Stock Code: 1305

Notice to Readers:

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

China General Plastics Corporation

Parent Company Only Financial Statements for the Years Ended December 31, 2023 and 2022 and Independent Auditors' Report

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

Tel: (02)87516888

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Independent Auditors' Report

The Board of Directors and Shareholders
China General Plastics Corporation

Opinion

We have audited the accompanying parent company only financial statements of China General Plastics Corporation (the "Company"), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as of December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China ("The Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters identified in the Company's parent company only financial statements for the year ended December 31, 2023 are stated as follows:

<u>Authenticity of regional sales revenue recognition for specific products</u>

The Company's sales revenue in 2023 reduced compared to the same period of last year, but the sales revenue of specific products in certain areas increased significantly compared to the same period of last year, which had a significant impact on the sales revenue and financial results of the Company. Therefore, authenticity of revenue recognition for the sales to those customers is identified as one of the key audit matters.

Please refer to Notes 4 and 22 to the parent company only financial statements for relevant accounting policies and information in relation to revenue recognition.

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

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

Responsibilities of Management and Those Charged with Governance for the Parent Company Only Financial Statements

To ensure that the parent company only financial statements do not contain material misstatements caused by fraud or errors, the management is responsible for preparing prudent parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for preparing and maintaining necessary internal control procedures pertaining to the parent company only financial statements.

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

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

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and evaluate the risk of material misstatements due to fraud or error in the parent company only financial statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher

than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal controls of the Company.

3. Assess the appropriateness of the accounting policies adopted by the management, as well as the reasonableness of their accounting estimates and relevant disclosures.

4. Conclude on the appropriateness of the management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant ability to operate as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall expression, structure and contents of the parent company only financial statements (including relevant Notes), and whether the parent company only financial statements fairly present relevant transactions and items.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision, and performance of the group audit and for expressing an opinion on the financial statements of the Company.

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

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

From the matters communicated with those charged with governance, we determine the key audit matters of the Company's parent company only financial statements for the year ended December 31, 2023. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche,

Taipei, Taiwan, Republic of China

CPA Huang, Hsiu-Chun

CPA Chiu, Cheng-Chun

Securities and Futures Commission
Approved Document No.

Tai Cai Zheng Liu Zi No. 0920123784

Financial Supervisory Commission

Approved Document No.

Jin Guan Zheng Liu Zi No. 0930160267

March 6, 2024

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China General Plastics Corporation

Parent Company Only Balance Sheets

December 31, 2023 and 2022

Unit: NT$ thousands

CODE	ASSETS	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 6)	$ 98,321	1	$ 96,210	1
1110	Financial assets at fair value through profit or loss (FVTPL) - current (Note 7)	296,909	2	423,357	3
1136	Financial assets at amortized cost - current (Note 9)	10,000	-	-	-
1150	Notes receivables (Note 10)	87,781	1	128,386	1
1170	Trade receivables (Notes 10 and 26)	658,129	5	880,120	7
1200	Other receivables (Notes 10 and 26)	36,340	-	34,690	-
1220	Current tax assets (Note 22)	290	-	273	-
1310	Inventories (Notes 5 and 11)	1,004,770	8	1,118,032	9
1410	Prepayments	32,680	-	30,343	-
1470	Other current assets	236	-	1,085	-
11XX	Total current assets	2,225,456	17	2,712,496	21
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income (FVTOCI) - non-current (Note 8)	60,474	-	67,644	1
1550	Investments accounted for using the equity method (Notes 5 and 12)	5,899,031	45	5,678,108	44
1600	Property, plant and equipment (Notes 13 and 26)	4,489,960	34	3,868,478	30
1760	Investment properties (Note 14)	231,663	2	243,421	2
1840	Deferred tax assets (Notes 5 and 22)	275,303	2	227,145	2
1990	Other non-current assets (Note 27)	17,839	-	8,892	-
15XX	Total non-current assets	10,974,270	83	10,093,688	79
1XXX	Total Assets	$ 13,199,726	100	$ 12,806,184	100
CODE	**LIABILITIES AND EQUITY**				
	Current Liabilities				
2100	Short-term borrowings (Note 15)	$ 780,000	6	$ 190,000	1
2150	Notes payables (Note 16)	42,018	-	-	-
2170	Trade payables (Note 16)	150,893	1	217,151	2
2180	Trade payables to related parties (Notes 16 and 26)	657,033	5	803,425	6
2200	Other payables (Note 17)	453,557	3	420,228	3
2220	Other payables to related parties (Note 26)	1,826	-	6,480	-
2300	Other current liabilities (Note 20)	77,989	1	92,671	1
21XX	Total current liabilities	2,163,316	16	1,729,955	13
	Non-current liabilities				
2540	Short-term borrowings (Note 15)	629,169	5	792,549	6
2570	Deferred tax liabilities (Note 22)	483,717	4	483,809	4
2640	Net defined benefit liabilities (Note 18)	311,996	2	328,679	3
2670	Other non-current liabilities	30,051	-	24,420	-
25XX	Total non-current liabilities	1,454,933	11	1,629,457	13
2XXX	Total Liabilities	3,618,249	27	3,359,412	26
	Equity (Note 19)				
3110	Ordinary share	5,810,505	44	5,810,505	45
3200	Capital surplus	17,986	-	14,556	-
	Retained earnings				
3310	Legal reserve	1,117,245	8	1,117,245	9
3320	Special reserve	408,223	3	408,223	3
3350	Unappropriated retained earnings	2,187,353	17	2,029,080	16
3300	Total retained earnings	3,712,821	28	3,554,548	28
3400	Other equity	40,165	1	67,163	1
3XXX	Total equity	9,581,477	73	9,446,772	74
	Total Liabilities and Equity	$ 13,199,726	100	$ 12,806,184	100

The accompanying notes are an integral part of the parent company only financial statements.

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China General Plastics Corporation

Parent Company Only Statements of Comprehensive Income

For the Years Ended December 31, 2023 and 2022

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

CODE		2023 Amount	2023 %	2022 Amount	2022 %
4100	Net revenue (Notes 20 and 26)	$ 7,768,367	100	$ 10,186,976	100
5110	Cost of revenue (Notes 11, 21, and 26)	7,190,724	93	9,698,041	95
5900	Gross profit	577,643	7	488,935	5
5910	Realized profit from sales	13,397	-	9,953	-
5950	Realized gross profit	591,040	7	498,888	5
	Operating expenses (Notes 21 and 26)				
6100	Selling and marketing expenses	332,513	4	538,487	5
6200	General and administrative expenses	133,445	2	142,246	2
6300	Research and development expenses	30,449	-	28,239	-
6000	Total operating expenses	496,407	6	708,972	7
6900	Net operating income (loss)	94,633	1	(210,084)	(2)
	Non-operating income and expenses (Notes 12, 21 and 26)				
7100	Interest income	3,086	-	2,828	-
7010	Other income	44,024	1	60,539	1
7020	Other gains and losses	(49,219)	(1)	93,612	1
7060	Share of profit (loss) of subsidiaries and associates accounted for using the equity method	234,016	3	(360,753)	(4)
7510	Interest expense	(16,699)	-	(5,175)	-
7000	Total non-operating income and expenses	215,208	3	(208,949)	(2)
7900	Net profit (loss) before income tax	309,841	4	(419,033)	(4)
7950	Income tax benefit (Note 22)	(32,075)	-	(48,786)	-
8200	Net profit (loss) for the year	341,916	4	(370,247)	(4)
	Other comprehensive income (loss) (Notes 18, 19 and 22)				
	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	(10,608)	-	112,020	1
8316	Unrealized losses on investments in equity instruments at FVTOCI	(7,170)	-	(14,733)	-
8326	Share of the other comprehensive income of subsidiaries and associates accounted for using the equity method - unrealized losses on investments in equity instruments at FVTOCI	(17,548)	-	(31,976)	-
8331	Share of the other comprehensive income of subsidiaries and associates accounted for using the equity method - remeasurement of defined benefit plans	(841)	-	25,755	-
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	2,121	-	(20,552)	-
8310		(34,046)	-	70,514	1
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	(2,159)		41,526	
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	(553)	-	379	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	432	-	(8,305)	-
8360		(2,280)	-	33,600	-
8300	Other comprehensive income (loss) for the year, net of income tax	(36,326)	-	104,114	1
8500	Total comprehensive income (loss) for the year	$ 305,590	4	($ 266,133)	(3)
	Earnings (losses) per share (Note 23)				
9750	Basic	$ 0.59		($ 0.64)	
9850	Diluted	$ 0.59		($ 0.64)	

The accompanying notes are an integral part of the parent company only financial statements.

China General Plastics Corporation

Parent Company Only Statements of Changes in Equity

For the Years Ended December 31, 2023 and 2022

Unit: NT$ thousands

CODE		Ordinary share	Capital surplus: Unpaid Dividends	Capital surplus: Others	Capital surplus: Total	Retained earnings: Legal reserve	Retained earnings: Special reserve	Retained earnings: Unappropriated retained earnings	Retained earnings: Total	Other Equity: Exchange differences on translating the financial statements of foreign operations	Other Equity: Unrealized gains (losses) on financial assets at FVTOCI	Other Equity: Total	Total equity
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
	Appropriation and distribution of earnings for 2021												
B1	Legal reserve	-	-	-	-	246,913	-	(246,913)	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	(1,452,626)	(1,452,626)	-	-	-	(1,452,626)
C17	Other changes in capital surplus	-	2,436	118	2,554	-	-	-	-	-	-	-	2,554
D1	Net loss in 2022	-	-	-	-	-	-	(370,247)	(370,247)	-	-	-	(370,247)
D3	Other comprehensive income (loss) in 2022, net of income tax	-	-	-	-	-	-	117,223	117,223	33,600	(46,709)	(13,109)	104,114
D5	Total comprehensive income (loss) in 2022	-	-	-	-	-	-	(253,024)	(253,024)	33,600	(46,709)	(13,109)	(266,133)
Z1	Balance as of December 31, 2022	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
	Appropriation and distribution of earnings for 2022												
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	(174,315)	(174,315)	-	-	-	(174,315)
C7	Changes in equity of associates and joint ventures accounted for using equity method	-	-	1,333	1,333	-	-	-	-	-	-	-	1,333
C17	Other changes in capital surplus	-	2,067	30	2,097	-	-	-	-	-	-	-	2,097
D1	Net profit in 2023	-	-	-	-	-	-	341,916	341,916	-	-	-	341,916
D3	Other comprehensive income (loss) in 2023, net of income tax	-	-	-	-	-	-	(9,328)	(9,328)	(2,280)	(24,718)	(26,998)	(36,326)
D5	Total comprehensive income (loss) in 2023	-	-	-	-	-	-	332,588	332,588	(2,280)	(24,718)	(26,998)	305,590
Z1	Balance as of December 31, 2023	$ 5,810,505	$ 15,939	$ 2,047	$ 17,986	$ 1,117,245	$ 408,223	$ 2,187,353	$ 3,712,821	($ 21,141)	$ 61,306	$ 40,165	$ 9,581,477

The accompanying notes are an integral part of the parent company only financial statements.

China General Plastics Corporation

Parent Company Only Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

Unit: NT$ thousands

CODE		2023	2022
	Cash flows from operating activities		
A10000	Net profit (loss) before income tax	$ 309,841	($ 419,033)
A20010	Adjustments for:		
A20100	Depreciation expenses	257,387	238,450
A20200	Amortization expense	930	59
A20400	Net (gain) loss on fair value change on financial instruments at FVTPL	(1,692)	31,715
A20900	Interest expense	16,699	5,175
A21200	Interest income	(3,086)	(2,828)
A21300	Dividend income	(1,264)	(8,203)
A22400	Share of (profit) loss of subsidiaries and associates accounted for using the equity method	(234,016)	360,753
A22500	Gain on disposal of property, plant and equipment	(6,835)	(5,297)
A23700	Provision of write downs of inventories and obsolescence losses	1,652	55,776
A23900	Realized profit from sales	(13,397)	(9,953)
A30000	Net changes in operating assets and liabilities		
A31115	Financial Instruments at FVTPL	128,140	(165,684)
A31130	Notes receivable	40,605	66,776
A31150	Trade receivables (including related parties)	221,991	317,600
A31180	Other receivables (including related parties)	(1,623)	38,469
A31200	Inventories	111,610	190,172
A31230	Prepayments	(2,337)	(3,044)
A31240	Other current assets	849	(324)
A32130	Notes payables	42,018	-
A32150	Trade payables (including related parties)	(212,650)	(699,988)
A32180	Other payables (including related parties)	(64,351)	(127,011)
A32230	Other current liabilities	(14,682)	(9,634)
A32240	Net defined benefit liabilities	(27,291)	(41,027)
A33000	Cash generated from (used in) operations	548,498	(187,081)
A33100	Interest received	3,059	2,841
A33300	Interest paid	(14,516)	(4,422)
A33500	Income tax paid	(13,639)	(160,551)
AAAA	Net cash generated from (used in) operating activities	523,402	(349,213)

(Continued)

CODE		2023	2022
	Cash flows from investing activities		
B00040	Acquisition of financial assets at amortized cost	($ 10,000)	$ -
B01800	Acquisition of investments accounted for using equity method	(7,810)	-
B02400	Proceeds from capital reduction of investments accounted for using equity method	14,562	-
B02700	Payments for property, plant and equipment	(785,662)	(651,765)
B02800	Proceeds from disposal of property, plant and equipment	15,319	5,619
B03700	Increase in refundable deposits	(8,955)	(26,928)
B03800	Decrease in refundable deposits	8,862	28,378
B04500	Acquisitions of intangible assets	(9,784)	(192)
B07600	Dividends received	1,264	1,066,976
BBBB	Net cash (used in) generated from investing activities	(782,204)	422,088
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	590,000	190,000
C01600	Proceeds from long-term borrowings	1,335,165	1,969,400
C01700	Repayments of long-term borrowings	(1,500,000)	(1,170,000)
C03000	Increase in guarantee deposits received	7,822	12,085
C03100	Decrease in guarantee deposits received	(2,590)	(1,140)
C04400	Decrease in other non-current liabilities	(25)	(4)
C04500	Dividends paid	(169,459)	(1,449,418)
CCCC	Net cash generated from (used in) financing activities	260,913	(449,077)
EEEE	Net increase (decrease) in cash and cash equivalents	2,111	(376,202)
E00100	Cash and cash equivalents at the beginning of the year	96,210	472,412
E00200	Cash and cash equivalents at the end of the year	$ 98,321	$ 96,210

(Concluded)

The accompanying notes are an integral part of the parent company only financial statements.

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China General Plastics Corporation

Notes to Parent Company Only Financial Statements

For the Years Ended December 31, 2023 and 2022

(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 parent company only financial statements of the Company (collectively referred to as "the Company") are presented in the Company's functional currency, the New Taiwan dollar (NT$).

2. Date and Procedures of Authorization of Financial Statements

The parent company only financial statements have been approved by the Board of Directors on March 5, 2024.

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 "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC).

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

(2) IFRSs Accounting Standards endorsed by the FSC for application starting from 2024

New/Amended/Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
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 parent company only financial statements were authorized for issue, the Company is assessing the above standards and interpretations, and the modifications to the above standards and interpretations may have no significant impact on the financial position and financial performance.

(3) IFRSs Accounting Standards issued by IASB but not yet endorsed and issued into effect by the FSC

New/Amended/Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture"	Yet to be decided
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 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 Company 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 parent company only financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of above standards and interpretations will have on the Company’ s 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 parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

The parent company only 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.

When preparing the parent company only financial statements, the Company adopts the equity method for investments in subsidiaries and associates. In order to align profit or loss, other comprehensive income, and equity from the current year in the parent company only financial statements with those attributable to the Company's owners, the differences in accounting treatment with individual and consolidated basis have led to adjustments in "investments accounted for using the equity method", "share of profit or loss of subsidiaries and associates accounted for using the equity method", "share of other comprehensive income of subsidiary and associates accounted for using the equity method" and related equity items.

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

Current assets include:

1) Assets held primarily for trading purposes;

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

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

Current liabilities include:

1) Liabilities held primarily for trading purposes;

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

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

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

(4) Foreign Currencies

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

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

Non-monetary items measured at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined.

The resulting exchange difference is recognized in profit or loss. For items whose changes in fair value are recognized in other comprehensive income, the resulting exchange difference is recognized in other comprehensive income.

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

In the preparation of the Company’s parent company only financial statements, the assets and liabilities of foreign operations (including subsidiaries and associates that operate in a country or currency different from the Company) are translated into the New Taiwan dollar at the closing rate of exchange prevailing on the balance sheet date. Income and expenses are translated at the average rate of the year. The exchange differences arising are recognized in other comprehensive income.

(5) Inventories

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

(6) Investments in subsidiaries

The Company has adopted the equity method for investments in subsidiaries.

Subsidiaries refer to entities controlled by the Company.

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

Changes in the Company’s ownership interest in subsidiaries that do not result in the Company losing control of the subsidiaries are accounted for as equity transactions. Any difference between the carrying amount of the investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company’s share of losses of a subsidiary equals or exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company’s net investment in the subsidiary), the Company shall continue to recognize losses based on the shareholding percentage.

When the Company assesses impairment, the test shall be performed on the basis of cash generating units within the parent company only financial statements. The recoverable amount and the carrying amount of cash generating units shall be compared. Subsequently, if the recoverable amount of an asset increases, the recovery of the impairment loss shall be recognized as an advantage, provided that the carrying amount of the asset recovered from the impairment loss shall not exceed the carrying amount of the asset to be amortized if the impairment loss is not recognized.

The unrealized profit or loss in downstream transactions between the Company and the subsidiary shall be eliminated in the parent company only financial statements. Profits and losses in upstream and side-stream transactions between the Company and the subsidiaries are recognized in the parent company only financial statements only to the extent that the profits and losses are irrelevant to the Company's interests in the subsidiaries.

(7) Investments in associates

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

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

Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Company’s share of the profit or loss and other comprehensive income of the associate. In addition, equity changes in associates are recognized based on the shareholding ratio.

When associates issue new shares and the Company does not subscribe to such shares to the extent that its original shareholding ratio can be changed, the difference is recorded as an adjustment to capital surplus - changes in the net value of shares in associates accounted for using the equity method and other investments accounted for using the equity method. If the amount of ownership interests in associates is not subscribed for or obtained in proportion to the shareholding ratio, the amount of the related assets or liabilities shall be recognized in other comprehensive income. The basis of the accounting treatment is the same as that of the associates. The difference in the balance of the capital reserve accounted for using the equity method shall be recognized in retained earnings.

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

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

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

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

(8) Property, Plant and Equipment

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

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

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

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

(9) Investment Property

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

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

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

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

(10) Impairment of property, plant, equipment and investment property

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

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

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

(11) Financial Instruments

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

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

1) Financial assets

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

I) Types of measurement

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

A. Financial assets at FVTPL

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

Financial assets at FVTPL are measured at fair value. Any gain or loss of remeasurements (excluding any stock dividends or interests from the said assets) are recognized in profit or loss. Fair value is determined in the manner described in Note 25.

B. Financial assets at amortized cost

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

a. Financial assets are under a business model whose purpose is to hold financial assets and collecting contractual cash flows; and
b. The terms of the contract generate a cash flow on a specified date that is solely for the payment of interest on the principal and the amount of principal outstanding.

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

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

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

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

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

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

C. Equity instruments at FVTOCI

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

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

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

II) Impairment of financial assets

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

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

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

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

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

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

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

III) Derecognition of financial assets

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

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

2) Equity Instruments

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

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

3) Financial liabilities

Ⅰ) Subsequent measurement

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

Financial liabilities at FVTPL

Financial liabilities at FVTPL are held for trading.

Financial liabilities held for trading are measured at fair value, and their gains or losses arising from remeasurement are recognized in other gains and losses. Fair value is determined in the manner described in Note 25.

ⅠⅠ) Derecognition of financial liabilities

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

4) Derivative financial assets

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

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

(12) Revenue recognition

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

Sales revenue of commodities

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

(13) Leases

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

1) Where the Company is a lessor:

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

2) Where the Company is a lessee:

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

(14) Borrowings costs

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

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

(15) Government subsidies

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

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

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

(16) Employee benefits

1) Short-term employee benefits

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

2) Post-employment benefits

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

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

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

(17) Taxation

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

1) Current tax

The Company determines the income (loss) of the current year in accordance with the Income Tax Act of the Republic of China, and calculates the income tax payable (recoverable) accordingly.

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

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

2) Deferred tax

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

Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profit will be available against which those deductible temporary differences can be utilized.

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

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

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

3) Current and deferred tax for the year

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

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

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

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

Key Sources of Estimation and Uncertainty

(1) Impairment of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs to completion and the estimated cost necessary to make the sale. The estimate is based on current market conditions and historical sales experience of the similar products, and any changes in market conditions may materially affect the results of the estimate.

(2) Taxation

As of December 31, 2023, and 2022, the carrying amounts of deferred tax assets in relation to unused tax losses were $275,303 thousand and $227,145 thousand, respectively. The realizability of deferred tax assets depends primarily on the availability of sufficient future profits or taxable temporary differences. If the actual profits generated in the future are less than expected, there may be a significant reversal of deferred tax assets, and these reversals are recognized as profit or loss in the period in which they occur.

(3) Associate’s estimated of damage compensation for gas explosion incident

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

6. Cash and Cash Equivalents

	December 31, 2023	December 31, 2022
Cash on hand and petty cash	$ 53	$ 77
Checking accounts and demand deposits	98,268	96,133
	$ 98,321	$ 96,210

7. Financial Instruments at FVTPL

	December 31, 2023	December 31, 2022
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
－Mutual Funds	$ 140,000	$ 350,255
－Beneficiary securities	67,309	54,186
－Domestic listed equity investments	89,600	18,916
	$ 296,909	$ 423,357

8. Financial assets at FVTOCI - non-current

Investments in equity instruments

	December 31, 2023	December 31, 2022
Domestic equity investments		
Unlisted ordinary share		
KHL IB Venture Capital Co., Ltd.	$ 60,474	$ 67,644

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

9. Financial Assets at Amortized Cost - Current

	December 31, 2023	December 31, 2022
Domestic equity investments		
Time deposits with maturity over 3 months	$ 10,000	$ -

As of December 31, 2023, the interest rate of the time deposits with maturity over 3 months was 1.25%.

10. Notes Receivable, Trade Receivables and Other Receivables

	December 31, 2023	December 31, 2022
Notes receivable		
Notes receivable - operating	$ 87,781	$ 128,386
Trade receivables (including related parties) (Note 26)		
At amortized cost		
Gross carrying amount	$ 668,781	$ 890,772
Less: Allowance for impairment loss	(10,652)	(10,652)
	$ 658,129	$ 880,120
Other receivables (including related parties) (Note 26)		
Tax refunds receivables	$ 33,609	$ 32,940
Others	2,731	1,750
	$ 36,340	$ 34,690

Notes/Trade Receivables

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

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

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

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

December 31, 2023

	Credit Rating A	Credit Rating B	Credit Rating C	Others	Total
Gross carrying amount	$ 3,270	$ 224,076	$ 157,830	$ 371,386	$ 756,562
Loss allowance (lifetime ECLs)	-	(2,913)	(3,341)	(4,398)	(10,652)
Amortized cost	$ 3,270	$ 221,163	$ 154,489	$ 366,988	$ 745,910

December 31, 2022

	Credit Rating A	Credit Rating B	Credit Rating C	Others	Total
Gross carrying amount	$ -	$ 316,169	$ 174,599	$ 528,390	$ 1,019,158
Loss allowance (lifetime ECLs)	-	(4,123)	(3,869)	(2,660)	(10,652)
Amortized cost	$ -	$ 312,046	$ 170,730	$ 525,730	$ 1,008,506

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

	December 31, 2023	December 31, 2022
Not past due	$ 747,726	$ 977,404
Less than and including 60 days	8,836	41,274
Over 60 days	-	480
	$ 756,562	$ 1,019,158

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:

	2023	2022
Balance at January 1 and December 31	$ 10,652	$ 10,652

11. **Inventories**

	December 31, 2023	December 31, 2022
Finished goods	$ 735,159	$ 726,902
Work in progress	58,186	63,272
Raw materials	211,425	327,858
	$ 1,004,770	$ 1,118,032

For the years ended December 31, 2023 and 2022, the costs of goods sold for inventories amounted to $7,190,724 thousand and $9,698,041 thousand, respectively. For the years ended December 31, 2023 and 2022, the costs of goods sold included provisions of allowance for write-downs of inventories and obsolescence losses amounted to $1,652 thousand and $55,776 thousand, respectively.

12. Investment Accounted for Equity Method

	December 31, 2023	December 31, 2022
Investments in subsidiaries	$ 5,539,430	$ 5,298,586
Investments in associates	359,601	379,522
	$ 5,899,031	$ 5,678,108

(1) Investments in subsidiaries

Subsidiary	December 31, 2023	December 31, 2022
Unlisted companies		
Taiwan VCM Corporation ("TVCM")	$ 4,430,430	$ 4,076,858
CGPC Polymer Corporation ("CGPCPOL")	626,961	701,707
CGPC（BVI）Holding Co., Ltd.("CGPC（BVI）")	313,820	333,626
CGPC America Corporation ("CGPC-America ")	168,219	186,395
	$ 5,539,430	$ 5,298,586

At the end of the reporting periods, the percentage of ownership interests and voting rights held by the Company in the subsidiaries were as follows:

Subsidiary	December 31, 2023	December 31, 2022
TVCM	87.27%	87.27%
CGPCPOL	100%	100%
CGPC（BVI）	100%	100%
CGPC-America	100%	100%

On November 21, 2023, the board of directors of CGPC (BVI) resolved to reduce capital to make up its losses and return part of the share capital, totaling USD1,500 thousand.

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.

On November 27, 2023, the board of directors of CGPCPOL resolved to reduce capital to make up its losses of $298,293 thousand and to eliminate 29,829 thousand issued shares. The base date for capital reduction was November 28, 2023.

The subsidiaries invested by using the equity method and the Company's share of profit or loss and other comprehensive profit or loss are recognized based on the financial statements of each subsidiary that have been audited by CPAs during the same years.

(2) Investments in associates

Investments in associates that are not individually material

	December 31, 2023	December 31, 2022
Listed companies		
Acme Electronics Corporation ("ACME")	$ 29,629	$ 23,911
Unlisted companies		
China General Terminal & Distribution Corporation ("CGTD")	329,972	355,611
	$ 359,601	$ 379,522

Aggregate information of associates that are not individually material

	2023	2022
The Company's share of:		
Profit (loss) for the year	($ 11,546)	$ 10,208
Other comprehensive loss	(17,518)	(27,625)
Total comprehensive loss	($ 29,064)	($ 17,417)

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

Company name	December 31, 2023	December 31, 2022
ACME	1.67%	1.74%
CGTD	33.33%	33.33%

The Company 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 7 “Information on Reinvestment” for the nature of activities, principal places of business and countries of incorporation of the associates.

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

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

Company name	December 31, 2023	December 31, 2022
ACME	$ 89,520	$ 76,066

The Company’s investments accounted for using the equity method and its share of profit or loss and other comprehensive income or loss as of and for the years ended December 31, 2023 and 2022 were based on the associates’ financial statements which have been audited for the same years.

13. Property, Plant and Equipment

	Freehold Land	Buildings and Improvements	Machinery and Equipment	Transportation Equipment	Miscellaneous Equipment	Construction in Progress and Machinery in Transit	Total
Cost							
Balance as of January 1, 2023	$ 1,629,671	$ 971,314	$ 5,445,929	$ 62,030	$ 162,352	$ 941,377	$ 9,212,673
Additions	-	-	-	-	-	875,595	875,595
Disposal	-	(59,133)	(514,674)	(2,404)	(2,987)	-	(579,198)
Reclassification	-	115,533	727,026	3,673	6,762	(852,994)	-
Balance as of December 31, 2023	$ 1,629,671	$ 1,027,714	$ 5,658,281	$ 63,299	$ 166,127	$ 963,978	$ 9,509,070
Accumulated depreciation and impairment							
Balance as of January 1, 2023	$ -	$ 720,795	$ 4,425,990	$ 46,687	$ 150,723	$ -	$ 5,344,195
Depreciation expenses	-	41,921	192,402	6,037	5,269	-	245,629
Disposal	-	(58,395)	(506,966)	(2,403)	(2,950)	-	(570,714)
Balance as of December 31, 2023	$ -	$ 704,321	$ 4,111,426	$ 50,321	$ 153,042	$ -	$ 5,019,110
Net amount as of December 31, 2023	$ 1,629,671	$ 323,393	$ 1,546,855	$ 12,978	$ 13,085	$ 963,978	$ 4,489,960
Cost							
Balance as of January 1, 2022	$ 1,629,671	$ 940,368	$ 5,298,839	$ 59,845	$ 161,007	$ 629,451	$ 8,719,181
Additions	-	-	-	-	-	639,261	639,261
Disposal	-	(1,881)	(135,719)	(4,029)	(4,140)	-	(145,769)
Reclassification	-	32,827	282,809	6,214	5,485	(327,335)	-
Balance as of December 31, 2022	$ 1,629,671	$ 971,314	$ 5,445,929	$ 62,030	$ 162,352	$ 941,377	$ 9,212,673
Accumulated depreciation and impairment							
Balance as of January 1, 2022	$ -	$ 682,307	$ 4,387,470	$ 44,510	$ 150,503	$ -	$ 5,264,790
Depreciation expenses	-	40,369	173,918	6,206	4,359	-	224,852
Disposal	-	(1,881)	(135,398)	(4,029)	(4,139)	-	(145,447)
Balance as of December 31, 2022	$ -	$ 720,795	$ 4,425,990	$ 46,687	$ 150,723	$ -	$ 5,344,195
Net amount as of December 31, 2022	$ 1,629,671	$ 250,519	$ 1,019,939	$ 15,343	$ 11,629	$ 941,377	$ 3,868,478

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.

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

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

The Company's property, plant and equipment were assessed and there was no impairment as of December 31, 2023 and 2022.

14. **Investment Property**

	Land	Buildings and Improvements	Total
Cost			
Balance as of January 1 and December 31, 2023	$ 27,715	$ 292,932	$ 320,647
Accumulated depreciation			
Balance as of January 1, 2023	$ -	$ 77,226	$ 77,226
Depreciation expenses	-	11,758	11,758
Balance as of December 31, 2023	$ -	$ 88,984	$ 88,984
Net amount as of December 31, 2023	$ 27,715	$ 203,948	$ 231,663
Cost			
Balance as of January 1 and December 31, 2022	$ 27,715	$ 292,932	$ 320,647
Accumulated depreciation			
Balance as of January 1, 2022	$ -	$ 63,628	$ 63,628
Depreciation expenses	-	13,598	13,598
Balance as of December 31, 2022	$ -	$ 77,226	$ 77,226
Net amount as of December 31, 2022	$ 27,715	$ 215,706	$ 243,421

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

The total amount of lease payments to be collected in the future for investment property as operating lease as of December 31, 2023 and 2022 is as follows:

	December 31, 2023	December 31, 2022
Year 1	$ 27,231	$ 12,354
Year 2	25,647	10,970
Year 3	25,647	10,970
Year 4	25,647	10,970
Year 5	25,648	10,970
Over 5 years	12,824	16,455
	$142,644	$ 72,689

Except for the recognition of depreciation expense, the Company’s investment properties did not experience significant additions, disposals, and impairments in 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

15. **Borrowings**

(1) Short-term borrowings

	December 31, 2023	December 31, 2022
Unsecured borrowings		
Bank loans	$ 780,000	$ 190,000
The range of interest rate	1.659%-1.727%	1.696%

(2) Long-term borrowings

	December 31, 2023	December 31, 2022
Unsecured borrowings		
Bank loans	$ 629,169	$ 792,549
The range of interest rate	1.100%-1.250%	0.975%-1.350%

Based on "Action Plan for Accelerated Investment by Domestic Corporations," the Company obtained a low-interest bank loan of $1,451,200 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 December 31, 2023, it has made drawdowns of $634,565 thousand.

16. **Notes/Trade Payables**

	December 31, 2023	December 31, 2022
Notes payables		
Operating	$ 42,018	$ -
Trade payables (including related parties) (Note 26)		
Operating	$ 807,926	$ 1,020,576

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

17. Other Payables - Non-Related Parties

	December 31, 2023	December 31, 2022
Payables for purchases of equipment	$ 168,941	$ 79,008
Payables for salaries or bonuses	133,359	128,101
Payables for utilities	44,569	47,455
Payables for freight	25,745	40,673
Dividends payable	12,005	9,216
Miscellaneous tax payable	2,697	2,981
Others	66,241	112,794
	$ 453,557	$ 420,228

18. Retirement Benefit Plans

(1) Defined contribution plans

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

(2) Defined benefit plans

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

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

	December 31, 2023	December 31, 2022
Present value of defined benefit obligation	$ 903,170	$ 966,803
Fair value of plan assets	(591,174)	(638,124)
Net defined benefit liabilities	$ 311,996	$ 328,679

Changes of net defined benefit liabilities (assets) were as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities (assets)
Balance as of January 1, 2022	$ 1,101,617	($ 619,891)	$ 481,726
Service costs for the current period	7,797	-	7,797
Interest expense (income)	5,331	(3,046)	2,285
Components recognized in profit or loss	13,128	(3,046)	10,082
Remeasurement			
Return on plan assets (excluding amounts included in net interest expense)	-	(51,819)	(51,819)
Actuarial gain - changes in financial assumptions	(60,128)	-	(60,128)
Actuarial gain - experience adjustments	(73)	-	(73)
Components recognized in other comprehensive income	(60,201)	(51,819)	(112,020)
Contribution by the employer	-	(51,109)	(51,109)
Benefits paid from plan assets	(87,741)	87,741	-
Balance as of December 31, 2022	966,803	(638,124)	328,679
Service costs for the current period	5,744	-	5,744
Interest expense (income)	12,729	(8,573)	4,156
Components recognized in profit or loss	18,473	(8,573)	9,900
Remeasurement			
Return on plan assets (excluding amounts included in net interest expense)	-	(4,754)	(4,754)
Actuarial gain - changes in financial assumptions	7,292	-	7,292
Actuarial gain - experience adjustments	8,070	-	8,070
Components recognized in other comprehensive income	15,362	(4,754)	10,608
Contribution by the employer	-	(37,012)	(37,012)
Benefits paid from plan assets	(97,289)	97,289	-
Benefits paid from company	(179)	-	(179)
Balance as of December 31, 2023	$ 903,170	($ 591,174)	$ 311,996

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

	2023	2022
Operating costs	$ 8,097	$ 8,179
Selling and marketing expenses	1,168	1,219
General and administrative expenses	225	284
Research and development expenses	410	400
	$ 9,900	$ 10,082

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

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

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

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

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

	December 31, 2023	December 31, 2022
Discount rate	1.250%	1.375%
Average long-term salary adjustment rate	2.500%	2.500%

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

	December 31, 2023	December 31, 2022
Discount rate		
Increase by 0.25%	($ 14,485)	($ 16,124)
Decrease by 0.25%	$ 14,884	$ 16,579
Average long-term salary adjustment rate		
Increase by 0.25%	$ 14,440	$ 16,098
Decrease by 0.25%	($ 14,127)	($ 15,737)

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

	December 31, 2023	December 31, 2022
Expected amount of contribution within 1 year	$ 37,937	$ 52,891
Average duration of defined benefit obligations	6.6 years	6.8 years

19. Equity

(1) Ordinary shares

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

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 and which generated from investments in associates accounted for using the equity method 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 21(6).

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

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

On March 5, 2024, the Board of Directors proposed the distribution of earnings for the year ended December 31, 2023 as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 33,259	
Cash dividends	203,368	$ 0.35

The distribution of earnings for the year ended December 31, 2023 is subject to the resolution in the shareholders' meeting on May 28, 2024.

(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 IFRS Accounting Standards. As of December 31, 2023, such amount has not changed.

(5) Other Equity

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

	2023	2022
Balance at January 1	($ 18,861)	($ 52,461)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	(2,159)	41,526
Share of exchange of differences of associates accounted for using the equity method	(553)	379
Related income tax	432	(8,305)
Balance at December 31	($ 21,141)	($ 18,861)

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

	2023	2022
Balance at January 1	$ 86,024	$ 132,733
Recognized for the year		
Unrealized losses equity Instruments	(7,170)	(14,733)
Share of subsidiaries and associates accounted for using the equity method	(17,548)	(31,976)
Balance at December 31	$ 61,306	$ 86,024

20. Revenue

(1) Revenue from contracts with customers

	2023	2022
Revenue from the sale of goods		
PVC products	$ 7,768,367	$ 10,186,976

Refer to Schedule 6 for the revenue from the sale of goods of the Company.

(2) Contract balances

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

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities (presented in other current liabilities)	$ 39,241	$ 56,151	$ 63,475

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

(3) Refunds liabilities

	December 31, 2023	December 31, 2022
Refunds liabilities (presented in other current liabilities)	$ 22,216	$ 19,660

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.

21. **Net Profit (Loss) for the Year**

(1) Interest income

	2023	2022
Bank deposits	$ 1,327	$ 889
Financial assets at FVTPL	1,510	1,110
Others	249	829
	$ 3,086	$ 2,828

(2) Other income

	2023	2022
Rental income	$ 20,668	$ 15,956
Dividend income	1,264	8,203
Indemnity income	61	26,449
Others	22,031	9,931
	$ 44,024	$ 60,539

(3) Other gains and losses

	2023	2022
Gains on disposal of property, plant and equipment	$ 6,835	$ 5,297
Gross foreign exchange gains	57,554	159,740
Gross foreign exchange losses	(48,165)	(19,962)
Net gains (losses) on fair value change on financial instruments at FVTPL	1,692	(31,715)
Depreciation expenses from investment properties	(11,758)	(13,598)
Depreciation expenses of property, plant and equipment	(4,045)	(2,023)
Others	(51,332)	(4,127)
	($ 49,219)	$ 93,612

(4) Depreciation and amortization

	2023	2022
Property, Plant and Equipment	$ 245,629	$ 224,852
Investment Property	11,758	13,598
Intangible assets	930	59
	$ 258,317	$ 238,509
Analysis of depreciation by function		
Operating costs	$ 238,538	$ 221,126
Operating expenses	3,046	1,703
Other gains and losses	15,803	15,621
	$ 257,387	$ 238,450
Analysis of amortization by function		
Operating costs	$ 866	$ -
Operating expenses	64	59
	$ 930	$ 59

(5) Employee benefits expense

	2023	2022
Post-employment benefits (Note 18)		
Defined contribution plans	$ 18,831	$ 18,472
Defined benefit plans	9,900	10,082
	28,731	28,554
Other employee benefits	723,147	726,285
Total employee benefits expenses	$ 751,878	$ 754,839
Analysis of employee benefits expense by function		
Operating costs	$ 632,247	$ 627,480
Operating expenses	119,631	127,359
	$ 751,878	$ 754,839

Refer to Schedule 10 for the details related to employee benefits expense.

(6) The remuneration of employees and directors

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

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 2023, approved by the Company's board of directors on March 5, 2024 was as follows:

Accrual rate

	2023
Remuneration of Employees	1%
Remuneration of Directors	-

Amount of Cash

	2023
Remuneration of Employees	$ 3,130

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

There was no difference between the actual amounts of remuneration of employees and directors paid and the amounts recognized in the parent company only financial statements for the year 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.

22. Taxation

(1) Income tax expense recognized in profit or loss

Major components of income tax benefits are as follows:

	2023	2022
Current tax		
In respect of the current year	$ -	$ -
Adjustments for prior periods	13,622	(1,363)
	13,622	(1,363)
Deferred tax		
In respect of the current year	(45,655)	(47,933)
Adjustments for prior periods	(42)	510
	(45,697)	(47,423)
Income tax benefits recognized in profit or loss	($ 32,075)	($ 48,786)

Reconciliation between accounting income (loss) and current income tax expenses (benefits) is as follows:

	2023	2022
Net profit (loss) before income tax	$ 309,841	($ 419,033)
Income tax expenses (benefits) calculated at the statutory rate	$ 61,968	($ 83,807)
Domestic investments recognized under equity method	(113,394)	57,748
Tax-exempted income	(719)	(3,035)
Gains (losses) on financial assets	128	1,551
Fees that cannot be deducted from taxes	3	1,138
Unrecognized deductible temporary differences	6,359	(21,528)
Adjustments for prior periods	13,580	(853)
Income tax benefits recognized in profit or loss	($ 32,075)	($ 48,786)

(2) Income tax recognized in other comprehensive income

	2023	2022
Deferred tax		
In respect of the current year		
－Translation of foreign operations	$ 432	($ 8,305)
－Remeasurement of defined benefit plans	2,121	(20,552)
Income tax recognized in other comprehensive income	$ 2,553	($ 28,857)

(3) Current tax assets and liabilities

	December 31, 2023	December 31, 2022
Current tax assets		
Tax refunds receivables	$ 290	$ 273

(4) Deferred tax assets and liabilities

Changes in deferred tax assets and liabilities were as follows:

2023

	Balance at January 1	Components recognized in profit or loss	Components recognized in other comprehensive income	Balance at December 31
Deferred tax assets				
Temporary differences				
Allowance for inventory write-down	$ 22,692	$ 331	$ -	$ 23,023
Investment accounted for equity method	115,684	(411)	432	115,705
Deferred revenue	9,613	(876)	-	8,737
Refunds liabilities	3,932	458	-	4,390
Defined benefit pension plans	65,736	(5,458)	2,121	62,399
Holiday benefits payable	8,478	(338)	-	8,140
Loss carryforwards	-	48,578	-	48,578
Others	1,010	3,321	-	4,331
	$ 227,145	$ 45,605	$ 2,553	$ 275,303
Deferred tax liabilities				
Temporary differences				
Revaluation increments of land	$ 483,213	$ -	$ -	$ 483,213
Others	596	(92)	-	504
	$ 483,809	($ 92)	$ -	$ 483,717

2022

	Balance at January 1	Components recognized in profit or loss	Components recognized in other comprehensive income	Balance at December 31
Deferred tax assets				
Temporary differences				
Allowance for inventory write-down	$ 11,537	$ 11,155	$ -	$ 22,692
Investment accounted for equity method	72,748	51,241	(8,305)	115,684
Deferred revenue	16,488	(6,875)	-	9,613
Refunds liabilities	4,259	(327)	-	3,932
Defined benefit pension plans	94,493	(8,205)	(20,552)	65,736
Holiday benefits payable	8,784	(306)	-	8,478
Others	1,712	(702)	-	1,010
	$ 210,021	$ 45,981	($ 28,857)	$ 227,145
Deferred tax liabilities				
Temporary differences				
Revaluation increments of land	$ 483,213	$ -	$ -	$ 483,213
Others	2,038	(1,442)	-	596
	$ 485,251	($ 1,442)	$ -	$ 483,809

(5) Information on unused loss carryforwards

As of December 31, 2023, the Company's unused loss carryforwards were $242,890 thousand which will expire in succession before 2033.

(6) Income tax assessments

The income tax returns of the Company through 2021 have been assessed by the tax authorities.

23. Earnings (Losses) Per Share

Unit: NT$ Per Share

	2023	2022
Basic earnings (losses) per share	$ 0.59	($ 0.64)
Diluted earnings (losses) per share	$ 0.59	($ 0.64)

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

Net profit (loss) for the year

	2023	2022
The net profit (loss) used to calculate basic and diluted earnings (losses) per share	$ 341,916	($ 370,247)

Shares

Unit: Thousands of shares

	2023	2022
Weighted average number of ordinary shares used to calculate basic earnings (losses) per share	581,050	581,050
Effect of potentially dilutive ordinary shares:		
Remuneration of Employees	140	-
Weighted average number of ordinary shares used in the computation of diluted earnings per share	581,190	581,050

If the Company offered to settle remuneration paid to employees in cash or shares, the Company assumed the entire amount of the remuneration would be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year. For the year ended on December 31, 2022, the remuneration of employees was not accrued due to the state of deficit.

24. Capital Management

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

25. Financial Instruments

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

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

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

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual Funds	$ 140,000	$ -	$ -	$ 140,000
Beneficiary securities	67,309	-	-	67,309
Investments in equity instruments				
－Domestic listed equity investments	89,600	-	-	89,600
	$ 296,909	$ -	$ -	$ 296,909
Financial assets at FVTOCI				
Investments in equity instruments				
－Domestic unlisted equity investments	$ -	$ -	$ 60,474	$ 60,474

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual Funds	$ 350,255	$ -	$ -	$ 350,255
Beneficiary securities	54,186	-	-	54,186
Investments in equity instruments				
－Domestic listed equity investments	18,916	-	-	18,916
	$ 423,357	$ -	$ -	$ 423,357
Financial assets at FVTOCI				
Investments in equity instruments				
－Domestic unlisted equity investments	$ -	$ -	$ 67,644	$ 67,644

There were no transfers between Levels 1 and 2 fair value measurement for the years ended December 31, 2023 and 2022.

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

2023

	Financial assets at FVTOCI
Balance at January 1	$ 67,644
Components recognized in other comprehensive income	(7,170)
Balance at December 31	$ 60,474

2022

	Financial assets at FVTOCI
Balance at January 1	$ 82,377
Components recognized in other comprehensive income	(14,733)
Balance at December 31	$ 67,644

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 Company's financial department conducts independent fair value verification using independent resources so as to better reflect the market conditions, as well as periodically reviewing the valuation results in order to guarantee the rationality of the measurement. For unlisted domestic equity investments, the Company utilizes the asset approach and takes into account the most recent net asset value, observable financial status as well as the financing activities of investees in order to determine their net asset value. The unobservable input used was a discount for the lack of marketability of 15% as of December 31, 2023 and 2022. When other inputs remain unchanged, the fair value will decrease by $711 thousand and $796 thousand, respectively if the discount for lack of marketability increases by 1%.

(3) Categories of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at FVTPL		
Mandatorily classified at FVTPL	$ 296,909	$ 423,357
Financial assets at amortized cost		
Cash and Cash Equivalents	98,321	96,210
Time deposits with maturity over 3 months	10,000	-
Notes receivable	87,781	128,386
Trade receivables (including related parties)	658,129	880,120
Other receivables (including related parties and excluding tax refund receivable)	2,731	1,750
Refundable deposits	8,852	8,759
Financial assets at FVTOCI－Equity instruments	60,474	67,644
Financial liabilities		
At amortized cost		
Short-term borrowings	780,000	190,000
Notes payables	42,018	-
Trade payables (including related parties)	807,926	1,020,576
Other payables (Note)	319,327	295,626
Long-term borrowings	629,169	792,549
Guarantee deposits	22,221	16,989

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

1) Market risk

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

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

I) Foreign currency risk

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

The carrying amounts of the Company’s foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 29.

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 Company against U.S. dollars, the net income (loss) before tax in 2023 and 2022 would have decreased/increased by $12,780 thousand and increased/decreased by $16,539 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.

II) Interest rate risk

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

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

	December 31, 2023	December 31, 2022
Fair value interest rate risk		
- Financial assets	$ 18,495	$ 8,401
- Financial liabilities	780,000	490,000
Cash flow interest rate risk		
- Financial assets	74,688	62,483
- Financial liabilities	629,169	492,549

Sensitivity analysis

The fixed-rate financial assets and liabilities held by the Company are not included in the analysis as they are all measured at amortized cost. For floating rate assets 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 Company considers any interest rate fluctuation within 50 basis points reasonable. If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company’s pre-tax profit (loss) in 2023 and 2022 would have decreased/increased by $2,772 thousand and increased/decreased by $2,150 thousand, respectively.

III) Other price risks

The Company 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 Company manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Company has appointed a special team to monitor the price risk.

Sensitivity analysis

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

If the price marketable securities had increased/decreased by 5%, the pre-tax profit (loss) for the years ended December 31, 2023 and 2022 would have increased/decreased by $7,845 thousand and decreased/increased $3,655 thousand, respectively, as a result of the changes in fair value of financial assets at FVTPL (excluding investment in money market funds); If the equity securities price had increased/decreased by 5%, the pre-tax other comprehensive income for the years ended December 31, 2023 and 2022 would have increased/decreased by $3,024 thousand and $3,382 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 Company. As at the end of the reporting period, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to the failure of counterparties to discharge an obligation and financial guarantees provided by the Company, could arise from:

Ⅰ) The carrying amount of the respective recognized financial assets as stated in the parent company only balance sheets; and

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

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

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

3) Liquidity risk

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

I) Liquidity and interest rate risk tables

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

December 31, 2023

	Effective Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	Over 5 Years
Non-derivative financial liabilities				
Non-interest bearing liabilities		$1,169,271	$ -	$ -
Floating interest rate liabilities	1.100-1.250	7,116	646,188	-
Fixed interest rate liabilities	1.659-1.727	781,469	-	-
		$1,957,856	$ 646,188	$ -

December 31, 2022

	Effective Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	Over 5 Years
Non-derivative financial liabilities				
Non-interest bearing liabilities		$1,316,202	$ -	$ -
Floating interest rate liabilities	0.975-1.125	4,327	511,335	-
Fixed interest rate liabilities	1.350-1.696	191,286	300,000	-
		$1,511,815	$ 811,335	$ -

II) Financing facilities

The Company 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:

	December 31, 2023	December 31, 2022
Bank loan facilities		
－Amount unused	$ 3,386,021	$ 2,501,938

26. Transactions with Related Parties

As of December 31, 2023 and 2022, USI Corporation held through its subsidiary, Union Polymer International Investment Corporation, 24.97% of the Company’s outstanding ordinary shares. Besides information disclosed elsewhere in other notes, details of transactions between the Company and 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
Taiwan VCM Corporation ("TVCM")	Subsidiary
CGPC Polymer Corporation ("CGPCPOL")	Subsidiary
CGPC America Corporation（CGPC-America）	Subsidiary
Global Green Technology Corporation	Grandchild 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
Dynamic Ever Investments Limited	Fellow subsidiary
Asia Polymer Investment Corporation	Subsidiary of investor with significant influence
USI Educational Foundation ("USIF")	Related party in substance

(2) Sales

Related Party Category	2023	2022
Subsidiary	$ 455,735	$ 452,012
Investor with significant influence	2,481	2,279
Fellow subsidiary	328	464
	$ 458,544	$ 454,755

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

(3) Purchase

Related Party Category/Name	2023	2022
Subsidiary		
TVCM	$ 4,052,178	$ 6,196,440
Others	31,542	48,475
Fellow subsidiary	47,783	63,128
Ultimate parent company	659	2,109
	$ 4,132,162	$ 6,310,152

The Company and TVCM signed vinyl chloride monomer supply agreement, and the purchase price is determined based on the sales price of polyvinyl chloride in Taiwan of the current month, the Asia spot report price of vinyl chloride monomer and the Asian prices of dichloroethane and ethylene.

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

(4) Trade receivables - related parties

Related Party Category/Name	December 31, 2023	December 31, 2022
Subsidiary		
CGPC-America	$ 158,345	$ 144,312
Investor with significant influence	-	630
Fellow subsidiary	-	128
	$ 158,345	$ 145,070

The outstanding trade receivables from related parties were unsecured. No loss allowance was set aside for receivables from related parties for the years ended December 31, 2023 and 2022.

(5) Trade payables to related parties

Related Party Category/Name	December 31, 2023	December 31, 2022
Subsidiary		
TVCM	$ 646,641	$ 790,837
Others	4,391	5,074
Fellow subsidiary	5,869	7,487
Ultimate parent company	132	27
	$ 657,033	$ 803,425

The outstanding trade payables to related parties were unsecured.

(6) Other receivables from related parties

Related Party Category	December 31, 2023	December 31, 2022
Subsidiary	$ 2,167	$ 1,118
Investor with significant influence	479	570
Fellow subsidiary	11	10
Ultimate parent company	4	7
Associate	-	2
	$ 2,661	$ 1,707

(7) Other payables to related parties

Related Party Category	December 31, 2023	December 31, 2022
Ultimate parent company	$ 1,294	$ 5,817
Grandchild company	235	454
Fellow subsidiary	110	124
Investor with significant influence	187	67
Subsidiary	-	18
	$ 1,826	$ 6,480

(8) Acquisitions of property, plant and equipment

Related Party Category	Purchase Price 2023	Purchase Price 2022
Ultimate parent company	$ -	$ 3,850

(9) Endorsements/Guarantees

Related Party Category/Name	December 31, 2023	December 31, 2022
Subsidiary		
CGPCPOL	$ 1,061,717	$ 600,000

(10) Lease arrangements

Related Party Category/Name	2023	2022
Lease expenses		
Ultimate parent company	$ 4,820	$ 4,895
Investor with significant influence		
APC	2,062	1,639
	$ 6,882	$ 6,534

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

(11) Management service expenses

Related Party Category/Name	2023	2022
Fellow subsidiary		
UM	$ 75,827	$ 74,077
Ultimate parent company	4,225	3,710
	$ 80,052	$ 77,787

UM and the ultimate parent company provide labor support, equipment and other related services to the Company. The contract became effective from July 1, 2001. The service expenses were based on the actual quarterly expenses which should be paid in the subsequent quarter following the related service.

(12) Donations

Related Party Category/Name	2023	2022
Related party in substance		
USIF	$ -	$ 5,000

(13) Rental income

Related Party Category/Name	2023	2022
Fellow subsidiary		
USIO	$ 5,249	$ 4,100
Others	44	37
Investor with significant influence	266	273
	$ 5,559	$ 4,410

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.

(14) Other income

Related Party Category	2023	2022
Investor with significant influence	$ 1,009	$ 1,378
Subsidiary	260	227
	$ 1,269	$ 1,605

(15) Other expenses

Related Party Category	2023	2022
Subsidiary	$ -	$ 48
Grandchild company	552	737
	$ 552	$ 785

(16) Compensation of key management personnel

	2023	2022
Salaries and others	$ 21,560	$ 20,323
Post-employment benefits	108	108
	$ 21,668	$ 20,431

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

27. Assets Pledged as Collateral or Security

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

	December 31, 2023	December 31, 2022
Pledge time deposits (Refundable deposits)	$ 8,495	$ 8,401

28. Significant Contingent Liabilities and Unrecognized Commitments

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

(1) As of December 31, 2023 and 2022, the Company’s unused letters of credit amounted to $0 thousand and $5,062 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 $231,585 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 $9,555 thousand as of February 27, 2024.

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 February 27, 2024, 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.

29. Significant Assets and Liabilities Denominated in Foreign Currencies

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

Unit: Except for the exchange rate, all in thousands

December 31, 2023

	Foreign Currencies	Exchange Rate (In Single Dollars)	Carrying Amount
Financial assets			
Monetary items			
USD	$ 14,759	30.705(USD/NTD)	$ 453,172
EUR	483	33.980(EUR/NTD)	16,404
AUD	517	20.980(AUD/NTD)	10,845
GBP	48	39.150(GBP/NTD)	1,865
Non-monetary items			
Subsidiaries accounted for using the equity method			
USD	15,699	30.705(USD/NTD)	482,039
Financial liabilities			
Monetary items			
USD	$ 885	30.705(USD/NTD)	$ 27,180
RMB	323	4.3352(RMB/NTD)	1,402
EUR	33	33.980(EUR/NTD)	1,110
AUD	4	20.980(AUD/NTD)	85

December 31, 2022

	Foreign Currencies	Exchange Rate (In Single Dollars)	Carrying Amount
Financial assets			
Monetary items			
USD	$ 19,184	30.710(USD/NTD)	$ 589,130
EUR	574	32.720(EUR/NTD)	18,769
AUD	707	20.830(AUD/NTD)	14,732
GBP	122	37.090(GBP/NTD)	4,521
Non-monetary items			
Subsidiaries accounted for using the equity method			
USD	16,933	30.710(USD/NTD)	520,021
Financial liabilities			
Monetary items			
USD	1,232	30.710(USD/NTD)	37,839
EUR	152	32.720(EUR/NTD)	4,970

For the years ended December 31, 2023 and 2022, net foreign exchange gains were $9,389 thousand and $139,778 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.

30. 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: None.

(2) Information on Reinvestment: Table 7.

(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 8.

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

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

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

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

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

V) 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.

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

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

China General Plastics Corporation

Financing Provided to Others

For the Year Ended December 31, 2023

Table 1

Unit: NT$ thousands

Number	Lender	Borrower	Financial Statement Account	Related Party (Yes/No)	Highest Balance for the Year	Balance at the End of the Year	Actual Borrowing Amount	Range of Interest Rate (%)	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for Bad Debt	Collateral		Financing Limit for Each Borrower (Note)	Aggregate Financing Limit (Note)
													Name	Value		
0	China General Plastics Corporation	CGPC Polymer Corporation	Other receivables from related parties	Yes	$ 300,000	$ -	$ -	-	Short-term financing	$ -	Business turnover	$ -	-	$ -	$ 3,832,591	$ 3,832,591

Note: 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.

China General Plastics Corporation

Endorsements / Guarantees Provided

For the Year Ended December 31, 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 Year	Outstanding Endorsement/ Guarantee at the End of the Year	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	$ 5,748,886	$ 1,361,717	$ 1,061,717	$ 400,307	None	11.08%	$ 9,581,477	Yes	No	No

Note1. The ratio is calculated using the ending balance of equity of the Company as of December 31, 2023.

Note2. The total amount of guarantee that may be provided by the Company shall not exceed 100% of the Company's net worth stated on the latest financial statements; the total amount of guarantee provided by the Company to any single entity shall not exceed 60% of the Company's net worth stated on the latest financial statements.

China General Plastics Corporation

Marketable Securities Held

December 31, 2023

Table 3

Unit: NT$ thousands

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Unit / Share	Carrying Amount	Percentage of Ownership (%)	Fair value	
China General Plastics Corporation	Beneficiary securities							
	Cathay No. 1 Real Estate Investment Trust	—	Financial assets at FVTPL - current	3,964,000	$ 67,309	-	$ 67,309	(Note 1)
	Mutual Funds							
	CTBC Hua-Win Money Market Fund	—	Financial assets at FVTPL - current	2,651,301	30,000	-	30,000	(Note 1)
	KGI Victory Money Market Fund	—	〃	2,521,602	30,000	-	30,000	(Note 1)
	PGIM Money Market Fund	—	〃	1,845,166	30,000	-	30,000	(Note 1)
	Hua Nan Phoenix Money Market Fund	—	〃	1,793,765	30,000	-	30,000	(Note 1)
	UPAMC James Bond Money Market Fund	—	〃	583,216	10,000	-	10,000	(Note 1)
	TCB Taiwan Money Market Fund	—	〃	960,227	10,000	-	10,000	(Note 1)
	Ordinary shares							
	Taiwan Cement Corporation	—	Financial assets at FVTPL - current	2,000,000	69,700	-	69,700	(Note 1)
	Hon Hai Precision Ind. Co., Ltd.	—	〃	100,000	10,450	-	10,450	(Note 1)
	China Steel Corporation	—	〃	350,000	9,450	-	9,450	(Note 1)
	Ordinary shares							
	KHL IB Venture Capital Co., Ltd.	—	Financial assets at FVTOCI - non-current	6,566,096	60,474	5.95%	60,474	(Note 1)
Taiwan VCM Corporation	Mutual Funds							
	SinoPac TWD Money Market Fund	—	Financial assets at FVTPL - current	10,792,282	154,340	-	154,340	(Note 1)
	Hua Nan Phoenix Money Market Fund	—	〃	5,994,413	100,254	-	100,254	(Note 1)
	Taishin 1699 Money Market Fund	—	〃	6,787,013	94,628	-	94,628	(Note 1)
	Capital Money Market Fund	—	〃	3,018,394	50,066	-	50,066	(Note 1)
	Jih Sun Money Market Fund	—	〃	1,967,394	30,012	-	30,012	(Note 1)
	Shin Kong Chi-Shin MoneyMarket Fund	—	〃	1,887,208	30,011	-	30,011	(Note 1)
	Fubon Chi-Hsiang Money Market Fund	—	〃	1,863,655	30,011	-	30,011	(Note 1)
	Ordinary shares							
	Asia Polymer Corporation	The major shareholders are the same as the those of the Company	Financial assets at FVTOCI - non-current	130,244	3,047	0.02%	3,047	(Note 1)
CGPC Polymer Corporation	Mutual Funds							
	SinoPac TWD Money Market Fund	—	Financial assets at FVTPL - current	7,007,081	100,208	-	100,208	(Note 1)
	Shin Kong Chi-Shin Money-Market Fund	—	〃	2,201,438	35,008	-	35,009	(Note 1)
	Fubon Chi-Hsiang Money Market Fund	—	〃	1,243,588	20,026	-	20,026	(Note 1)
CGPC（BVI）Holding Co., Ltd.	Ordinary shares							
	Teratech Corporation	—	Financial assets at FVTPL - non-current	112,000	-	0.67%	-	(Notes 1 and 3)
	SOHOware,Inc preferred shares	—	〃	100,000	-	-	-	(Notes 1, 2, and 3)

Note1. The marketable securities were not pledged as guarantees or collateral for borrowings and are not subject to restrictions.

Note2. The preferred shares are not used in the calculation of the shareholding ratio.

Note3. As of December 31, 2023, the Company evaluates the fair value of the equity instrument was $0.

China General Plastics Corporation

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

For the Year Ended December 31, 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
China General Plastics Corporation	Mutual Funds													
	Hua Nan Phoenix Money Market Fund	Financial assets at FVTPL - current	—	—	-	$ -	18,861,293	$ 313,000	17,067,528	$ 283,246	$ 283,000	$ 246	1,793,765	$ 30,000
Taiwan VCM Corporation	Mutual Funds													
	SinoPac TWD Money Market Fund	Financial assets at FVTPL - current	—	—	-	-	28,431,994	404,000	17,639,711	251,432	250,000	1,432	10,792,282	154,000
	Hua Nan Phoenix Money Market Fund	〃	—	—	2,119,619	35,000	22,881,593	380,000	19,006,799	315,541	315,000	541	5,994,413	100,000
	Fubon Chi-Hsiang Money Market Fund	〃	—	—	-	-	31,264,720	500,000	29,401,065	470,561	470,000	561	1,863,655	30,000
CGPC Polymer Corporation	Mutual Funds													
	SinoPac TWD Money Market Fund	Financial assets at FVTPL - current	—	—	-	-	29,715,575	423,000	22,708,494	323,258	323,000	258	7,007,081	100,000

Note: The amount refers to the original acquisition cost.

China General Plastics Corporation

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

For the Year Ended December 31, 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	CGPC America Corporation	Subsidiary	Sales	($ 455,735)	(6%)	90 days	No major difference	No major difference	$ 158,345	21%	—
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Sales	(4,052,178)	(46%)	45 days	〃	〃	646,641	37%	—
	CGPC Polymer Corporation	Fellow subsidiary	Sales	(4,048,292)	(46%)	75 days	〃	〃	1,015,436	58%	—
	Fujian Gulei Petrochemical Co., Ltd.	Related party in substance	Purchase	769,160	12%	Sight Letter of Credit	〃	〃	-	-	—

China General Plastics Corporation

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

December 31, 2023

Table 6

Unit: NT$ thousands

Company Name	Counterparty	Relationship	Financial Statement Account and Ending Balance		Turnover Rate	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
						Amount	Treatment Method		
China General Plastics Corporation	CGPC America Corporation	Subsidiary	Trade receivables - related parties	$ 158,345	3.01	$ -	—	$ 74,657	Note 1.
Taiwan VCM Corporation	China General Plastics Corporation	Parent company	Trade receivables - related parties	646,641	5.64	-	—	646,641	Note 1.
	CGPC Polymer Corporation	Fellow subsidiary	Trade receivables - related parties	1,015,436	4.63	-	—	729,940	Note 1.

Note1. There is no allowance for impairment loss after an impairment assessment.

Note2. The subsequent period is between January 1 and February 23, 2024.

China General Plastics Corporation

Information on Investees

For the Year Ended December 31, 2023

Table 7

Unit: NT$ thousands

Investor Company	Investee Company	Location	Business Content	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of Investee	Share of Profit (Loss)	Note
				December 31, 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%	$ 4,430,430	$ 460,982	$ 354,966	Subsidiary
	CGPC Polymer Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Manufacturing and marketing of PVC resins	800,000	800,000	70,170,682	100%	626,961	(74,746)	(74,746)	Subsidiary
	CGPC（BVI）Holding Co., Ltd.	Citco Building, Wickhams Cay, P.O. Box 662, Road Town, Tortola, British Virgin Islands	Reinvestment	1,059,344	1,073,906	14,808,258	100%	313,820	(2,467)	(2,467)	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%	329,972	(26,036)	(8,679)	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%	168,219	(32,191)	(32,191)	Subsidiary
	Acme Electronics Corporation	8F., No. 39, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Manufacturing and marketing of Mn-Zn and Ni-Zn ferrite cores	41,805 (Note)	33,995	3,566,526	1.67%	29,629	(171,224)	(2,867)	Associate accounted for using the equity method
Taiwan VCM Corporation	Global Green Technology Corporation	12F., No. 37, Jihu Rd., Neihu Dist., Taipei City 114, Taiwan (R.O.C.)	Environmental detection services	50,000	50,000	5,200,000	100%	53,544	1,280	-	Subsidiary

Note: The Company 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%.

China General Plastics Corporation

Information on Investments in Mainland China

For the Year Ended December 31, 2023

Table 8

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 December 31, 2023	Net Income (Loss) of Investee	Ownership Percentage of Direct or Indirect Investment	Current Investment Gain(loss) (Note 5)	Carrying Amount as of December 31, 2023 (Note 1)	Accumulated Repatriation of Investment Income as of December 31, 2023
					Outflow	Inflow						
Continental General Plastics (Zhong Shan) Co., Ltd. ("CGPC (ZS)")	Manufacturing and marketing of PVC film and consumer products	$ 614,100 (US$ 20,000 thousand)	Investment through CGPC (BVI) Holding Co., Ltd. ("CGPC (BVI)")	$ 614,100 (US$ 20,000 thousand)	$ -	$ -	$ 614,100 (US$ 20,000 thousand)	($ 5,754) (US$ -174 thousand)	100%	($ 5,754) (US$ -174 thousand)	$ 230,558 (US$ 7,509 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)")	46,058 (US$ 1,500 thousand)	-	14,562 (US$ 467 thousand)	31,496 (US$ 1,033 thousand)	8 (US$ - thousand)	100%	8 (US$ - thousand)	- (US$ - thousand)	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 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)
$ 817,214 (US$ 26,615 thousand)	$ 918,080 (US$ 29,900 thousand)	$ -

Note1. The calculation was based on the spot exchange rate of December 31, 2023.

Note2. 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.

Note3. QuanZhou Continental General Plastics Co., Ltd. ("CGPC (QZ)") and Union (Zhong Shan) Co., Ltd. ("Union (ZS)") completed dissolution procedures, and CGPC (BVI) retrieved the residual assets. The shares of Continental General Plastics (San He) Co., Ltd. ("CGPC (SH)") were fully sold, and CGPC (BVI) retrieved the residual assets. However, the amount of capital has not been wired back to Taiwan. The accumulated amount includes the investment amount of CGPC (QZ) of US$684 thousand, the investment amount of Union (ZS) of US$898 thousand, and the investment amount of CGPC (SH) of US$4,000 thousand.

Note4. CGPC Consumer Products Corporation completed dissolution procedures on July 17, 2023, and CGPC (BVI) retrieved the residual assets, which were remitted back to Taiwan.

Note5. The investment income (loss) recognized in 2023 is based on the financial statements audited by the parent company's CPA.

China General Plastics Corporation

Information of Major Shareholders

December 31, 2023

Table9

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 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.

§THE CONTENTS OF SCHEDULES OF MAJOR ACCOUNTING ITEMS§

China General Plastics Corporation

Schedule of cash and cash equivalents

December 31, 2023

Schedule 1

Unit: NT$ thousands, Unless Stated Otherwise

Item	Description	Amount
Cash on hand and petty cash		$ 53
Bank deposits		
Demand Deposit		23,967
Checking accounts		23,580
Foreign currency deposits	USD 1,383,807, exchange rate 30.705 EUR 181,652, exchange rate 33.980 AUD 35,182, exchange rate 20.980 GBP 24,014, exchange rate 39.150 JPY 1,184,648, exchange rate 0.2172 HKD 31,364, exchange rate 3.929	50,721
		98,268
Total		$ 98,321

China General Plastics Corporation

Schedule of notes receivable and trade receivables

December 31, 2023

Schedule 2 | Unit: NT$ thousands

Item	Amount
Notes receivable	
Avatack Co., Ltd.	$ 19,708
San Yanier Chemical Co., Ltd.	14,125
Globe Industries Corporation	13,605
Others (Note)	40,343
	87,781
Trade receivables	
Tricon Energy Ltd.	67,201
Zheng Yi Plastics Co., Ltd.	61,553
Others (Note)	381,682
	510,436
Less: Allowance for impairment loss	(10,652)
	499,784
Trade receivables - related parties	
CGPC America Corporation	158,345
Total	$ 745,910

Note: The amount of each client included in others does not exceed 5% of the account balance.

China General Plastics Corporation

Schedule of inventories

December 31, 2023

Schedule 3 | Unit: NT$ thousands

Item	Amount	
	Cost	Market value (Note 1)
Finished goods	$ 820,658	$ 785,103
Work in progress	62,189	58,794
Raw materials	237,037	212,011
	1,119,884	$ 1,055,908
Less: Allowance for write-downs of inventories and obsolescence losses	(115,114)	
Total	$ 1,004,770	

Note1. Evaluated at replacement cost or net realizable value.

Note2. The amount of insured inventories is $1,836,064 thousand.

China General Plastics Corporation

Schedule of changes in investments accounted for using the equity method

For the Year Ended December 31, 2023

Schedule 4

Unit: NT$ thousands

Investee Company	Balance at January 1 Shares	Balance at January 1 Amount	Additions (decrease) Shares	Additions (decrease) Amount	Gain (loss) on investments accounted for under equity method	Exchange differences on translating the financial statements of foreign operations	Others (Note 2)	Balance at December 31 Shares	Balance at December 31 Amount	Percentage of shareholding at the end of the year	Market Value / Net Value	Endorsement / Guarantee Collateral
Listed company												
Acme Electronics Corporation	3,176,019	$ 23,911	390,507	$ 7,810	($ 2,867)	($ 553)	$ 1,328	3,566,526	$ 29,629	1.67	$ 89,520	None
Unlisted companies												
Taiwan VCM Corporation	259,591,005	4,076,858	-	-	354,966	-	(1,394)	259,591,005	4,430,430	87.27	4,477,783	None
CGPC Polymer Corporation	100,000,000	701,707	(29,829,318)	-	(74,746)	-	-	70,170,682	626,961	100	626,961	Note 1.
CGPC（BVI）Holding Co., Ltd.	16,308,258	333,626	(1,500,000)	(14,562)	(2,467)	(2,777)	-	14,808,258	313,820	100	313,820	None
China General Terminal & Distribution Corporation	23,892,872	355,611	1,160,597	-	(8,679)	-	(16,960)	25,053,469	329,972	33.33	329,972	None
CGPC America Corporation	100	186,395	-	-	(32,191)	618	13,397	100	168,219	100	215,721	None
Total		$ 5,678,108		($ 6,752)	$ 234,016	($ 2,712)	($ 3,629)		$ 5,899,031			

Note1. Please refer to Table 1 in the parent company only financial statements.

Note2. The details of amounts are as follows:

Share of the other comprehensive income of subsidiaries and associates accounted for using the equity method - unrealized net losses on investments in equity instruments at FVTOCI	($ 17,548)
Capital surplus accounted for using the equity method	1,363
Realized profit from sales	13,397
Share of the other comprehensive income of subsidiaries and associates accounted for using the equity method - remeasurement of defined benefit plans	(841)
	($ 3,629)

China General Plastics Corporation

Schedule of notes payable and trade payables

December 31, 2023

Schedule 5 Unit: NT$ thousands

Item	Amount
Notes payable	
Miaoli County Government	$ 42,018
Trade payables	
Nan Ya Plastics Corporation	22,734
Power Chemical Corporation	14,289
Marubeni ASEAN Pte. Ltd.	7,780
Others (Note)	106,090
	150,893
Trade payables to related parties	
Taiwan VCM Corporation	646,641
Others (Note)	10,392
	657,033
Total	$ 849,944

Note: The amount of each client included in others does not exceed 5% of the account balance.

China General Plastics Corporation

Schedule of net revenue

For the Year Ended December 31, 2023

Schedule 6

Unit: NT$ thousands,
Unless Stated Otherwise

Item	Unit (PVC leather in thousands of yards and the rest in metric tons)	Amount
Sales revenue		
PVC resin and compound	159,015	$ 4,129,643
PVC film	20,185	1,265,780
Chlor-alkali products	54,523	849,483
Construction products	19,056	836,596
PVC leather	5,112	686,865
Total		$ 7,768,367

China General Plastics Corporation

Schedule of cost of revenue

For the Year Ended December 31, 2023

Schedule 7 Unit: NT$ thousands

Item	Amount
Raw materials	
Raw materials at January 1	$ 354,527
Raw materials purchased	5,353,982
Raw materials transferred to other accounts	(282,345)
Raw materials at December 31	(237,037)
Raw materials used in current year	5,189,127
Direct labor	286,470
Production overheads (Schedule 8)	1,731,768
Manufacturing cost	7,207,365
Work in progress at January 1	66,906
Other accounts transferred to work in progress	(6,316)
Work in progress at December 31	(62,189)
Cost of finished goods	7,205,766
Finished goods at January 1	810,061
Other accounts transferred to finished goods	5,236
Finished goods purchased in the current year	22,089
Finished goods transferred to other accounts	(28,453)
Finished goods at December 31	(820,658)
Costs of revenue before adjustment	7,194,041
Write downs of inventories and obsolescence losses	1,652
Other reduced cost of revenue	(4,969)
Cost of revenue	$ 7,190,724

China General Plastics Corporation

Schedule of production overheads

For the Year Ended December 31, 2023

Schedule 8 Unit: NT$ thousands

Item	Amount
Utilities expenses	$ 465,387
Payroll and other personnel expense	345,777
Depreciation expense	238,538
Repair and maintenance expense	223,791
Packing materials	141,082
Fuel expense	120,913
Others (Note)	196,280
Total	$ 1,731,768

Note: The amount of each client included in others does not exceed 5% of the account balance.

China General Plastics Corporation

Schedule of operating expenses

For the Year Ended December 31, 2023

Schedule 9 | Unit: NT$ thousands

Item	Selling and Marketing expenses	General and administrative expenses	Research and development expenses
Freight	$ 225,129	$ 1	$ 18
Payroll and other personnel expense (Note 1)	64,098	32,338	23,195
Management service expenses	-	80,052	-
Repair expense	7	1,160	2,005
Research and experiment material expense	-	-	1,852
Rental expense	1,364	6,934	17
Depreciation expense	102	960	1,984
Others (Note 2)	41,813	12,000	1,378
Total	$ 332,513	$ 133,445	$ 30,449

Note1. The amount of payroll and personnel expense includes salary, pension, insurance and other personnel expenses.

Note2. The amount of each client included in others does not exceed 5% of the account balance.

China General Plastics Corporation

Schedule of employee benefits, depreciation and amortization by function

Years Ended December 31, 2023 and 2022

Schedule 10

Unit: NT$ thousands, Unless Stated Otherwise

	For the year ended December 31, 2023				For the year ended December 31, 2022			
	Cost of revenue	Operating expenses	Other gains and losses	Total	Cost of revenue	Operating expenses	Other gains and losses	Total
Employee benefits expense								
Salary and bonus	$ 533,439	$ 94,891	$ -	$ 628,330	$ 523,280	$ 100,703	$ -	$ 623,983
Labor and health insurance	48,790	7,895	-	56,685	51,558	8,805	-	60,363
Pension	24,019	4,712	-	28,731	23,666	4,888	-	28,554
Remuneration of Directors	-	6,600	-	6,600	-	6,538	-	6,538
Other employee benefits	25,999	5,533	-	31,532	28,976	6,425	-	35,401
Total	$ 632,247	$ 119,631	$ -	$ 751,878	$ 627,480	$ 127,359	$ -	$ 754,839
Depreciation expenses	$ 238,538	$ 3,046	$ 15,803	$ 257,387	$ 221,126	$ 1,703	$ 15,621	$ 238,450
Amortization expense	$ 866	$ 64	$ -	$ 930	$ -	$ 59	$ -	$ 59

Note 1. As of December 31, 2023 and 2022, the Company had 664 and 687 employees, respectively, and the number of directors who did not served concurrently as employees were both 8.

Note 2. The average amount of employee benefits expense of the Company in 2023 was $1,136 thousand; the average amount of employee benefits expense of the Company in 2022 was $1,102 thousand.

Note 3. The average amount of salary expense of the Company in 2023 was $958 thousand; the average amount of salary expense of the Company in 2022 was $919 thousand.

Note 4. The average of salary expense adjustment of the Company increased at 4.24% in 2023.

Note 5. The Company's Remuneration Policy for Directors and Managers: a. Remuneration payment shall refer to that of median across peer industry, along with consideration of reasonableness related with personal performance, operating achievements of company and future risks. b. Directors and managers should not be guided to behave beyond the risk of company for higher remuneration. c. The proportion of employee remuneration on short-term performance basis and the payment time of partial change on remuneration shall be determined by considering characteristic of industry and business nature; Employee remuneration & salary policy was formulated by referring to the government laws and regulations, salary price and trend on market across peer industry, overall economy and change of business conditions , as well as organization chart of company, wherein the Company's formulated "Measures on Salary Management", "Measures of Employee Performance Assessment", "Measures of Allowance for Supervisor and Personal Staff" and other regulations as the criteria of issuance and the Company also has formulated "Management Measures of Year-end Bonus" which appropriates year-end bonus to employee depending on profit and reviewing result of employee performance (included employee remuneration).