

Notice to Readers:

The Interim consolidated financial statements (Chinese version) of our company have been reviewed by the CPA HUANG, HSIU-CHUN and CPA CHIU, CHENG-CHUN of Deloitte Taiwan. For the convenience of reading, the statements have been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version,

China General Plastics Corporation and Subsidiaries

Consolidated Financial Statements for the Nine Months Ended September 30, 2023 and 2022 and Independent Auditors' Review Report

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Independent Auditors' Review Report

The Board of Directors and Shareholders

China General Plastics Corporation

Introduction

We have reviewed the accompanying consolidated balance sheets of China General Plastics Corporation and its subsidiaries (the Group) as of September 30, 2023 and 2022, and the related consolidated statement of comprehensive income for the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, of changes in equity and of cash flows for the nine months then ended, and the related notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the “consolidated financial statements”). Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 “Interim Financial Reporting” endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China. Our responsibility is to express a conclusion on the consolidated financial statements based on our reviews.

Scope of Review

Except as explained in the following paragraph, we conducted our reviews in accordance with Standards on Review Engagements of the Republic of China 2410 “Review of Interim Financial Information Performed by the Independent Auditor of the Entity.” A review of consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As disclosed in Notes 12 and 13 to the consolidated financial statements, the financial statements of some non-significant subsidiaries and investments accounted for using the equity method included in the consolidated financial statements were not reviewed. As of September 30, 2023 and 2022, the combined total assets of these non-significant subsidiaries and investments accounted for using the equity method were NT\$1,143,358 thousand and NT\$1,241,718 thousand, respectively, representing 7% and 8%, respectively, of the consolidated total assets, and the combined total liabilities of these non-significant subsidiaries as of September 30, 2023 and 2022 were NT\$62,920 thousand and NT\$44,151 thousand, respectively, representing both 1% of the consolidated total liabilities; for the three months ended September 30, 2023 and 2022, and the nine months ended September 30, 2023 and 2022, the amounts of combined comprehensive income of these non-significant subsidiaries were NT\$(7,409) thousand, NT\$(14,845) thousand, NT\$15,728 thousand, and NT\$12,289 thousand, respectively, representing (4%), 2%, 4%, and (4%), respectively, of the consolidated total comprehensive income, and the Group's share of loss of these investments accounted for using the equity method for the three months ended September 30, 2023 and 2022, and the nine months ended September 30, 2023 and 2022, were NT\$(6,070) thousand, NT\$(10,473) thousand, NT\$(20,767) thousand, and NT\$(28,891) thousand, respectively, representing (4%), 2%, (5%), and 10%, respectively, of the consolidated total comprehensive income. The additional disclosures of these non-significant subsidiaries and investments accounted for using the equity method were based on financial statements which were not reviewed by auditors.

Qualified Conclusion

Based on our reviews, except for the adjustments, if any, as might have been determined to be necessary had the financial statements of the non-significant subsidiaries and investments accounted for using the equity method as described in the preceding paragraph been reviewed, nothing has come to our attention that caused us to believe that the accompanying consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the Group as of September 30, 2023 and 2022, its consolidated financial performance for the three months then ended, and its consolidated financial performance and its consolidated cash flows for the nine months then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Deloitte & Touche, Taipei, Taiwan,
Republic of China

CPA Huang, Hsiu-Chun

CPA Chiu, Cheng-Chun

Securities and Futures Commission

Approved Document No.

Tai Cai Zheng Liu Zi No. 0920123784

Financial Supervisory Commission Approved

Document No.

Jin Guan Zheng Liu Zi No. 0930160267

November 2, 2023

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China General Plastics Corporation and Subsidiaries
Consolidated Balance Sheets
September 30, 2023 and 2022, And December 31, 2022

Unit: NT\$ thousands

CODE	ASSETS	September 30, 2023		December 31, 2022		September 30, 2022	
		Amount	%	Amount	%	Amount	%
	Current assets						
1100	Cash and cash equivalents (Note 6)	\$ 1,711,531	10	\$ 1,276,545	8	\$ 1,461,682	9
1110	Financial assets at fair value through profit or loss (FVTPL)						
	- current (Note 7)	689,979	4	882,742	5	544,398	3
1136	Financial assets at amortized cost - current (Notes 9 and 29)	481,890	3	343,024	2	282,934	2
1150	Notes receivables (Note 10)	161,669	1	219,522	1	196,075	1
1170	Trade receivables (Notes 10 and 28)	1,206,272	7	1,202,318	7	1,225,668	7
1200	Other receivables (Notes 10 and 28)	114,612	-	77,351	1	114,788	1
1220	Current tax assets	217	-	570	-	308	-
1310	Inventories (Note 11)	2,417,864	14	2,562,490	15	2,726,331	17
1410	Prepayments	187,211	1	189,331	1	145,498	1
1470	Other current assets	562	-	1,158	-	3,357	-
11XX	Total current assets	<u>6,971,807</u>	<u>40</u>	<u>6,755,051</u>	<u>40</u>	<u>6,701,039</u>	<u>41</u>
	Non-current assets						
1517	Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Note 8)	67,344	-	71,317	1	75,916	1
1550	Investments accounted for using the equity method (Note 13)	365,537	2	379,522	2	369,062	2
1600	Property, plant and equipment (Notes 14 and 28)	9,061,738	52	8,447,505	51	8,295,097	50
1755	Right-of-use assets (Notes 15 and 28)	154,096	1	125,418	1	134,424	1
1760	Investment properties (Note 16)	465,693	3	483,501	3	492,172	3
1840	Deferred tax assets	369,580	2	381,748	2	359,528	2
1990	Other non-current assets (Note 29)	53,960	-	39,717	-	44,166	-
15XX	Total non-current assets	<u>10,537,948</u>	<u>60</u>	<u>9,928,728</u>	<u>60</u>	<u>9,770,365</u>	<u>59</u>
1XXX	Total Assets	<u>\$ 17,509,755</u>	<u>100</u>	<u>\$ 16,683,779</u>	<u>100</u>	<u>\$ 16,471,404</u>	<u>100</u>
	LIABILITIES AND EQUITY						
	Current Liabilities						
2100	Short-term borrowings (Note 17)	\$ 1,200,000	7	\$ 790,000	5	\$ 815,000	5
2110	Short-term notes and bills payable (Note 17)	-	-	199,668	1	199,954	1
2120	Financial liabilities at fair value through profit or loss (FVTPL) - current (Note 7)	-	-	9,529	-	-	-
2170	Trade payables (Note 18)	556,364	3	973,959	6	1,005,651	6
2180	Trade payables to related parties (Notes 18 and 28)	212,553	1	227,795	2	86,176	-
2200	Other payables (Note 19)	894,868	5	727,073	4	779,358	5
2220	Other payables to related parties (Note 28)	14,851	-	18,753	-	17,382	-
2230	Current tax liabilities	119,614	1	661	-	2,530	-
2280	Lease liabilities (Notes 15 and 28)	33,706	-	16,268	-	21,444	-
2300	Other current liabilities (Note 22)	101,737	1	144,906	1	104,961	1
21XX	Total current liabilities	<u>3,133,693</u>	<u>18</u>	<u>3,108,612</u>	<u>19</u>	<u>3,032,456</u>	<u>18</u>
	Non-current liabilities						
2540	Long-term borrowings (Note 17)	2,972,608	17	2,432,380	15	2,221,168	13
2570	Deferred tax liabilities	600,428	3	595,996	3	603,020	4
2580	Lease liabilities (Notes 15 and 28)	125,921	1	113,696	1	117,537	1
2640	Net defined benefit liabilities	301,519	2	330,322	2	471,129	3
2670	Other non-current liabilities	78,825	-	61,545	-	59,925	-
25XX	Total non-current liabilities	<u>4,079,301</u>	<u>23</u>	<u>3,533,939</u>	<u>21</u>	<u>3,472,779</u>	<u>21</u>
2XXX	Total Liabilities	<u>7,212,994</u>	<u>41</u>	<u>6,642,551</u>	<u>40</u>	<u>6,505,235</u>	<u>39</u>
	Equity attributable to owners of the Company (Note 21)						
3110	Ordinary share	5,810,505	33	5,810,505	35	5,810,505	35
3200	Capital surplus	15,778	-	14,556	-	11,966	-
	Retained earnings						
3310	Legal reserve	1,117,245	7	1,117,245	7	1,117,245	7
3320	Special reserve	408,223	2	408,223	2	408,223	2
3350	Unappropriated retained earnings	2,235,209	13	2,029,080	12	1,964,210	12
3300	Total retained earnings	<u>3,760,677</u>	<u>22</u>	<u>3,554,548</u>	<u>21</u>	<u>3,489,678</u>	<u>21</u>
3400	Other equity	69,725	-	67,163	1	77,750	1
31XX	Total equity attributable to owners of the Company	<u>9,656,685</u>	<u>55</u>	<u>9,446,772</u>	<u>57</u>	<u>9,389,899</u>	<u>57</u>
36XX	Non-controlling interests	640,076	4	594,456	3	576,270	4
3XXX	Total equity	<u>10,296,761</u>	<u>59</u>	<u>10,041,228</u>	<u>60</u>	<u>9,966,169</u>	<u>61</u>
	Total Liabilities and Equity	<u>\$ 17,509,755</u>	<u>100</u>	<u>\$ 16,683,779</u>	<u>100</u>	<u>\$ 16,471,404</u>	<u>100</u>

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to Deloitte & Touche auditors' review report dated November 2, 2023)

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China General Plastics Corporation and Subsidiaries

Consolidated Statements of Comprehensive Income

For the Three Months Ended September 30, 2023 and 2022 And For the Nine Months Ended September 30, 2023 and 2022

(Reviewed, Not Audited)

Unit: NT\$ thousands, except (Losses) Earnings Per Share

CODE		For the Three Months Ended September 30, 2023		For the Three Months Ended September 30, 2022		For the Nine Months Ended September 30, 2023		For the Nine Months Ended September 30, 2022	
		Amount	%	Amount	%	Amount	%	Amount	%
4100	Net revenue (Notes 22 and 28)	\$ 3,365,608	100	\$ 3,983,857	100	\$ 10,485,625	100	\$ 14,130,620	100
5110	Cost of revenue (Notes 11, 23, and 28)	<u>2,893,987</u>	<u>86</u>	<u>4,567,644</u>	<u>114</u>	<u>9,040,025</u>	<u>86</u>	<u>13,714,174</u>	<u>97</u>
5900	Gross profit (loss)	<u>471,621</u>	<u>14</u>	<u>(583,787)</u>	<u>(14)</u>	<u>1,445,600</u>	<u>14</u>	<u>416,446</u>	<u>3</u>
	Operating expenses (Notes 23 and 28)								
6100	Selling and marketing expenses	209,278	6	271,592	7	643,922	6	1,022,548	7
6200	General and administrative expenses	99,777	3	100,543	3	216,833	2	250,990	2
6300	Research and development expenses	<u>19,162</u>	<u>1</u>	<u>17,481</u>	<u>-</u>	<u>60,188</u>	<u>1</u>	<u>53,729</u>	<u>-</u>
6000	Total operating expenses	<u>328,217</u>	<u>10</u>	<u>389,616</u>	<u>10</u>	<u>920,943</u>	<u>9</u>	<u>1,327,267</u>	<u>9</u>
6900	Profit (loss) from operation	<u>143,404</u>	<u>4</u>	<u>(973,403)</u>	<u>(24)</u>	<u>524,657</u>	<u>5</u>	<u>(910,821)</u>	<u>(6)</u>
	Non-operating income and expenses (Notes 13, 23 and 28)								
7100	Interest income	6,426	-	2,257	-	20,717	-	5,950	-
7010	Other income	40,259	1	25,232	-	82,157	1	300,833	2
7020	Other gains and losses	19,418	1	71,977	2	14,702	-	175,417	1
7510	Interest expense	<u>(16,242)</u>	<u>-</u>	<u>(7,661)</u>	<u>-</u>	<u>(48,704)</u>	<u>-</u>	<u>(14,097)</u>	<u>-</u>
7060	Share of profit (loss) of associates accounted for using the equity method	<u>(5,382)</u>	<u>-</u>	<u>(6,126)</u>	<u>-</u>	<u>(11,823)</u>	<u>-</u>	<u>8,811</u>	<u>-</u>
7000	Total non-operating income and expenses	<u>44,479</u>	<u>2</u>	<u>85,679</u>	<u>2</u>	<u>57,049</u>	<u>1</u>	<u>476,914</u>	<u>3</u>
7900	Profit (loss) before income tax	187,883	6	<u>(887,724)</u>	<u>(22)</u>	581,706	6	<u>(433,907)</u>	<u>(3)</u>
7950	Income tax expense (benefit) (Note 24)	<u>35,948</u>	<u>1</u>	<u>(175,252)</u>	<u>(4)</u>	<u>155,580</u>	<u>2</u>	<u>(133,683)</u>	<u>(1)</u>
8200	Net profit (loss) for the period	<u>151,935</u>	<u>5</u>	<u>(712,472)</u>	<u>(18)</u>	<u>426,126</u>	<u>4</u>	<u>(300,224)</u>	<u>(2)</u>
	Other comprehensive income (loss) (Notes 13, 21, and 24)								
	Items that will not be reclassified subsequently to profit or loss:								
8316	Unrealized gains (losses) on investments in equity instruments at FVTOCI	<u>(1,554)</u>	<u>-</u>	<u>3,148</u>	<u>-</u>	<u>(3,973)</u>	<u>-</u>	<u>(11,235)</u>	<u>-</u>
8326	Share of the other comprehensive income of associates accounted for using the equity method - unrealized losses on investments in equity instruments at FVTOCI	<u>(1,177)</u>	<u>-</u>	<u>(4,189)</u>	<u>-</u>	<u>(11,576)</u>	<u>-</u>	<u>(37,179)</u>	<u>-</u>
8310		<u>(2,731)</u>	<u>-</u>	<u>(1,041)</u>	<u>-</u>	<u>(15,549)</u>	<u>-</u>	<u>(48,414)</u>	<u>-</u>
	Items that may be reclassified subsequently to profit or loss:								
8361	Exchange differences on translating the financial statements of foreign operations	22,229	-	26,436	1	22,223	-	56,534	-
8371	Share of the other comprehensive income of associates accounted for using the equity method - exchange differences on translating the financial statements of foreign operations	978	-	173	-	271	-	528	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	<u>(4,446)</u>	<u>-</u>	<u>(5,287)</u>	<u>-</u>	<u>(4,445)</u>	<u>-</u>	<u>(11,307)</u>	<u>-</u>
8360		<u>18,761</u>	<u>-</u>	<u>21,322</u>	<u>1</u>	<u>18,049</u>	<u>-</u>	<u>45,755</u>	<u>-</u>
8300	Other comprehensive income (loss) for the period, net of income tax	<u>16,030</u>	<u>-</u>	<u>20,281</u>	<u>1</u>	<u>2,500</u>	<u>-</u>	<u>(2,659)</u>	<u>-</u>
8500	Total comprehensive income (loss) for the period	<u>\$ 167,965</u>	<u>5</u>	<u>(\$ 692,191)</u>	<u>(17)</u>	<u>\$ 428,626</u>	<u>4</u>	<u>(\$ 302,883)</u>	<u>(2)</u>
	Net profit (loss) attributable to:								
8610	Owners of the Company	\$ 147,402	5	<u>(\$ 680,881)</u>	<u>(17)</u>	\$ 380,444	4	<u>(\$ 317,894)</u>	<u>(2)</u>
8620	Non-controlling interests	<u>4,533</u>	<u>-</u>	<u>(31,591)</u>	<u>(1)</u>	<u>45,682</u>	<u>-</u>	<u>17,670</u>	<u>-</u>
8600		<u>\$ 151,935</u>	<u>5</u>	<u>(\$ 712,472)</u>	<u>(18)</u>	<u>\$ 426,126</u>	<u>4</u>	<u>(\$ 300,224)</u>	<u>(2)</u>
	Total comprehensive income (loss) attributable to:								
8710	Owners of the Company	\$ 163,446	5	<u>(\$ 660,652)</u>	<u>(16)</u>	\$ 383,006	4	<u>(\$ 320,416)</u>	<u>(2)</u>
8720	Non-controlling interests	<u>4,519</u>	<u>-</u>	<u>(31,539)</u>	<u>(1)</u>	<u>45,620</u>	<u>-</u>	<u>17,533</u>	<u>-</u>
8700		<u>\$ 167,965</u>	<u>5</u>	<u>(\$ 692,191)</u>	<u>(17)</u>	<u>\$ 428,626</u>	<u>4</u>	<u>(\$ 302,883)</u>	<u>(2)</u>
	Earnings (losses) per share (Note 25)								
9750	Basic	<u>\$ 0.25</u>		<u>(\$ 1.17)</u>		<u>\$ 0.65</u>		<u>(\$ 0.55)</u>	
9850	Diluted	<u>\$ 0.25</u>		<u>(\$ 1.17)</u>		<u>\$ 0.65</u>		<u>(\$ 0.55)</u>	

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China General Plastics Corporation and Subsidiaries
Consolidated Statements of Changes in Equity
For the Nine Months Ended September 30, 2023 and 2022
(Reviewed, Not Audited)

Unit: NT\$ thousands

Equity attributable to owners of the Company										Other Equity					
CODE		Ordinary share	Capital surplus			Retained earnings				Exchange differences on translating the financial statements of foreign operations	Unrealized gains (losses) on financial assets at FVTOCI	Total	Total	Non-controlling interests	Total equity
			Unpaid Dividends	Others	Total	Legal reserve	Special reserve	Unappropriated retained earnings	Total						
A1	Balance as of January 1, 2022	\$ 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
B1	Appropriation and distribution of earnings for 2021														
	Legal reserve	-	-	-	-	246,913	-	(246,913)	-	-	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	(1,452,626)	(1,452,626)	-	-	-	(1,452,626)	-	(1,452,626)
O1	Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(113,555)	(113,555)
C17	Other changes in capital surplus	-	(36)	-	(36)	-	-	-	-	-	-	-	(36)	-	(36)
D1	Net (loss) profit for the nine months ended September 30, 2022	-	-	-	-	-	-	(317,894)	(317,894)	-	-	-	(317,894)	17,670	(300,224)
D3	Other comprehensive income (loss) for the nine months ended September 30, 2022, net of income tax	-	-	-	-	-	-	-	-	45,755	(48,277)	(2,522)	(2,522)	(137)	(2,659)
D5	Total comprehensive income (loss) for the nine months ended September 30, 2022	-	-	-	-	-	-	(317,894)	(317,894)	45,755	(48,277)	(2,522)	(320,416)	17,533	(302,883)
Z1	Balance as of September 30, 2022	<u>\$ 5,810,505</u>	<u>\$ 11,400</u>	<u>\$ 566</u>	<u>\$ 11,966</u>	<u>\$ 1,117,245</u>	<u>\$ 408,223</u>	<u>\$ 1,964,210</u>	<u>\$ 3,489,678</u>	<u>(\$ 6,706)</u>	<u>\$ 84,456</u>	<u>\$ 77,750</u>	<u>\$ 9,389,899</u>	<u>\$ 576,270</u>	<u>\$ 9,966,169</u>
A1	Balance as of January 1, 2023	\$ 5,810,505	\$ 13,872	\$ 684	\$ 14,556	\$ 1,117,245	\$ 408,223	\$ 2,029,080	\$ 3,554,548	(\$ 18,861)	\$ 86,024	\$ 67,163	\$ 9,446,772	\$ 594,456	\$10,041,228
B5	Appropriation and distribution of earnings for 2022														
	Cash dividends distributed by the Company	-	-	-	-	-	-	(174,315)	(174,315)	-	-	-	(174,315)	-	(174,315)
C7	Changes in equity of associates accounted for using equity method	-	-	1,333	1,333	-	-	-	-	-	-	-	1,333	-	1,333
C17	Other changes in capital surplus	-	(108)	(3)	(111)	-	-	-	-	-	-	-	(111)	-	(111)
D1	Net profit for the nine months ended September 30, 2023	-	-	-	-	-	-	380,444	380,444	-	-	-	380,444	45,682	426,126
D3	Other comprehensive income (loss) for the nine months ended September 30, 2023, net of income tax	-	-	-	-	-	-	-	-	18,049	(15,487)	2,562	2,562	(62)	2,500
D5	Total comprehensive income (loss) for the nine months ended September 30, 2023	-	-	-	-	-	-	380,444	380,444	18,049	(15,487)	2,562	383,006	45,620	428,626
Z1	Balance as of September 30, 2023	<u>\$ 5,810,505</u>	<u>\$ 13,764</u>	<u>\$ 2,014</u>	<u>\$ 15,778</u>	<u>\$ 1,117,245</u>	<u>\$ 408,223</u>	<u>\$ 2,235,209</u>	<u>\$ 3,760,677</u>	<u>(\$ 812)</u>	<u>\$ 70,537</u>	<u>\$ 69,725</u>	<u>\$ 9,656,685</u>	<u>\$ 640,076</u>	<u>\$10,296,761</u>

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to Deloitte & Touche auditors' review report dated November 2, 2023)

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China General Plastics Corporation and Subsidiaries
Consolidated Statements of Cash Flows
For the Nine Months Ended September 30, 2023 and 2022
(Reviewed, Not Audited)

Unit: NT\$ thousands

CODE		For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
	Cash flows from operating activities		
A10000	Net profit (loss) before income tax	\$ 581,706	(\$ 433,907)
A20010	Adjustments for:		
A20100	Depreciation expenses	547,383	516,845
A20200	Amortization expense	15,081	13,098
A20400	Net gain on fair value change on financial instruments at FVTPL	(23,898)	(62,372)
A20900	Interest expense	48,704	14,097
A21200	Interest income	(20,717)	(5,950)
A21300	Dividend income	(1,421)	(5,617)
A22300	Share of loss (profit) of associates accounted for using the equity method	11,823	(8,811)
A22500	Gain on disposal of property, plant and equipment	(4,153)	(2,436)
A23200	Loss on disposal of subsidiaries	984	-
A23800	(Reversal) provision of write downs of inventories and obsolescence losses	(151,596)	418,915
A30000	Net changes in operating assets and liabilities		
A31115	Financial Instruments at FVTPL	210,447	380,434
A31130	Notes receivable	57,853	208,634
A31150	Trade receivables (including related parties)	2,550	434,198
A31180	Other receivables (including related parties)	(36,643)	23,163
A31200	Inventories	306,951	(5,087)
A31230	Prepayments	2,120	106,318
A31240	Other current assets	596	(2,295)
A32150	Trade payables (including related parties)	(433,101)	176,726
A32180	Other payables (including related parties)	80,133	(240,101)
A32230	Other current liabilities	(43,169)	(15,551)
A32240	Net defined benefit liabilities	(28,803)	(46,251)
A33000	Cash generated from operations	1,122,830	1,464,050
A33100	Interest received	20,101	5,677
A33300	Interest paid	(39,434)	(8,114)
A33500	Income tax paid	(24,119)	(686,135)
AAAA	Net cash generated from operating activities	<u>1,079,378</u>	<u>775,478</u>
	Cash flows from investing activities		
B00040	Acquisition of financial assets at amortized cost	(383,291)	(505,847)
B00050	Proceeds from sale of financial assets at amortized cost	244,425	492,204
B01800	Acquisition of investments accounted for using equity method	(7,810)	-
B02700	Payments for property, plant and equipment	(1,051,757)	(1,102,107)

(Continued)

CODE		For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
B02800	Proceeds from disposal of property, plant and equipment	\$ 13,952	\$ 6,552
B03700	Increase in refundable deposits	(24,893)	(36,990)
B03800	Decrease in refundable deposits	24,963	41,418
B04500	Acquisitions of intangible assets	(1,711)	(192)
B05400	Acquisition of investment properties	-	(1,036)
B06700	Increase in other non-current assets	(27,405)	(17,209)
B07600	Dividends received	<u>1,421</u>	<u>5,617</u>
BBBB	Net cash used in investing activities	(<u>1,212,106</u>)	(<u>1,117,590</u>)
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	410,000	615,000
C00500	(Decrease) increase in short-term notes and bills payable	(200,000)	199,954
C01600	Proceeds from long-term borrowings	2,642,000	2,421,800
C01700	Repayments of long-term borrowings	(2,100,000)	(1,070,000)
C03000	Increase in guarantee deposits received	7,496	13,464
C03100	Decrease in guarantee deposits received	(1,645)	(840)
C04020	Repayment of the principal portion of lease liabilities	(23,658)	(26,624)
C04300	Decrease in other non-current liabilities	(32)	(8)
C04500	Dividends paid	(169,200)	(1,452,556)
C05800	Cash dividends paid on non-controlling interests	(<u>5</u>)	(<u>113,572</u>)
CCCC	Net cash generated from financing activities	<u>564,956</u>	<u>586,618</u>
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	<u>2,758</u>	(<u>3,115</u>)
EEEE	Net increase in cash and cash equivalents of the period	434,986	241,391
E00100	Cash and cash equivalents at the beginning of the period	<u>1,276,545</u>	<u>1,220,291</u>
E00200	Cash and cash equivalents at the end of the period	<u>\$ 1,711,531</u>	<u>\$ 1,461,682</u>

(Concluded)

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

(Please refer to Deloitte & Touche auditors' review report dated November 2, 2023)

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China General Plastics Corporation and Subsidiaries
Notes to Consolidated Financial Report
For the Nine Months Ended September 30, 2023 and 2022
(Reviewed, Not Audited)
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. Company History

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

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

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

2. Date and Procedures of Authorization of Financial Statements

The consolidated financial statements have been approved by the Board of Directors on November 2, 2023.

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

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

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

(2) IFRSs endorsed by the FSC that are applicable in 2024

<u>New/Amended/Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 16 "Lease Liabilities in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-Current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Contract Terms"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

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 seller, who is also the lessee, should retrospectively apply the amendments to IFRS 16 for a sale and leaseback transaction entered into after the date of the initial application of IFRS 16.

Note 3. The first application of the amendments is exempted from partial disclosure requirements.

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

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

<u>New/Amended/Revised Standards and Interpretations</u>	<u>Effective Date Announced by IASB (Note 1)</u>
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture"	Yet to be decided
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

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 are applied for annual reporting periods beginning on or after January 1, 2025. For initial application of the amendments, the impact is recognized in retained earnings on the date of initial application. When the Group adopts a non-functional currency as the presentation currency, the impact is

adjusted to the exchange differences of foreign operations under equity on the date of initial application.

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

4. Summary of Significant Accounting Policies

(1) Statement of compliance

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

(2) Basis of preparation

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

The fair value measurement is classified into three levels based on the observability and importance of related inputs:

- 1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- 2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., prices) or indirectly (i.e., derived from prices); and
- 3) Level 3 inputs are unobservable inputs for an asset or liability.

(3) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). 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 refer to Note 12 and Tables 8 and 9 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

(4) Other significant accounting policies

Except for the following, for the accounting policies applied to these interim consolidated financial statements, please refer to the consolidated financial statements for the year ended December 31, 2022.

1) Defined benefit plan

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

2) Taxation

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

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

For the critical accounting judgments and key sources of estimation and uncertainty of the consolidated financial statements, please refer to the consolidated financial statements for the year ended December 31, 2022.

6. Cash and Cash Equivalents

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Cash on hand and petty cash	\$ 464	\$ 434	\$ 587
Checking accounts and demand deposits	359,311	399,998	480,481
Cash equivalents			
Time deposits	796,884	370,363	480,980
Reverse repurchase agreements collateralized by bonds	<u>554,872</u>	<u>505,750</u>	<u>499,634</u>
	<u>\$ 1,711,531</u>	<u>\$ 1,276,545</u>	<u>\$ 1,461,682</u>

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Time deposits	1.33%-5.48%	4.02%-4.70%	1.01%-3.60%
Reverse repurchase agreements collateralized by bonds	1.30%-1.50%	1.10%-1.15%	0.92%-0.97%

7. Financial Instruments at FVTPL

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
<u>Financial assets mandatorily classified as at FVTPL</u>			
Derivative financial assets (not under hedge accounting)			
- Foreign exchange forward contracts	\$ 2,472	\$ 40	\$ 22,880
Non-derivative financial assets			
- Mutual Funds	584,561	809,600	450,254
- Beneficiary securities	67,937	54,186	53,946
- Domestic listed equity investments	35,009	18,916	17,318
- Overseas unlisted equity investments	-	-	-
	<u>\$ 689,979</u>	<u>\$ 882,742</u>	<u>\$ 544,398</u>
<u>Financial liabilities held for trading</u>			
Derivative financial liabilities (not under hedge accounting)			
- Foreign exchange forward contracts	\$ -	\$ 9,529	\$ -

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

	<u>Currency</u>	<u>Maturity Date</u>	<u>Contract Amount (In Thousands)</u>
<u>September 30, 2023</u>			
Buy	NTD/USD	2023.11.06-2023.11.30	NTD 175,327 /USD 5,540
<u>December 31, 2022</u>			
Buy	NTD/USD	2023.01.03-2023.02.23	NTD 672,391 /USD 21,620
<u>September 30, 2022</u>			
Buy	NTD/USD	2022.10.11-2022.12.13	NTD 472,658 /USD 15,640

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Domestic equity investments			
Listed ordinary shares			
Asia Polymer Corporation	\$ 3,185	\$ 3,673	\$ 3,693
Unlisted ordinary share			
KHL IB Venture Capital Co., Ltd.	64,159	67,644	72,223
	<u>\$ 67,344</u>	<u>\$ 71,317</u>	<u>\$ 75,916</u>

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Domestic equity investments			
Pledged time deposits	\$ 283,407	\$ 343,024	\$ 282,934
Reverse repurchase agreements			
collateralized by bonds with			
maturities over 3 months	198,483	-	-
	<u>\$ 481,890</u>	<u>\$ 343,024</u>	<u>\$ 282,934</u>

The market rate intervals of pledged time deposits and reverse repurchase agreements collateralized by bonds with maturities over 3 months at the end of the reporting period were as follows:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Pledged time deposits	0.535%-1.530%	0.190%-1.405%	0.090%-1.155%
Reverse repurchase agreements			
collateralized by bonds with			
maturities over 3 months	1.500%	-	-

Refer to Note 29 for information related to financial assets at amortized cost pledged as security.

10. Notes Receivable, Trade Receivables and Other Receivables

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
<u>Notes receivable</u>			
Notes receivable - operating	\$ <u>161,669</u>	\$ <u>219,522</u>	\$ <u>196,075</u>
<u>Trade receivables (including related parties) (Note 28)</u>			
At amortized cost			
Gross carrying amount	\$ 1,219,354	\$ 1,215,387	\$ 1,238,819
Less: Allowance for impairment loss	(<u>13,082</u>)	(<u>13,069</u>)	(<u>13,151</u>)
	\$ <u>1,206,272</u>	\$ <u>1,202,318</u>	\$ <u>1,225,668</u>
<u>Other receivables (including related parties) (Note 28)</u>			
Tax refunds receivables	\$ 111,112	\$ 71,638	\$ 112,593
Interest receivable	1,802	1,186	584
Others	<u>1,698</u>	<u>4,527</u>	<u>1,611</u>
	\$ <u>114,612</u>	\$ <u>77,351</u>	\$ <u>114,788</u>

Notes/Trade Receivables

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

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

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

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

September 30, 2023

	Credit Rating A	Credit Rating B	Credit Rating C	Others	Total
Gross carrying amount	\$225,330	\$339,939	\$182,639	\$633,115	\$1,381,023
Loss allowance (lifetime ECLs)	-	(3,938)	(4,332)	(4,812)	(13,082)
Amortized cost	<u>\$225,330</u>	<u>\$336,001</u>	<u>\$178,307</u>	<u>\$628,303</u>	<u>\$1,367,941</u>

December 31, 2022

	Credit Rating A	Credit Rating B	Credit Rating C	Others	Total
Gross carrying amount	\$231,529	\$383,626	\$219,477	\$600,277	\$1,434,909
Loss allowance (lifetime ECLs)	-	(4,374)	(4,806)	(3,889)	(13,069)
Amortized cost	<u>\$231,529</u>	<u>\$379,252</u>	<u>\$214,671</u>	<u>\$596,388</u>	<u>\$1,421,840</u>

September 30, 2022

	Credit Rating A	Credit Rating B	Credit Rating C	Others	Total
Gross carrying amount	\$276,693	\$368,056	\$299,394	\$490,751	\$1,434,894
Loss allowance (lifetime ECLs)	-	(3,651)	(6,560)	(2,940)	(13,151)
Amortized cost	<u>\$276,693</u>	<u>\$364,405</u>	<u>\$292,834</u>	<u>\$487,811</u>	<u>\$1,421,743</u>

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Not past due	\$ 1,301,824	\$ 1,328,087	\$ 1,323,571
Less than and including 60 days	78,324	102,053	106,446
Over 60 days	875	4,769	4,877
	<u>\$ 1,381,023</u>	<u>\$ 1,434,909</u>	<u>\$ 1,434,894</u>

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

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

	<u>For the Nine Months Ended September 30, 2023</u>	<u>For the Nine Months Ended September 30, 2022</u>
Balance at January 1	\$ 13,069	\$ 12,917
Less: Amounts written off	(108)	(88)
Foreign exchange gains and losses	121	322
Balance at September 30	<u>\$ 13,082</u>	<u>\$ 13,151</u>

11. Inventories

	September 30, 2023	December 31, 2022	September 30, 2022
Finished goods	\$ 1,801,786	\$ 1,744,503	\$ 1,634,360
Work in progress	56,273	63,280	49,009
Raw materials	559,805	754,707	1,042,962
	<u>\$ 2,417,864</u>	<u>\$ 2,562,490</u>	<u>\$ 2,726,331</u>

The cost of inventories recognized as the cost of goods sold for the three months ended September 30, 2023 and 2022, and for the nine months ended September 30, 2023 and 2022 was \$2,893,987 thousand, \$4,567,644 thousand, \$9,040,025 thousand, and \$13,714,174 thousand, respectively. For the three months ended September 30, 2023 and 2022, and for the nine months ended September 30, 2023 and 2022, the costs of goods sold included (reversals) provisions of allowance for write-downs of inventories and obsolescence losses amounted to \$(143,016) thousand, \$146,116 thousand, \$(151,596) thousand, and \$418,915 thousand, respectively. The reversal of write-downs of inventories and obsolescence losses are resulted by the recovery of inventory prices.

12. Subsidiary

Subsidiaries included in the consolidated financial statements:

Investor Company	Subsidiary	Nature of Activities	Proportion of Ownership (%)			Note
			September 30, 2023	December 31, 2022	September 30, 2022	
The Company	CGPC Polymer Corporation ("CGPCPOL")	Manufacturing and marketing of PVC resins	100.00%	100.00%	100.00%	Subsidiary (Note 1)
The Company	Taiwan VCM Corporation ("TVCM")	Manufacturing and marketing of VCM	87.27%	87.27%	87.27%	Subsidiary
The Company	CGPC (BVI) Holding Co., Ltd. ("CGPC (BVI)")	Reinvestment	100.00%	100.00%	100.00%	Subsidiary
The Company	CGPC America Corporation ("CGPC-America")	Marketing of PVC film and leather products	100.00%	100.00%	100.00%	Subsidiary
TVCM	Global Green Technology Corporation ("GGTC")	Environmental testing services	100.00%	100.00%	100.00%	Subsidiary of TVCM (Note 2)
CGPC (BVI)	Continental General Plastics (Zhong Shan) Co., Ltd. ("CGPC (ZS)")	Manufacturing and marketing of PVC film and consumer products	100.00%	100.00%	100.00%	Subsidiary of CGPC (BVI)
CGPC (BVI)	CGPC Consumer Products Corporation ("CGPC (CP)")	Manufacturing and marketing of PVC consumer products	-	100.00%	100.00%	Subsidiary of CGPC (BVI) (Note 3)

Note 1. On May 16, 2022, the shareholders' meeting executed by the board of directors of CGPCPOL by proxy resolved to re-capitalize earnings of \$200,000 thousand to issue 20,000 thousand new shares, with a record date set on July 1, 2022.

Note 2. TVCM's bidding for future pollution remediation, testing and other related businesses and public works/public agency projects are specially handed over to independent companies for handling. TVCM invested and established GGTC as a single legal person shareholder with the investment price of \$50,000 thousand to obtain 100% equity. This case was approved and registered by the competent authority on February 11, 2022 with a registered capital of \$168,880 thousand.

Note 3. The liquidation of CGPC (CP) was completed on July 17, 2023.

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

13. Investment Accounted for Equity Method

Investments in associates that are not individually material

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Listed companies			
Acme Electronics Corporation ("ACME")	\$ 30,693	\$ 23,911	\$ 24,222
Unlisted companies			
China General Terminal & Distribution Corporation ("CGTD")	334,844	355,611	344,840
	<u>\$ 365,537</u>	<u>\$ 379,522</u>	<u>\$ 369,062</u>

Aggregate information of associates that are not individually material

	<u>For the Three Months Ended September 30, 2023</u>	<u>For the Three Months Ended September 30, 2022</u>	<u>For the Nine Months Ended September 30, 2023</u>	<u>For the Nine Months Ended September 30, 2022</u>
The Group's share of:				
Profit (loss) for the period	(\$ 5,382)	(\$ 6,126)	(\$ 11,823)	\$ 8,811
Other comprehensive loss	(199)	(4,016)	(11,305)	(36,651)
Total comprehensive loss	(<u>\$ 5,581</u>)	(<u>\$ 10,142</u>)	(<u>\$ 23,128</u>)	(<u>\$ 27,840</u>)

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

<u>Company name</u>	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
ACME	1.67%	1.74%	1.74%
CGTD	33.33%	33.33%	33.33%

The Group did not subscribe for the cash capital increase of ACME in proportion to its shareholding, resulting in a decrease in the shareholding ratio from 1.74% to 1.67%, with the base date of capital increase on January 16, 2023.

Refer to Table 8 “Information on Reinvestment” for the nature of activities, principal places of business and countries of incorporation of the associates.

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

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

Company name	September 30, 2023	December 31, 2022	September 30, 2022
ACME	<u>\$ 89,698</u>	<u>\$ 76,066</u>	<u>\$ 93,057</u>

Except for those of ACME, the Group's investments accounted for using the equity method and its share of profit or loss and other comprehensive income or loss for the nine months ended September 30, 2023 and 2022 were not reviewed by auditors.

14. Property, Plant and Equipment

	Freehold Land	Buildings and Improvements	Machinery and Equipment	Transportation Equipment	Miscellaneous Equipment	Construction in Progress and Machinery in Transit	Total
<u>Cost</u>							
Balance as of January 1, 2023	\$2,090,707	\$ 1,814,185	\$11,033,392	\$ 72,034	\$ 432,027	\$3,271,392	\$18,713,737
Additions	-	821	423	-	360	1,124,792	1,126,396
Disposal	-	(58,334)	(532,642)	(1,018)	(9,345)	-	(601,339)
Reclassification	-	115,995	1,677,275	2,872	9,197	(1,805,339)	-
Effect of foreign currency exchange differences	-	41	874	112	258	8	1,293
Balance as of September 30, 2023	<u>\$2,090,707</u>	<u>\$ 1,872,708</u>	<u>\$12,179,322</u>	<u>\$ 74,000</u>	<u>\$ 432,497</u>	<u>\$2,590,853</u>	<u>\$19,240,087</u>
<u>Accumulated depreciation and impairment</u>							
Balance as of January 1, 2023	\$ -	\$ 1,126,629	\$ 8,748,937	\$ 55,551	\$ 334,688	\$ 427	\$10,266,232
Depreciation expenses	-	51,335	423,929	5,124	22,140	-	502,528
Disposal	-	(57,596)	(524,239)	(1,018)	(8,687)	-	(591,540)
Effect of foreign currency exchange differences	-	(1)	809	107	206	8	1,129
Balance as of September 30, 2023	<u>\$ -</u>	<u>\$ 1,120,367</u>	<u>\$ 8,649,436</u>	<u>\$ 59,764</u>	<u>\$ 348,347</u>	<u>\$ 435</u>	<u>\$10,178,349</u>
Net amount as of September 30, 2023	<u>\$2,090,707</u>	<u>\$ 752,341</u>	<u>\$ 3,529,886</u>	<u>\$ 14,236</u>	<u>\$ 84,150</u>	<u>\$2,590,418</u>	<u>\$ 9,061,738</u>

	Freehold Land	Buildings and Improvements	Machinery and Equipment	Transportation Equipment	Miscellaneous Equipment	Construction in Progress and Machinery in Transit	Total
<u>Cost</u>							
Balance as of January 1, 2022	\$2,090,707	\$ 1,782,011	\$10,676,713	\$ 69,670	\$ 396,761	\$2,592,135	\$17,607,997
Additions	-	-	37	-	137	1,101,088	1,101,262
Disposal	-	(652)	(221,547)	(3,427)	(5,235)	-	(230,861)
Reclassification	-	24,571	477,577	6,119	32,179	(540,446)	-
Effect of foreign currency exchange differences	-	57	1,582	257	707	13	2,616
Balance as of September 30, 2022	<u>\$2,090,707</u>	<u>\$ 1,805,987</u>	<u>\$10,934,362</u>	<u>\$ 72,619</u>	<u>\$ 424,549</u>	<u>\$3,152,790</u>	<u>\$18,481,014</u>
<u>Accumulated depreciation and impairment</u>							
Balance as of January 1, 2022	\$ -	\$ 1,059,353	\$ 8,515,016	\$ 52,591	\$ 314,183	\$ 420	\$ 9,941,563
Depreciation expenses	-	51,901	392,383	5,153	19,415	-	468,852
Disposal	-	(652)	(217,451)	(3,427)	(5,215)	-	(226,745)
Effect of foreign currency exchange differences	-	57	1,420	196	560	14	2,247
Balance as of September 30, 2022	<u>\$ -</u>	<u>\$1,110,659</u>	<u>\$ 8,691,368</u>	<u>\$ 54,513</u>	<u>\$ 328,943</u>	<u>\$ 434</u>	<u>\$10,185,917</u>
Net amount as of September 30, 2022	<u>\$2,090,707</u>	<u>\$ 695,328</u>	<u>\$ 2,242,994</u>	<u>\$ 18,106</u>	<u>\$ 95,606</u>	<u>\$3,152,356</u>	<u>\$ 8,295,097</u>

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

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

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

No impairment loss was recognized or reversed for the nine months ended September 30, 2023 and 2022.

15. Lease Arrangements

(1) Right-of-use assets

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Carrying amount of right-of-use assets			
Land	\$ 122,504	\$ 125,063	\$ 130,675
Buildings	22,990	355	1,470
Machinery and Equipment	<u>8,602</u>	<u>-</u>	<u>2,279</u>
	<u>\$ 154,096</u>	<u>\$ 125,418</u>	<u>\$ 134,424</u>
	For the Three Months Ended September 30, 2023	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2023
Additions of right-of-use assets			<u>\$ 52,156</u>
Depreciation expense of right-of-use assets			<u>\$ 4,512</u>
Land	\$ 5,232	\$ 5,613	\$ 15,706
Buildings	1,302	1,055	3,749
Machinery and Equipment	<u>1,720</u>	<u>2,279</u>	<u>5,161</u>
	<u>\$ 8,254</u>	<u>\$ 8,947</u>	<u>\$ 24,616</u>
			<u>\$ 26,500</u>

Except for the addition and recognition of depreciation expense, the Group's right-of-use assets did not experience significant sub-lease and impairment for the nine months ended September 30, 2023 and 2022.

(2) Lease liabilities

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Carrying amount of lease liabilities			
Current	\$ 33,706	\$ 16,268	\$ 21,444
Non-current	<u>\$ 125,921</u>	<u>\$ 113,696</u>	<u>\$ 117,537</u>

Range of discount rate for lease liabilities was as follows:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Land	0.8244%-2.0500%	0.8244%-1.2750%	0.8244%-1.2750%
Buildings	1.0392%-8.0000%	1.0392%	1.0392%
Machinery and Equipment	1.9250%	-	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

	For the Three Months Ended September 30, 2023	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
Expenses relating to short-term leases	<u>\$ 3,686</u>	<u>\$ 3,470</u>	<u>\$ 10,571</u>	<u>\$ 9,842</u>
Expenses relating to variable lease payments not included in the measurement of lease liabilities	<u>\$ 16,818</u>	<u>\$ 22,032</u>	<u>\$ 50,617</u>	<u>\$ 61,132</u>
Total cash outflow for leases			(<u>\$ 87,150</u>)	(<u>\$ 98,754</u>)

The Group has elected to apply the exemptions to recognize the leases of land, buildings, transportation equipment, and office equipment that eligible for short term leases so no corresponding right of use assets and lease liabilities are recognized for these leases.

16. Investment Property

	September 30, 2023	December 31, 2022	September 30, 2022
Land	\$ 117,932	\$ 118,186	\$ 117,722
Building and improvements - net	265,215	281,828	288,932
Right-of-use assets-net	<u>82,546</u>	<u>83,487</u>	<u>85,518</u>
	<u>\$ 465,693</u>	<u>\$ 483,501</u>	<u>\$ 492,172</u>

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

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 property as operating lease as of September 30, 2023, December 31, 2022, and September 30, 2022 is as follows:

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Year 1	\$ 41,521	\$ 36,600	\$ 44,009
Year 2	29,123	14,227	16,805
Year 3	25,647	10,970	10,970
Year 4	25,647	10,970	10,970
Year 5	25,648	10,970	10,970
Over 5 years	<u>19,236</u>	<u>16,455</u>	<u>19,197</u>
	<u>\$ 166,822</u>	<u>\$ 100,192</u>	<u>\$ 112,921</u>

Except for the recognition of depreciation expense, the Group's investment properties did not experience significant additions, disposals, and impairments for the nine months ended September 30, 2023 and 2022.

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

17. Borrowings

(1) Short-term borrowings

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
<u>Unsecured borrowings</u>			
Bank loans	<u>\$ 1,200,000</u>	<u>\$ 790,000</u>	<u>\$ 815,000</u>
The range of interest rate	1.660%-1.740%	1.639%-1.949%	1.250%-1.480%

(2) Short-term notes and bills payable

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
<u>Commercial note payable</u>	\$ -	\$ 200,000	\$ 200,000
Less: Discount on commercial note payable	<u>-</u>	<u>(332)</u>	<u>(46)</u>
	<u>\$ -</u>	<u>\$ 199,668</u>	<u>\$ 199,954</u>
The range of interest rate	-	1.660%-1.722%	1.110%-1.112%

(3) Long-term borrowings

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
<u>Unsecured borrowings</u>			
Bank loans	<u>\$ 2,972,608</u>	<u>\$ 2,432,380</u>	<u>\$ 2,221,168</u>
The range of interest rate	0.893%-1.250%	0.761%-1.780%	0.629%-1.800%

Based on "Action Plan for Accelerated Investment by Domestic Corporations," the Company obtained a low-interest bank loan of \$646,400 thousand, and it recognized and measured the loan according to the market interest rate. The difference between the actual

interest paid and the preferential interest rate shall be treated as government subsidies. As of September 30, 2023, it has made drawdowns of \$592,400 thousand.

Based on "Action Plan for Accelerated Investment by SMEs", TVCM obtained a low-interest bank loan of \$2,977,400 thousand, and it recognized and measured the loan according to the market interest rate. The difference between the actual interest paid and the preferential interest rate shall be treated as government subsidies. As of September 30, 2023, it has made drawdowns of \$2,411,600 thousand.

Some of the Group's credit contracts stipulate that the current ratio and debt ratio as stated on the financial statements shall not be less than a certain percentage, and that if such a percentage fails to be met, the Group shall propose improvement measures to the bank concerned. As of September 30, 2023, the Group has not defaulted on any of the aforementioned financial ratios.

18. Trade Payables

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
<u>Trade payables (including related parties)</u> (Note 28)			
Operating	<u>\$ 768,917</u>	<u>\$ 1,201,754</u>	<u>\$ 1,091,827</u>

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

19. Other Payables - Non-Related Parties

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Payables for salaries or bonuses	\$ 224,107	\$ 183,204	\$ 177,370
Payables for purchases of equipment	208,990	134,351	168,874
Payables for utilities and fuel fees	154,913	139,293	130,637
Payables for freight	59,042	77,039	85,531
Miscellaneous tax payable	15,574	6,142	9,815
Dividends payable	14,792	9,438	8,857
Others	<u>217,450</u>	<u>177,606</u>	<u>198,274</u>
	<u>\$ 894,868</u>	<u>\$ 727,073</u>	<u>\$ 779,358</u>

20. Retirement Benefit Plans

Pension expense in respect of the Group's defined benefit retirement plans was calculated using the actuarially determined pension cost rate at the end of the prior fiscal year which was stated in the respective actuarial report as of December 31, 2022 and 2021; the employee pension expense for the three months ended September 30, 2023 and 2022, and for the nine months ended September 30, 2023 and 2022 were \$2,990 thousand, \$3,101 thousand, \$8,970 thousand, and \$9,304 thousand, respectively. Under the defined benefit plans adopted by the Group, the Company and TVCM contribute amounts equal to 10% of total monthly salaries and wages of employees to a pension fund administered by the pension fund monitoring committee.

The Group contributed \$37,594 thousand and \$55,555 thousand for the nine months ended September 30, 2023 and 2022, respectively, to the pension fund account with the Bank of Taiwan, which was designated by the Supervisory Committee of Workers' Pension Preparation Fund.

21. Equity

(1) Ordinary shares

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Number of shares authorized (in thousands)	<u>650,000</u>	<u>650,000</u>	<u>650,000</u>
Share authorized	<u>\$ 6,500,000</u>	<u>\$ 6,500,000</u>	<u>\$ 6,500,000</u>
Number of shares issued and fully paid (in thousands)	<u>581,050</u>	<u>581,050</u>	<u>581,050</u>
Share issued	<u>\$ 5,810,505</u>	<u>\$ 5,810,505</u>	<u>\$ 5,810,505</u>

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

(2) Capital surplus

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

Capital surplus generated from 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 23(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.

The shareholders' meetings approved the earnings distribution proposal for years ended December 31, 2022 and 2021 on May 26, 2023 and May 30, 2022 as follows:

	Appropriation of Earnings		Dividends Per Share (NT\$)	
	2022	2021	2022	2021
Legal reserve	\$ -	\$ 246,913		
Cash dividends	174,315	1,452,626	\$ 0.3	\$ 2.5

(4) Special reserve

The Company appropriated a special reserve in the amount of \$428,727 thousand, \$408,223 thousand after offsetting a deficit, from the net increase of retained earnings arising from the initial adoption of IFRSs. As of September 30, 2023, such amount has not changed.

(5) Other Equity

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

	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
Balance at January 1	(\$ 18,861)	(\$ 52,461)
Recognized for the period		
Exchange differences on translating the financial statements of foreign operations	22,223	56,534
Share of exchange of differences associates accounted for using the equity method	271	528
Related income tax	(4,445)	(11,307)
Balance at September 30	(\$ 812)	(\$ 6,706)

2) Unrealized gains (losses) on financial assets at FVTOCI

	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
Balance at January 1	\$ 86,024	\$ 132,733
Recognized for the period		
Unrealized losses equity Instruments	(3,911)	(11,098)
Share of exchange of differences associates accounted for using the equity method	(11,576)	(37,179)
Balance at September 30	<u>\$ 70,537</u>	<u>\$ 84,456</u>

22. Revenue

(1) Revenue from contracts with customers

	For the Three Months Ended September 30, 2023	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
Revenue from the sale of goods				
PVC products	\$ 3,198,693	\$ 3,675,604	\$ 9,900,913	\$13,407,556
VCM products	<u>166,915</u>	<u>308,253</u>	<u>584,712</u>	<u>723,064</u>
	<u>\$ 3,365,608</u>	<u>\$ 3,983,857</u>	<u>\$10,485,625</u>	<u>\$14,130,620</u>

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

Please refer to Note 33 for information about revenue from contracts with customers.

(2) Contract balances

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

	September 30, 2023	December 31, 2022	September 30, 2022	January 1, 2022
Contract liabilities (presented in other current liabilities)	<u>\$ 58,837</u>	<u>\$ 101,549</u>	<u>\$ 59,882</u>	<u>\$ 76,557</u>

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

(3) Refunds liabilities

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Refunds liabilities (presented in other current liabilities)	<u>\$ 20,209</u>	<u>\$ 21,246</u>	<u>\$ 18,322</u>

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

23. Net profit (loss) for the period

(1) Interest income

	<u>For the Three Months Ended September 30, 2023</u>	<u>For the Three Months Ended September 30, 2022</u>	<u>For the Nine Months Ended September 30, 2023</u>	<u>For the Nine Months Ended September 30, 2022</u>
Bank deposits	\$ 2,427	\$ 1,178	\$ 12,183	\$ 2,568
Financial assets at FVTPL	-	-	1,510	1,110
Financial assets at amortized cost	264	212	1,099	396
Others	<u>3,735</u>	<u>867</u>	<u>5,925</u>	<u>1,876</u>
	<u>\$ 6,426</u>	<u>\$ 2,257</u>	<u>\$ 20,717</u>	<u>\$ 5,950</u>

(2) Other income

	<u>For the Three Months Ended September 30, 2023</u>	<u>For the Three Months Ended September 30, 2022</u>	<u>For the Nine Months Ended September 30, 2023</u>	<u>For the Nine Months Ended September 30, 2022</u>
Rental income	\$ 12,834	\$ 12,701	\$ 37,867	\$ 37,529
Indemnity income	6,666	21	7,328	240,501
Others	<u>20,759</u>	<u>12,510</u>	<u>36,962</u>	<u>22,803</u>
	<u>\$ 40,259</u>	<u>\$ 25,232</u>	<u>\$ 82,157</u>	<u>\$ 300,833</u>

(3) Other gains and losses

	For the Three Months Ended September 30, 2023	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
Net gains (losses) on the disposal of property, plant and equipment	(\$ 2,074)	\$ 564	\$ 4,153	\$ 2,436
Losses on disposal of subsidiaries	-	-	(984)	-
Gross foreign exchange gains	57,454	102,430	142,408	292,506
Gross foreign exchange losses	(14,383)	(63,601)	(79,221)	(150,894)
Net gains on fair value change on financial instruments at FVTPL	9,371	43,298	23,898	62,372
Depreciation expenses from investment properties	(6,303)	(6,996)	(20,239)	(21,493)
Depreciation expenses of property, plant and equipment	(1,011)	(1,011)	(3,034)	(1,011)
Others	(23,636)	(2,707)	(52,279)	(8,499)
	<u>\$ 19,418</u>	<u>\$ 71,977</u>	<u>\$ 14,702</u>	<u>\$ 175,417</u>

(4) Interest expense

	For the Three Months Ended September 30, 2023	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
Interest on bank loans	\$ 18,474	\$ 7,446	\$ 50,841	\$ 13,166
Interest on lease liabilities	783	372	2,304	1,156
Less: Capitalized interest (presented under construction in progress)	(3,015)	(157)	(4,441)	(225)
	<u>\$ 16,242</u>	<u>\$ 7,661</u>	<u>\$ 48,704</u>	<u>\$ 14,097</u>

Information about capitalized interest was as follows:

	For the Three Months Ended September 30, 2023	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
Capitalized interest	\$ 3,015	\$ 157	\$ 4,441	\$ 225
Capitalization rate	1.703%-1.715%	0.725%-0.875%	0.850%-1.715%	0.500%-0.875%

(5) Depreciation and amortization

	For the Three Months Ended September 30, 2023	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
Property, Plant and Equipment	\$ 175,716	\$ 157,220	\$ 502,528	\$ 468,852
Right-of-use assets	8,254	8,947	24,616	26,500
Investment property	6,303	6,996	20,239	21,493
Intangible assets	101	16	162	43
Others	<u>4,980</u>	<u>4,970</u>	<u>14,919</u>	<u>13,055</u>
	<u>\$ 195,354</u>	<u>\$ 178,149</u>	<u>\$ 562,464</u>	<u>\$ 529,943</u>
Analysis of depreciation by function				
Operating costs	\$ 177,664	\$ 159,670	\$ 508,481	\$ 478,369
Operating expenses	5,295	5,486	15,629	15,972
Other gains and losses	<u>7,314</u>	<u>8,007</u>	<u>23,273</u>	<u>22,504</u>
	<u>\$ 190,273</u>	<u>\$ 173,163</u>	<u>\$ 547,383</u>	<u>\$ 516,845</u>
Analysis of amortization by function				
Operating costs	\$ 5,065	\$ 4,970	\$ 15,033	\$ 13,055
General and administrative expenses	<u>16</u>	<u>16</u>	<u>48</u>	<u>43</u>
	<u>\$ 5,081</u>	<u>\$ 4,986</u>	<u>\$ 15,081</u>	<u>\$ 13,098</u>

(6) Employee benefits expense

	For the Three Months Ended September 30, 2023	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
Post-employment benefits (Note 20)				
Defined contribution plans	\$ 8,183	\$ 7,939	\$ 24,192	\$ 23,619
Defined benefit plans	<u>2,990</u>	<u>3,101</u>	<u>8,970</u>	<u>9,304</u>
	11,173	11,040	33,162	32,923
Other employee benefits	<u>279,716</u>	<u>248,103</u>	<u>823,015</u>	<u>778,929</u>
Total employee benefits expenses	<u>\$ 290,889</u>	<u>\$ 259,143</u>	<u>\$ 856,177</u>	<u>\$ 811,852</u>
Analysis of employee benefits expense by function				
Operating costs	\$ 212,198	\$ 201,553	\$ 678,132	\$ 640,354
Operating expenses	<u>78,691</u>	<u>57,590</u>	<u>178,045</u>	<u>171,498</u>
	<u>\$ 290,889</u>	<u>\$ 259,143</u>	<u>\$ 856,177</u>	<u>\$ 811,852</u>

(7) The remuneration of employees and directors

The Company accrued remuneration of employees and directors at rates of no less than 1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors.

For the three months ended September 30, 2022, and for the nine months ended September 30, 2022, the remuneration of employees and directors were not accrued due to the deficit. The estimated remuneration of employees and directors for the three months ended September 30, 2023, and for the nine months ended September 30, 2023 were as follows:

Accrual rate

	For the Nine Months Ended September 30, 2023
Remuneration of Employees	1%
Remuneration of Directors-	-

Amount

	For the Three Months Ended September 30, 2023	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
Remuneration of Employees	\$ 1,669	(\$ 3,906)	\$ 4,249	\$ -

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.

For the year ended December 31, 2022, the remuneration of employees and directors were not accrued due to the deficit.

The remuneration of employees and directors for 2021, approved by the Company's board of directors on March 9, 2022 was as follows:

Amount of Cash

	2021
Remuneration of Employees	\$ 26,485

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, 2021.

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.

24. Taxation

(1) Income tax expense recognized in profit or loss

Major components of income tax expenses (benefits) are as follows:

	For the Three Months Ended September 30, 2023	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
Current tax				
In respect of the current period	\$ 12,357	(\$ 66,485)	\$ 122,758	\$ 4,806
Adjustments for prior periods	<u>-</u>	<u>-</u>	<u>20,667</u>	<u>(4,423)</u>
	<u>12,357</u>	<u>(66,485)</u>	<u>143,425</u>	<u>383</u>
Deferred tax				
In respect of the current period	23,591	(108,767)	12,197	(134,763)
Adjustments for prior periods	<u>-</u>	<u>-</u>	<u>(42)</u>	<u>697</u>
	<u>23,591</u>	<u>(108,767)</u>	<u>12,155</u>	<u>(134,066)</u>
Income tax expenses (benefits) recognized in profit or loss	<u>\$ 35,948</u>	<u>(\$ 175,252)</u>	<u>\$ 155,580</u>	<u>(\$ 133,683)</u>

(2) Income tax recognized in other comprehensive income

	For the Three Months Ended September 30, 2023	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
<u>Deferred tax</u>				
Recognized for the period				
- Translation of foreign operations	(\$ 4,446)	(\$ 5,287)	(\$ 4,445)	(\$ 11,307)

(3) Income tax assessments

The income tax returns of the Company, CGPCPOL and TVCM through 2021 have been assessed by the tax authorities.

25. Earnings (Losses) Per Share

	For the Three Months Ended September 30, 2023	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2023	Unit: NT\$ Per Share For the Nine Months Ended September 30, 2022
Basic earnings (losses) per share	<u>\$ 0.25</u>	<u>(\$ 1.17)</u>	<u>\$ 0.65</u>	<u>(\$ 0.55)</u>
Diluted earnings (losses) per share	<u>\$ 0.25</u>	<u>(\$ 1.17)</u>	<u>\$ 0.65</u>	<u>(\$ 0.55)</u>

Earnings (losses) and weighted average number of ordinary shares used to calculate earnings (losses) per share were as follows:

Net profit (loss) for the period

	For the Three Months Ended September 30, 2023	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
The net profit (loss) used to calculate basic and diluted earnings (losses) per share	<u>\$ 147,402</u>	<u>(\$ 680,881)</u>	<u>\$ 380,444</u>	<u>(\$ 317,894)</u>

Shares

Unit: Thousands of shares

	For the Three Months Ended September 30, 2023	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
Weighted average number of ordinary shares used to calculate basic earnings (losses) per share	581,050	581,050	581,050	581,050
Effect of potentially dilutive ordinary shares:				
Remuneration of Employees	<u>171</u>	<u>-</u>	<u>171</u>	<u>-</u>
Weighted average number of ordinary shares used in the computation of diluted earnings per share	<u>581,221</u>	<u>581,050</u>	<u>581,221</u>	<u>581,050</u>

If the Group offered to settle remuneration paid to employees in cash or shares, the Group assumed the entire amount of the remuneration would be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year. For the three months ended September 30, 2022, and for the nine months ended September 30, 2022, the remuneration of employees was not accrued due to the state of deficit.

26. 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.

27. Financial Instruments

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

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

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

1) Fair value hierarchy

September 30, 2023

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivative financial assets	\$ -	\$ 2,472	\$ -	\$ 2,472
Mutual Funds	584,561	-	-	584,561
Beneficiary securities	67,937	-	-	67,937
Investments in equity instruments				
- Domestic listed equity investments	35,009	-	-	35,009
- Overseas unlisted equity investments	-	-	-	-
	<u>\$ 687,507</u>	<u>\$ 2,472</u>	<u>\$ -</u>	<u>\$ 689,979</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
- Domestic listed equity investments	\$ 3,185	\$ -	\$ -	\$ 3,185
- Domestic unlisted equity investments	-	-	64,159	64,159
	<u>\$ 3,185</u>	<u>\$ -</u>	<u>\$ 64,159</u>	<u>\$ 67,344</u>

December 31, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivative financial assets	\$ -	\$ 40	\$ -	\$ 40
Mutual Funds	809,600	-	-	809,600
Beneficiary securities	54,186	-	-	54,186
Investments in equity instruments				
- Domestic listed equity investments	18,916	-	-	18,916
- Overseas unlisted equity investments	-	-	-	-
	<u>\$ 882,702</u>	<u>\$ 40</u>	<u>\$ -</u>	<u>\$ 882,742</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
- Domestic listed equity investments	\$ 3,673	\$ -	\$ -	\$ 3,673
- Domestic unlisted equity investments	-	-	67,644	67,644
	<u>\$ 3,673</u>	<u>\$ -</u>	<u>\$ 67,644</u>	<u>\$ 71,317</u>
<u>Financial liabilities at FVTPL</u>				
Derivative financial liabilities	\$ -	\$ 9,529	\$ -	\$ 9,529

September 30, 2022

	Level 1	Level 2	Level 3	Total
<u>Financial assets at FVTPL</u>				
Derivative financial assets	\$ -	\$ 22,880	\$ -	\$ 22,880
Mutual Funds	450,254	-	-	450,254
Beneficiary securities	53,946	-	-	53,946
Investments in equity instruments				
- Domestic listed equity investments	17,318	-	-	17,318
- Overseas unlisted equity investments	-	-	-	-
	<u>\$ 521,518</u>	<u>\$ 22,880</u>	<u>\$ -</u>	<u>\$ 544,398</u>
<u>Financial assets at FVTOCI</u>				
Investments in equity instruments				
- Domestic listed equity investments	\$ 3,693	\$ -	\$ -	\$ 3,693
- Domestic unlisted equity investments	-	-	72,223	72,223
	<u>\$ 3,693</u>	<u>\$ -</u>	<u>\$ 72,223</u>	<u>\$ 75,916</u>

There were no transfers between Levels 1 and 2 fair value measurement for the nine months ended September 30, 2023 and 2022.

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

For the Nine Months Ended September 30, 2023

	Financial assets at FVTOCI
Balance at January 1	\$ 67,644
Components recognized in other comprehensive income	(3,485)
Balance at September 30	<u>\$ 64,159</u>

For the Nine Months Ended September 30, 2022

	Financial assets at FVTOCI
Balance at January 1	\$ 82,377
Components recognized in other comprehensive income	(10,154)
Balance at September 30	<u>\$ 72,223</u>

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

Financial Instruments Category	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 September 30, 2023, December 31, 2022, and September 30, 2022. When other inputs remain unchanged, the fair value will decrease by \$755 thousand, \$796 thousand, and \$850 thousand, respectively if the discount for lack of marketability increases by 1%.

(3) Categories of financial instruments

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
<u>Financial assets</u>			
Financial assets at FVTPL			
Mandatorily classified at FVTPL	\$ 689,979	\$ 882,742	\$ 544,398
Financial assets at amortized cost			
Cash and Cash Equivalents	1,711,531	1,276,545	1,461,682
Pledged time deposits	283,407	343,024	282,934
Reverse repurchase agreements collateralized by bonds with maturities over 3 months	198,483	-	-
Notes receivable	161,669	219,522	196,075
Trade receivables (including related parties)	1,206,272	1,202,318	1,225,668
Other receivables (including related parties and excluding tax refund receivable)	3,500	5,713	2,195
Refundable deposits	26,095	26,140	25,542
Financial assets at FVTOCI - Equity instruments	67,344	71,317	75,916
<u>Financial liabilities</u>			
Financial liabilities at FVTPL - Held for trading	-	9,529	-
Financial liabilities measured at amortized cost			
Short-term notes and bills payable	-	199,668	199,954
Short-term borrowings	1,200,000	790,000	815,000
Trade payables (including related parties)	768,917	1,201,754	1,091,827
Other payables (Note)	670,038	556,480	609,555
Long-term borrowings	2,972,608	2,432,380	2,221,168
Guarantee deposits	28,732	22,771	22,351

Note. Other payables (including related parties) do not include the amount of salary and bonus payable and miscellaneous 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 31.

Sensitivity analysis

The Company's sensitivity analysis mainly focuses on the foreign currency risk of U.S. dollars at the end of the reporting period. Assuming a 3% strengthening/weakening of the functional currency of the Group against U.S. dollars, the net income (loss) before tax for the nine months ended September 30, 2023 and 2022 would have decreased/increased by \$23,509 thousand and increased/decreased by \$11,239 thousand, respectively.

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

b) Interest rate risk

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

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

	September 30, 2023	December 31, 2022	September 30, 2022
Fair value interest rate risk			
- Financial assets	\$ 1,779,769	\$ 1,165,123	\$ 1,209,492
- Financial liabilities	1,159,627	1,519,632	1,453,935
Cash flow interest rate risk			
- Financial assets	366,017	421,923	428,081
- Financial liabilities	3,172,608	2,032,380	1,921,168

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 (loss) for the nine months ended September 30, 2023 and 2022 would have decreased/increased by \$10,525 thousand and increased/decreased by \$5,599 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, beneficiary securities 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 the price marketable securities had increased/decreased by 5%, the pre-tax profit (loss) for the nine months ended September 30, 2023 and 2022 would have increased/decreased by \$5,147 thousand and decreased/increased \$3,563 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL (excluding investment in money market funds); If the equity securities price had increased/decreased by 5%, the pre-tax other comprehensive income for the nine months ended September 30, 2023 and 2022 would have increased/decreased by \$3,367 thousand and \$3,796 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

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

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

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

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

Group's largest exposure to credit risk is approximately that of the carrying amounts of its financial assets.

3) Liquidity risk

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

a) Liquidity and interest rate risk tables

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

September 30, 2023

	Effective Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities		\$ 1,438,955	\$ -	\$ -
Lease liabilities	0.824-8.000	35,229	88,173	45,331
Floating interest rate liabilities	0.893-1.737	238,697	3,052,322	-
Fixed interest rate liabilities	1.660-1.740	1,002,109	-	-
		<u>\$ 2,714,990</u>	<u>\$ 3,140,495</u>	<u>\$ 45,331</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	Over 10 Years
Lease liabilities	<u>\$ 35,229</u>	<u>\$ 88,173</u>	<u>\$ 38,791</u>	<u>\$ 6,540</u>

December 31, 2022

	Effective Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities		\$ 1,758,234	\$ -	\$ -
Lease liabilities	0.824-1.275	16,351	63,345	56,336
Floating interest rate liabilities	0.761-1.125	17,304	2,108,287	-
Fixed interest rate liabilities	1.350-1.948	993,441	400,000	-
		<u>\$ 2,785,330</u>	<u>\$ 2,571,632</u>	<u>\$ 56,336</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	Over 10 Years
Lease liabilities	<u>\$ 16,351</u>	<u>\$ 63,345</u>	<u>\$ 49,933</u>	<u>\$ 6,403</u>

September 30, 2022

	Effective Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	Over 5 Years
<u>Non-derivative financial liabilities</u>				
Non-interest bearing liabilities		\$ 1,701,382	\$ -	\$ -
Lease liabilities	0.824-1.275	21,783	63,447	60,170
Floating interest rate liabilities	0.629-1.800	14,267	1,995,478	-
Fixed interest rate liabilities	1.110-1.480	<u>1,015,578</u>	<u>300,000</u>	<u>-</u>
		<u>\$ 2,753,010</u>	<u>\$ 2,358,925</u>	<u>\$ 60,170</u>

Additional information about the maturity analysis for lease liabilities:

	Less than 1 Year	1-5 Years	5-10 Years	Over 10 Years
Lease liabilities	<u>\$ 21,783</u>	<u>\$ 63,447</u>	<u>\$ 53,604</u>	<u>\$ 6,566</u>

b) Financing facilities

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

	September 30, 2023	December 31, 2022	September 30, 2022
Bank loan facilities - Amount unused	<u>\$ 8,836,996</u>	<u>\$ 7,479,040</u>	<u>\$ 6,821,151</u>

28. Transactions with Related Parties

As of September 30, 2023, December 31, 2022, and September 30, 2022, 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 parties names and categories

Related Party Name	Related Party Category
USI Corporation	Ultimate parent company
Union Polymer International Investment Corporation	Parent company
Taita Chemical Company, Limited ("TTC")	Investor with significant influence
Asia Polymer Corporation ("APC")	Investor with significant influence
China General Terminal & Distribution Corporation ("CGTD")	Associate
Acme Electronics Corporation	Associate
USI Optronics Corporation ("USIO")	Fellow subsidiary
USI Management Consulting Corporation ("UM")	Fellow subsidiary
Swanson Plastics Corporation	Fellow subsidiary
Swanson Technologies Corporation	Fellow subsidiary
Taiwan United Venture Management Corporation	Fellow subsidiary
Chong Loong Trading Co., Ltd.	Fellow subsidiary
Taita Chemical (Zhong Shan) Co., Ltd.	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

Related Party Category	For the Three Months Ended September 30, 2023	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
Investor with significant influence	\$ 1,230	\$ 1,009	\$ 2,859	\$ 1,578
Fellow subsidiary	116	-	328	343
	<u>\$ 1,346</u>	<u>\$ 1,009</u>	<u>\$ 3,187</u>	<u>\$ 1,921</u>

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

(3) Purchases

Related Party Category	For the Three Months Ended September 30, 2023	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
Related party in substance	\$ 62,110	\$ 260,146	\$ 668,635	\$ 815,525
Fellow subsidiary	13,785	14,768	42,556	49,179
Ultimate parent company	215	370	463	1,449
	<u>\$ 76,110</u>	<u>\$ 275,284</u>	<u>\$ 711,654</u>	<u>\$ 866,153</u>

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

(4) Trade receivables

Related Party Category	September 30, 2023	December 31, 2022	September 30, 2022
Investor with significant influence	\$ 427	\$ 630	\$ 394
Fellow subsidiary	-	128	-
	<u>\$ 427</u>	<u>\$ 758</u>	<u>\$ 394</u>

The outstanding trade receivables from related parties were unsecured. No loss allowance was set aside for receivables from related parties for the nine months ended September 30, 2023 and 2022.

(5) Trade payables to related parties

Related Party Category	September 30, 2023	December 31, 2022	September 30, 2022
Ultimate parent company	\$ 204,396	\$ 219,827	\$ 75,303
Fellow subsidiary	8,157	7,968	10,873
	<u>\$ 212,553</u>	<u>\$ 227,795</u>	<u>\$ 86,176</u>

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

The outstanding trade payables to related parties were unsecured.

(6) Other receivables from related parties

Related Party Category	September 30, 2023	December 31, 2022	September 30, 2022
Ultimate parent company	\$ 982	\$ 839	\$ 935
Investor with significant influence	514	733	444
Fellow subsidiary	10	10	40
Associate	1	6	8
	<u>\$ 1,507</u>	<u>\$ 1,588</u>	<u>\$ 1,427</u>

(7) Other payables to related parties

Related Party Category	September 30, 2023	December 31, 2022	September 30, 2022
Associate	\$ 11,853	\$ 9,657	\$ 9,656
Ultimate parent company	2,494	7,360	2,611
Investor with significant influence	346	846	2,178
Fellow subsidiary	110	232	2,527
Subsidiary of investor with significant influence	48	658	410
	<u>\$ 14,851</u>	<u>\$ 18,753</u>	<u>\$ 17,382</u>

(8) Acquisitions of property, plant and equipment

Related Party Category	Purchase Price	
	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
Ultimate parent company	\$ 4,300	\$ 575

(9) Lease arrangements

Related Party Category/Name	September 30, 2023	December 31, 2022	September 30, 2022	
<u>Lease liabilities</u>				
Investor with significant influence				
APC	\$ 100,571	\$ 110,549	\$ 113,857	
TTC	11,025	2,549	4,948	
Associate	<u>7,772</u>	<u>-</u>	<u>1,969</u>	
	<u>\$ 119,368</u>	<u>\$ 113,098</u>	<u>\$ 120,774</u>	
	For the Three Months Ended September 30, 2023	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
Related Party Category/Name				
<u>Interest expense</u>				
Investor with significant influence				
APC	\$ 267	\$ 301	\$ 827	\$ 930
TTC	54	17	184	70
Associate	<u>43</u>	<u>9</u>	<u>148</u>	<u>41</u>
	<u>\$ 364</u>	<u>\$ 327</u>	<u>\$ 1,159</u>	<u>\$ 1,041</u>
<u>Lease expenses</u>				
Ultimate parent company	\$ 1,657	\$ 1,718	\$ 5,003	\$ 5,200
Investor with significant influence	<u>862</u>	<u>1,565</u>	<u>2,824</u>	<u>3,156</u>
	<u>\$ 2,519</u>	<u>\$ 3,283</u>	<u>\$ 7,827</u>	<u>\$ 8,356</u>

The Company leases offices in Neihu from Ultimate parent company and APC. The rentals are paid on a monthly basis.

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

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

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

(10) Storage tank operating expenses

Related Party Category/Name	For the Three Months Ended September 30, 2023	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
Associate				
CGTD	<u>\$ 19,067</u>	<u>\$ 23,638</u>	<u>\$ 74,661</u>	<u>\$ 71,876</u>

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

(11) Management service revenue

Related Party Category	For the Three Months Ended September 30, 2023	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
Ultimate parent company	\$ 804	\$ 859	\$ 2,361	\$ 2,592
Investor with significant influence	-	11	-	51
	<u>\$ 804</u>	<u>\$ 870</u>	<u>\$ 2,361</u>	<u>\$ 2,643</u>

(12) Management service expenses

Related Party Category/Name	For the Three Months Ended September 30, 2023	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
Fellow subsidiary				
UM	\$ 28,007	\$ 23,916	\$ 84,594	\$ 86,986
Ultimate parent company	<u>1,249</u>	<u>1,099</u>	<u>3,695</u>	<u>3,111</u>
	<u>\$ 29,256</u>	<u>\$ 25,015</u>	<u>\$ 88,289</u>	<u>\$ 90,097</u>

UM and the 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	For the Three Months Ended September 30, 2023	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
Related party in substance				
USIF	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,000</u>

(14) Rental income

Related Party Category	For the Three Months Ended September 30, 2023	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
Fellow subsidiary	\$ 1,373	\$ 1,202	\$ 3,920	\$ 2,934
Subsidiary of investor with significant influence	294	295	880	884
Investor with significant influence	66	67	199	207
Ultimate parent company	<u>32</u>	<u>-</u>	<u>32</u>	<u>-</u>
	<u>\$ 1,765</u>	<u>\$ 1,564</u>	<u>\$ 5,031</u>	<u>\$ 4,025</u>

USIO signed a factory lease contract with the Company with a lease term until April 15, 2024. The Company collects fixed rental amounts on a monthly basis. USIO does not have a bargain purchase option to acquire the leased factory at the expiry of the lease period.

(15) Other income

Related Party Category	For the Three Months Ended September 30, 2023	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
Investor with significant influence	<u>\$ 333</u>	<u>\$ 396</u>	<u>\$ 749</u>	<u>\$ 1,073</u>

(16) Compensation of key management personnel

The compensation of directors and key executives for the three months and nine months ended September 30, 2023 and 2022 were as follows:

	For the Three Months Ended September 30, 2023	For the Three Months Ended September 30, 2022	For the Nine Months Ended September 30, 2023	For the Nine Months Ended September 30, 2022
Salaries and others	\$ 8,498	\$ 8,240	\$ 14,477	\$ 14,091
Post-employment benefits	<u>54</u>	<u>54</u>	<u>162</u>	<u>162</u>
	<u>\$ 8,552</u>	<u>\$ 8,294</u>	<u>\$ 14,639</u>	<u>\$ 14,253</u>

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

29. Assets Pledged as Collateral or for Security

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

	<u>September 30, 2023</u>	<u>December 31, 2022</u>	<u>September 30, 2022</u>
Pledge time deposits (classified as financial assets at amortized cost or other non-current assets)	<u>\$ 308,229</u>	<u>\$ 367,648</u>	<u>\$ 307,516</u>

30. Significant Contingent Liabilities and Unrecognized Commitments

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

- (1) As of September 30, 2023, December 31, 2022, and September 30, 2022, the Group's unused letters of credit amounted to \$444,558 thousand, \$1,314,845 thousand and \$1,414,817 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 of \$230,183 thousand (including interest) to the Government as a guarantee for losses caused by the gas explosions. The Kaohsiung City Government has also filed civil litigation against LCY Chemical Corp. CGTD, and CPC Corporation. Taiwan Power Company applied for provisional attachment against CGTD's property on August 27 and November 26, 2015. CGTD had deposited cash of \$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 \$9,388 thousand as of October 27, 2023.

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. CGTD also agreed to pay \$157,347 thousand to LCY on August 10, 2022 in accordance with 30% of the proportion of fault liability in the first instance judgment in accordance with a tripartite agreement. After that, when the civil litigation is determined, it will be compensated according to the determined liability ratio.

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

three parties in negotiating settlements with victims who suffered serious injuries in the incident. It has signed settlement agreements with 64 of the victims.

As of October 27, 2023, victims and their families have filed civil (including supplementary civil action) lawsuits against LCY Chemical Corp., CGTD and CPC Corp. for compensation. To reduce the lawsuit costs, CGTD had reached a settlement on the original claim of \$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 \$1,470,793 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 \$1,882,829 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 an ethylene or 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.

31. Significant Assets and Liabilities Denominated in Foreign Currencies

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

Unit: Except for the exchange rate, all in thousands

September 30, 2023

	Foreign Currencies	Exchange Rate (In Single Dollars)	Functional Currencies	NT\$
<u>Foreign currency assets</u>				
<u>Monetary items</u>				
USD	\$ 35,008	32.270 (USD:NTD)	\$ 1,129,693	\$ 1,129,693
AUD	751	20.550 (AUD:NTD)	15,436	15,436
EUR	439	33.910 (EUR:NTD)	14,877	14,877
USD	301	7.1797 (USD:CNY)	2,159	9,703
<u>Foreign currency liabilities</u>				
<u>Monetary items</u>				
USD	11,017	32.270 (USD:NTD)	355,511	355,511
JPY	12,200	0.2162 (JPY:NTD)	2,638	2,638
EUR	30	33.910 (EUR:NTD)	1,013	1,013
USD	8	7.1797 (USD:CNY)	57	256
AUD	4	20.550 (AUD:NTD)	79	79

December 31, 2022

	Foreign Currencies	Exchange Rate (In Single Dollars)	Functional Currencies	NT\$
<u>Foreign currency assets</u>				
<u>Monetary items</u>				
USD	\$ 40,000	30.710 (USD:NTD)	\$ 1,228,402	\$ 1,228,402
AUD	707	20.830 (AUD:NTD)	14,732	14,732
EUR	574	32.720 (EUR:NTD)	18,769	18,769
USD	301	6.9646 (USD:NTD)	2,093	9,230
GBP	122	37.090 (GBP:NTD)	4,521	4,521
<u>Foreign currency liabilities</u>				
<u>Monetary items</u>				
USD	24,430	30.710 (USD:NTD)	750,250	750,250
EUR	152	32.720 (EUR:NTD)	4,970	4,970
GBP	19	37.090 (GBP:NTD)	707	707
USD	8	6.9646 (USD:CNY)	55	243

September 30, 2022

	Foreign Currencies	Exchange Rate (In Single Dollars)	Functional Currencies	NT\$
<u>Foreign currency assets</u>				
<u>Monetary items</u>				
USD	\$ 33,868	31.750 (USD:NTD)	\$ 1,075,299	\$ 1,075,299
AUD	956	20.660 (AUD:NTD)	19,758	19,758
EUR	628	31.260 (EUR:NTD)	19,629	19,629
USD	301	7.0997 (USD:CNY)	2,134	9,542
GBP	61	35.530 (GBP:NTD)	2,164	2,164
<u>Foreign currency liabilities</u>				
<u>Monetary items</u>				
USD	22,361	31.750 (USD:NTD)	709,957	709,957
EUR	176	31.260 (EUR:NTD)	5,493	5,493
USD	8	7.0997 (USD:CNY)	56	251

For the three months ended September 30, 2023 and 2022 and for the nine months ended September 30, 2023 and 2022, net foreign exchange gains were \$43,071 thousand, \$38,829 thousand, \$63,187 thousand, and \$141,612 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

32. Supplementary Disclosures

(1) Information on Significant Transactions

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

(2) Information on Reinvestment: Table 8.

(3) Information on Investments in Mainland China

- 1) Information on any investee company in Mainland China, including the company names, major business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China: Table 9.
- 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 10.

33. 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, mainly including departments of VCM products and PVC products, under IFRS 8 "Operating Segments" were as follows:

Segment revenue and results

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

For the Nine Months Ended September 30, 2023

	VCM products	PVC products	Total
Revenue from external customers	\$ 584,712	\$ 9,900,913	\$ 10,485,625
Inter-segment revenue	6,306,047	358,122	6,664,169
Segment revenue	<u>\$ 6,890,759</u>	<u>\$ 10,259,035</u>	17,149,794
Eliminations			(6,664,169)
Consolidated revenue			<u>\$ 10,485,625</u>
Segment income	<u>\$ 45,863</u>	<u>\$ 478,794</u>	\$ 524,657
Interest income			20,717
Other income			82,157
Other gains and losses			14,702
Interest expense			(48,704)
Share of loss of associates accounted for using the equity method			(11,823)
Profit before income tax			<u>\$ 581,706</u>

For the Nine Months Ended September 30, 2022

	VCM products	PVC products	Total
Revenue from external customers	\$ 723,064	\$ 13,407,556	\$ 14,130,620
Inter-segment revenue	<u>9,523,400</u>	<u>414,450</u>	<u>9,937,850</u>
Segment revenue	<u>\$ 10,246,464</u>	<u>\$ 13,822,006</u>	24,068,470
Eliminations			(<u>9,937,850</u>)
Consolidated revenue			<u>\$ 14,130,620</u>
Segment income	(<u>\$ 21,751</u>)	(<u>\$ 889,070</u>)	(\$ 910,821)
Interest income			5,950
Other income			300,833
Other gains and losses			175,417
Interest expense			(14,097)
Share of profit of associates accounted for using the equity method			<u>8,811</u>
Profit before income tax			(<u>\$ 433,907</u>)

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

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

China General Plastics Corporation and Subsidiaries
Financing Provided to Others
For the Nine Months Ended September 30, 2023

Table 1

Unit: NT\$ thousands, Unless Stated Otherwise

Number	Lender	Borrower	Financial Statement Account	Related Party (Yes/No)	Highest Balance for the Period	Balance at the End of the Period	Actual Borrowing Amount	Range of Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower (Note 1)	Aggregate Financing Limit (Note 1)
													Name	Value		
0	China General Plastics Corporation	CGPC Polymer Corporation	Other receivables from related parties	Yes	\$ 300,000	\$ 300,000	\$ -	-	Short-term financing	\$ -	Business turnover	\$ -	-	\$ -	\$ 3,862,674	\$ 3,862,674

Note 1. The total amount of the Company's financing provided to others shall not exceed 40% of the Company’s net worth stated on the latest financial statements audited or reviewed by certified public accountants.

Note 2. All the transactions were written off when preparing the consolidated financial statements.

China General Plastics Corporation and Subsidiaries
Endorsements/Guarantees Provided
For the Nine Months Ended September 30, 2023

Table 2

Unit: NT\$ thousands

Number	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Made for Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note 1)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Made by Parent for Subsidiaries	Endorsement /Guarantee Made by Subsidiaries for Parent	Endorsement/ Guarantee Made for Companies in Mainland China
		Company name	Relationship										
0	China General Plastics Corporation	CGPC Polymer Corporation	Subsidiary	\$ 5,794,011	\$ 1,100,000	\$ 1,100,000	\$ 400,000	None	11.39%	\$ 9,656,685	Yes	No	No

Note 1. The ratio is calculated using the ending balance of equity of the Company as of September 30, 2023.

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

China General Plastics Corporation and Subsidiaries
Marketable Securities Held
September 30, 2023

Table 3

Unit: NT\$ thousands

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	September 30, 2023				Note
				Unit / Share	Carrying Amount	Percentage of Ownership (%)	Fair value	
China General Plastics Corporation	<u>Beneficiary securities</u>							
	Cathay No. 1 Real Estate Investment Trust	-	Financial assets at FVTPL - current	3,806,000	\$ 67,937	-	\$ 67,937	(Note 1)
	<u>Mutual Funds</u>							
	Hua Nan Phoenix Money Market Fund	-	Financial assets at FVTPL - current	2,999,400	50,004	-	50,004	(Note 1)
	Shin Kong Chi-Shin Money-Market Fund	-	"	3,154,355	50,003	-	50,003	(Note 1)
	<u>Ordinary shares</u>							
	Hon Hai Precision Ind. Co., Ltd.	-	Financial assets at FVTPL - current	100,000	10,400	-	10,400	(Note 1)
	Taiwan Cement Corporation	-	"	300,000	9,975	-	9,975	(Note 1)
	China Steel Corporation	-	"	350,000	8,837	-	8,837	(Note 1)
	Tung Ho Steel Enterprise Corporation	-	"	95,500	5,797	-	5,797	(Note 1)
Taiwan VCM Corporation	<u>Ordinary shares</u>							
	KHL IB Venture Capital Co., Ltd.	-	Financial assets at FVTOCI - non-current	4,977,475	64,159	5.95%	64,159	(Note 1)
	<u>Mutual Funds</u>							
	Taishin 1699 Money Market Fund	-	Financial assets at FVTPL - current	17,374,180	241,449	-	241,449	(Note 1)
	SinoPac TWD Money Market Fund	-	"	4,838,220	68,968	-	68,968	(Note 1)
CGPC Polymer Corporation	<u>Ordinary shares</u>							
	Asia Polymer Corporation	The major shareholders are the same as the those of the Company	Financial assets at FVTOCI - non-current	130,244	3,185	0.02%	3,185	(Note 1)
	<u>Mutual Funds</u>							
	Capital Money Market Fund	-	Financial assets at FVTPL - current	6,294,019	104,064	-	104,064	(Note 1)
CGPC (BVI) Holding Co., Ltd.	SinoPac TWD Money Market Fund	-	"	2,809,620	40,050	-	40,050	(Note 1)
	Hua Nan Phoenix Money Market Fund	-	"	1,800,877	30,023	-	30,023	(Note 1)
	<u>Ordinary shares</u>							
	Teratech Corporation	-	Financial assets at FVTPL - non-current	112,000	-	0.67%	-	(Notes 1 and 3)
	SOHWARE, 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.

Note 3. As of September 30, 2023, the Group evaluates the fair value of the equity instrument as \$0.

China General Plastics Corporation and Subsidiaries
Marketable Securities Acquired and Disposed of at Costs and Prices of at Least NT\$300 Million or 20% of the Paid-in Capital
For the Nine Months Ended September 30, 2023

Table 4

Unit: NT\$ thousands

Buyer/Seller	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance (Note)		Acquisition		Disposal				Ending Balance (Note)	
					Shares	Amount	Shares	Amount	Shares	Amount	Carrying Amount	Gain on disposal	Shares	Amount
Taiwan VCM Corporation	<u>Mutual Funds</u>													
	Fubon Chi-Hsiang Money Market Fund	Financial assets at FVTPL - current	-	-	-	\$ -	23,801,733	\$ 380,000	23,801,733	\$ 380,519	\$ 380,000	\$ 519	-	\$ -
	Hua Nan Phoenix Money Market Fund	"	-	-	2,119,619	35,000	16,887,179	280,000	19,006,798	315,541	315,000	541	-	-

Note. The amount refers to the original acquisition cost.

China General Plastics Corporation and Subsidiaries
Total Purchases from or Sales to Related Parties Amounting to at Least NT\$100 Million or 20% of the Paid-in Capital
For the Nine Months Ended September 30, 2023

Table 5

Unit: NT\$ thousands

Buyer/Seller	Counterparty	Relationship	Transaction Details				Abnormal Transaction		Notes/Trade Receivables (Payables)		Note
			Purchase / Sales	Amount	Ratio to Total Purchase / Sales	Payment Terms	Unit Price	Payment Terms	Balance	Ratio to Total Notes or Trade Receivable (Payable)	
China General Plastics Corporation Taiwan VCM Corporation	CGPC America Corporation	Subsidiary	Sales	(\$ 333,400)	(6%)	90 days	No major difference	No major difference	\$ 155,979	17%	Note.
	China General Plastics Corporation	Parent company	Sales	(3,224,509)	(47%)	45 days	No major difference	No major difference	798,860	40%	Note.
	CGPC Polymer Corporation	Fellow subsidiary	Sales	(3,081,210)	(45%)	75 days	No major difference	No major difference	1,060,039	54%	Note.
	Fujian Gulei Petrochemical Co., Ltd.	Related party in substance	Purchase	668,635	15%	Sight Letter of Credit	No major difference	No major difference	-	-	-

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

China General Plastics Corporation and Subsidiaries
Receivables from Related Parties Amounting to at Least NT\$100 Million or 20% of the Paid-in Capital
September 30, 2023

Table 6 Unit: NT\$ thousands

Company Name	Counterparty	Relationship	Financial Statement Account and Ending Balance (Note 3)	Turnover Rate	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Treatment Method		
China General Plastics Corporation	CGPC America Corporation	Subsidiary	Trade receivables - related parties \$ 155,979	2.96	\$ -	-	\$ 38,374	Note 1.
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Trade receivables - related parties 798,860	5.41	-	-	409,844	Note 1.
	CGPC Polymer Corporation	Fellow subsidiary	Trade receivables - related parties 1,060,039	4.58	-	-	339,976	Note 1.

- Note 1. There is no allowance for impairment loss after an impairment assessment.
- Note 2. The subsequent period is between October 1 and October 25, 2023.
- Note 3. All the transactions were written off when preparing the consolidated financial statements.

China General Plastics Corporation and Subsidiaries
Intercompany Relationships and Significant Intercompany Transactions
For the Nine Months Ended September 30, 2023

Table 7

Unit: NT\$ thousands

Number (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Accounts	Amount	Transaction Terms	% of Total Sales or Asset (Note 3)
0	China General Plastics Corporation	Taiwan VCM Corporation	1	Trade payables to related parties	\$ 798,860	No major difference	5%
			1	Purchases	3,224,509	No major difference	31%
		CGPC America Corporation	1	Trade receivables from related parties	155,979	No major difference	1%
			1	Sales revenue	333,400	No major difference	3%
1	CGPC Polymer Corporation	CGPC Polymer Corporation	1	Purchases	24,723	No major difference	-
		Taiwan VCM Corporation	3	Trade payables to related parties	1,060,039	No major difference	6%
			3	Other payables to related parties	26,451	No major difference	-
			3	Purchases	3,081,210	No major difference	29%

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.

Note 4. Disclosure of transaction amounts of NT\$10,000 thousand or more.

China General Plastics Corporation and Subsidiaries
Information on Investees
For the Nine Months Ended September 30, 2023

Table 8

Unit: NT\$ thousands

Investor Company	Investee Company	Location	Business Content	Original Investment Amount		As of September 30, 2023			Net Income (Loss) of Investee	Share of Profit (Loss)	Note
				September 30, 2023	January 1, 2023	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	\$ 2,933,648	259,591,005	87.27%	\$ 4,389,725	\$ 438,463	\$ 313,296	Subsidiary
	CGPC Polymer Corporation	12F., No. 37, Jihu Rd., Neihs Dist., Taipei City 114, Taiwan (R.O.C.)	Manufacturing & marketing of PVC resins	800,000	800,000	100,000,000	100%	683,481	(18,226)	(18,226)	Subsidiary
	CGPC (BVI) Holding Co., Ltd.	Citco Building, Wickhams Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	Reinvestment	1,073,906	1,073,906	16,308,258	100%	341,871	(2,196)	(2,196)	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	25,053,469	33.33%	334,844	(27,572)	(9,191)	Associate accounted for using the equity method
	CGPC America Corporation	4 Latitude Way, Suite 108 Corona, CA 92881, U.S.A	Marketing of PVC film and leather products	648,931	648,931	100	100%	194,164	(19,809)	(19,809)	Subsidiary
	Acme Electronics Corporation	8F., No. 39, Jihu Rd., Neihs Dist., Taipei City 114, Taiwan (R.O.C.)	Manufacturing and marketing of Mn-Zn and Ni-Zn ferrite cores	41,805 (Note 1)	33,995	3,566,526	1.67%	30,693	(157,178)	(2,632)	Associate accounted for using the equity method
Taiwan VCM Corporation	Global Green Technology Corporation	12F., No. 37, Jihu Rd., Neihs Dist., Taipei City 114, Taiwan (R.O.C.)	Environmental detection services	50,000	50,000	5,200,000	100%	56,422	4,158	-	Subsidiary

Note 1. The Group did not subscribe for the cash capital increase of ACME in proportion to its shareholding, resulting in a decrease in the shareholding ratio from 1.74% to 1.67%.

Note 2. All the transactions were written off when preparing the consolidated financial statements.

China General Plastics Corporation and Subsidiaries
Information on Investments in Mainland China
For the Nine Months Ended September 30, 2023

Table 9

Unit: NT\$ thousands, 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, 2023 (Note 1)	Current Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of September 30, 2023 (Note 1)	Net Income (Loss) of Investee	Ownership Percentage of Direct or Indirect Investment	Current Investment Gain (Note 5)	Carrying Amount as of September 30, 2023 (Notes 1 and 5)	Accumulated Repatriation of Investment Income as of September 30, 2023
					Outflow	Inflow						
Continental General Plastics (Zhong Shan) Co., Ltd. ("CGPC (ZS)")	Manufacturing and marketing of PVC film and consumer products	\$ 645,400 (US\$20,000 thousand)	Investment through CGPC (BVI) Holding Co., Ltd. ("CGPC (BVI)")	\$ 645,400 (US\$20,000 thousand)	\$ -	\$ -	\$ 645,400 (US\$20,000 thousand)	(\$ 4,377) (US\$-130 thousand)	100%	(\$ 4,377) (US\$-130 thousand)	\$ 240,424 (US\$7,450 thousand)	\$ -
CGPC Consumer Products Corporation ("CGPC (CP)") (Note 4)	Manufacturing and marketing of PVC consumer products	- (US\$ - thousand)	Investment through CGPC (BVI) Holding Co., Ltd. ("CGPC (BVI)")	48,405 (US\$1,500 thousand)	-	-	48,405 (US\$1,500 thousand)	8 (US\$ - thousand)	100%	8 (US\$ -thousand)	- (US\$ - thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of September 30, 2023 (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)
\$ 873,936 (US\$ 27,082 thousand)	\$ 1,013,278 (US\$ 31,400 thousand)	\$ -

Note 1. The calculation was based on the spot exchange rate of September 30, 2023.

Note 2. As the Company has obtained the certificate of qualification for operating headquarters issued by the Industrial Development Bureau, MOEA No. 11251035580 on September 6, 2023, the upper limit on investment is not applicable.

Note 3. QuanZhou Continental General Plastics Co., Ltd. ("CGPC (QZ)"), Union (Zhong Shan) Co., Ltd. ("Union (ZS)") and CGPC Consumer Products Corporation ("CGPC (CP)") completed dissolution procedures, and CGPC (BVI) retrieved the residual assets. The shares of China General Plastics (SanHe) 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 USD684 thousand, the investment amount of Union (ZS) of USD898 thousand, the investment amount of CGPC (SH) of USD4,000 thousand and the investment amount of CGPC (CP) USD1,500 thousand.

Note 4. The liquidation of CGPC (CP) was completed on July 17, 2023.

Note 5. All the transactions were written off when preparing the consolidated financial statements; the investment income was recognized based on the financial statements not reviewed by auditors. Please refer to Note 12.

China General Plastics Corporation
Information on Major Shareholders
September 30, 2023

Table 10

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.