75	-	-
	Taishin Ta-Chong Money Market Fund	〃	-	-	6,983,874	100,000	22,338,288	320,000	29,322,162	420,059	420,000	59	-	-
CGPC Polymer Corporation	Mutual Funds													
	Hua Nan Kirin Money Market Fund	Financial assets at FVTPL - current	-	-	3,315,451	40,000	48,446,772	585,000	47,046,842	568,067	568,000	67	4,715,381	57,000
	FSITC Taiwan Money Market Fund	〃	-	-	3,178,916	49,000	36,160,381	559,000	32,874,421	508,400	508,000	400	6,464,876	100,000
	Taishin Ta-Chong Money Market Fund	〃	-	-	8,941,582	128,000	37,239,820	534,000	39,212,712	562,343	562,000	343	6,968,690	100,000
	Taiwan Cooperative Bank Money Market Fund	〃	-	-	-	-	50,169,944	514,000	47,732,109	489,062	489,000	62	2,437,835	25,000
	FSITC Money Market Fund	〃	-	-	250,312	45,000	1,999,223	360,000	2,249,535	405,209	405,000	209	-	-
	Taishin 1699 Money Market Fund	〃	-	-	15,393,455	210,000	17,554,151	240,000	28,561,000	390,140	390,000	140	4,386,606	60,000

Note: The beginning and ending amount denote the original acquisition cost.

China General Plastics Corporation and Subsidiaries

Total Purchases from or Sales to Related Parties Amounting to at Least NT$100 Million or 20% of the Paid-in Capital

For the Year Ended December 31, 2021

Table 4

Unit: NT$ thousand

Buyer/Seller	Related Parties	Relationship	Transaction Details				Abnormal Transaction		Notes/Trade Receivables (Payables)	
			Purchase / Sales	Amount (Note)	Ratio to Total Purchase / Sales	Payment terms	Unit Price	Payment terms	Financial Statement Account and Ending Balance (Note)	Ratio to Total Notes or Trade Receivable (payable)
China General Plastics Corporation	Taiwan VCM Corporation	Subsidiary	Purchases	$ 7,071,763	79%	45 days	No major difference	No major difference	Trade payables to related parties ($ 1,489,862)	(87%)
	CGPC America Corporation	Subsidiary	Sales	(679,417)	(6%)	90 days	No major difference	No major difference	Trade receivables from related parties 189,714	14%
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Sales	(7,071,763)	(48%)	45 days	No major difference	No major difference	Trade receivables from related parties 1,489,862	47%
	CGPC Polymer Corporation	Fellow subsidiary	Sales	(6,585,350)	(45%)	75 days	No major difference	No major difference	Trade receivables from related parties 1,361,638	43%
CGPC Polymer Corporation	Taiwan VCM Corporation	Fellow subsidiary	Purchases	6,585,350	97%	75 days	No major difference	No major difference	Trade payables to related parties (1,361,638)	(98%)
CGPC America Corporation	China General Plastics Corporation	Parent company	Purchases	679,417	89%	90 days	No major difference	No major difference	Trade payables to related parties (189,714)	(98%)

Note: All the transactions were written off when preparing the consolidated financial statements.

China General Plastics Corporation and Subsidiaries

Receivables from Related Parties Amounting to at Least NT$100 Million or 20% of the Paid-in Capital

December 31, 2021

Table 5

Unit: NT$ thousand

Company Name	Related Parties	Relationship	Financial Statement Account and Ending Balance (Note 3)	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Treatment Method		
China General Plastics Corporation	CGPC America Corporation	Subsidiary	Trade receivables from related parties $ 189,714	4.52	$ -	-	$ 84,313	Note 1
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Trade receivables from related parties $1,489,862	5.53	-	-	1,489,862	Note 1
	CGPC Polymer Corporation	Fellow subsidiary	Trade receivables from related parties $1,361,638	4.70	-	-	1,361,638	Note 1

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

Note 2. The subsequent period is between January 1 and February 24, 2022.

Note 3. All the transactions were written off when preparing the consolidated financial statements.

China General Plastics Corporation and Subsidiaries

Intercompany Relationships and Significant Intercompany Transactions

For the Year Ended December 31, 2021

Table 6

Unit: NT$ thousand

Number (Note 1)	Investee Company	Related Parties	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount	Transaction Terms	% of Total Sales or Asset (Note 3)
0	China General Plastics Corporation	Taiwan VCM Corporation	1	Trade payables to related parties	$ 1,489,862	No major difference	9%
			1	Purchases	7,071,763	No major difference	35%
		CGPC America Corporation	1	Trade receivables from related parties	189,714	No major difference	1%
			1	Sales revenue	679,417	No major difference	3%
		CGPC Polymer Corporation	1	Other receivables from related parties	1,523	No major difference	-
			1	Trade payables to related parties	9,521	No major difference	-
			1	Purchases	59,991	No major difference	-
1	CGPC Polymer Corporation	Taiwan VCM Corporation	3	Trade payables to related parties	1,361,638	No major difference	8%
			3	Other payables to related parties	23,212	No major difference	-
			3	Purchases	6,585,350	No major difference	33%
			3	Rental income	1,752	No major difference	-

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

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

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

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

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

a. Assets or liabilities: The ratio was calculated based on the ending balance of total consolidated assets; and

b. Income or loss: The ratio was calculated based on the midterm accumulated amount of total consolidated sales revenue.

China General Plastics Corporation and Subsidiaries

Information on Investee

For the Year Ended December 31, 2021

Table 7

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

Investor Company	Investee Company	Location	Business Content	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of Investee	Share of Profit (Loss)	Note
				December 31, 2021	December 31, 2020	Shares	%	Carrying Amount			
China General Plastics Corporation	Taiwan VCM Corporation	No. 1, Gongye 1st Rd., Linyuan Dist., Kaohsiung City 832, Taiwan (R.O.C.)	Manufacturing and marketing of VCM	$ 2,933,648	$ 2,930,995	259,591,005	87.27%	$ 4,610,674	$ 1,510,951	$ 1,189,448	Subsidiary
	CGPC Polymer Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Manufacturing and marketing of PVC resins	800,000	800,000	80,000,000	100%	1,503,749	580,982	580,982	Subsidiary
	CGPC (BVI) Holding Co., Ltd.	Citco Building, Wickhams Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	Reinvestment	1,073,906	1,073,906	16,308,258	100%	345,845	(2,505)	(2,505)	Subsidiary
	China General Terminal & Distribution Corporation	No. 1, Jianji St., Qianzhen Dist., Kaohsiung City 806, Taiwan (R.O.C.)	Warehousing and transportation of petrochemical raw materials	41,106	41,106	22,009,594	33.33%	373,731	63,389	21,129	Associate accounted for using the equity method
	CGPC America Corporation	1181 California Ave., Suite 235 Corona, CA 92881 U.S.A	Marketing of PVC film and leather products	648,931	648,931	100	100%	194,709	21,914	21,914	Subsidiary
	Acme Electronics Corporation	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Manufacturing and marketing of Mn-Zn and Ni-Zn ferrite cores	33,995	33,995	3,176,019	1.74%	23,171	59,329	1,030	Associate accounted for using the equity method

Note: All the transactions were written off when preparing the consolidated financial statements.

China General Plastics Corporation and Subsidiaries

Information on Investments in Mainland China

For the Year Ended December 31, 2021

Table 8

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

Investee Company	Business Content	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021 (Note 1)	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021 (Note 1)	Net Income (Loss) of Investee	Ownership Percentage of Direct or Indirect Investment	Investment Gain (Loss) (Note 5)	Carrying Amount as of December 31 (Note 1)	Accumulated Repatriation of Investment Income as of December 31
					Outflow	Inflow						
Continental General Plastics (Zhong Shan) Co., Ltd. ("CGPC (ZS)") (Note 4)	Manufacturing and marketing of PVC film and consumer products	$ 553,600 (US$20,000 thousand)	Investment through CGPC (BVI) Holding Co., Ltd. ("CGPC (BVI)")	$ 553,600 (US$20,000 thousand)	$ -	$ -	$ 553,600 (US$20,000 thousand)	($ 2,569) (US$-93 thousand)	100%	($ 2,569) (US$-93 thousand)	$ 262,303 (US$9,476 thousand)	$ -
CGPC Consumer Products Corporation ("CGPC (CP)") (Note 4)	Manufacturing and marketing of PVC and consumer products	41,520 (US$1,500 thousand)	Investment through CGPC (BVI) Holding Co., Ltd. ("CGPC (BVI)")	41,520 (US$1,500 thousand)	-	-	41,520 (US$1,500 thousand)	15 (US$1 thousand)	100%	15 (US$1 thousand)	13,461 (US$487 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2021 (Notes 1 and 3)	Investment Amounts Authorized by Investment Commission, MOEA (Note 1)	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 2)
$ 749,630 (US$ 27,082 thousand)	$ 869,152 (US$ 31,400 thousand)	$ -

Note 1. The calculation was based on the spot exchange rate of December 31, 2021.

Note 2. As the Company has obtained the certificate of qualification for operating headquarters issued by the Industrial Development Bureau, MOEA No. 10920426850 on September 8, 2020, the upper limit on investment is not applicable.

Note 3. QuanZhou Continental General Plastics Co., Ltd. ("CGPC (QZ)") and Union (Zhong Shan) Co., Ltd. ("Union (ZS)") completed dissolution procedures, and CGPC (BVI) retrieved the residual assets. The shares of Continental General Plastics (San He) Co., Ltd. ("CGPC (SH)") were fully sold, and CGPC (BVI) retrieved the residual assets. However, the amount of capital has not been wired back to Taiwan. The accumulated amount includes the investment amount of CGPC (QZ) of US$684 thousand, the investment amount of Union (ZS) of US$898 thousand, and the investment amount of CGPC (SH) of US$4,000 thousand.

Note 4. The board of directors of the Company passed a resolution on October 24, 2011 to dissolve CGPC (ZS) and CGPC (CP). The Company has considered that its discontinued operations was resumed its operating substance, and, therefore, the Company reclassified the discontinued operations as continuing operations since 2021 after an assessment. Please refer to Note 12.

Note 5. The investment income (loss) recognized in 2021 is based on the financial statements audited by the parent company's CPA.

Note 6. All the transactions were written off when preparing the consolidated financial statements.

China General Plastics Corporation

Information on Major Shareholders

December 31, 2021

Table 9

Names of Major Shareholders	Shares	
	Number of Shares	Percentage of Ownership
Union Polymer International Investment Corporation	145,079,236	24.97%
Asia Polymer Corporation	46,886,185	8.07%

Note: The information in this table refers to a total of holding shares of more than 5 percent of the Company's non- physical shares of common stock and preferred stock that have completed registration and delivery (including treasury shares), in accordance with the last business day of the end of the quarter of the Taiwan Depository & Clearing Corporation. The share capital recorded in the Company's consolidated financial report and the actual number of non-physical shares that have been registered and delivered may be different due to the different calculation basis.