Stock Code: 1308

Asia Polymer Corporation

2021 Annual Report

APC corporate website: https://www.apc.com.tw
Market Observation Post System: https://mops.twse.com.tw

Date of publication: March 31, 2022

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Title: Sales Manager

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I. Spokesperson:

Name: Chen, Cheng-Shun

Title: Accounting Manager

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II.Contact Information of the Head Office, Branch Offices, and Plants:

Name	Address	Telephone Number
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Taipei Office	12th Floor, No. 37, Jihu Road, Taipei City, Taiwan, R.O.C.	(02) 8751-6888

III. Name, Address, and Telephone Number of Share Transfer Agency:

Name: Stock Affairs Department of Asia Polymer Corporation

Address: 6F, No. 17, Lane 120, Section 1, Neihu Road, Neihu District, Taipei City

Joint Stock Affairs Website: https://www.usig.com/USIGStockHome.aspx

Phone: (02) 2650-3773

IV. Name of Certificated Public Accountants (CPAs) Auditing the Financial Statements in the Most Recent Fiscal Year:

CPAs: Chiu, Cheng-Chun and Chuang, Pi-Yu

Name of accounting firm: Deloitte Taiwan

Address: 20F, No. 100, Songren Road, Xinyi District, Taipei City

Website: https://www2.deloitte.com/tw

Phone: (02) 2725-9988

V.Overseas Securities Listing Exchange and Information: None.

VI.Corporate website: http://www.apc.com.tw

Asia Polymer Corporation
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CHAPTER I. LETTER TO SHAREHOLDERS

Dear Shareholders:

The Company's 2021 consolidated net operating revenue was NT$ (same hereunder) 9.566 billion, an increase of $3.862 billion from last year. The consolidated profit before tax was about NT$3.738 billion, an increase of NT$2.453 billion from 2020. The annual net net profit was NT$3.101 billion, and the budget achieving rate was715%.

(I) 2021 Business Report:

Sales and Marketing:

Due to the cold damage in North America the upstream supply was tense at the beginning of the year, with the gradual recovery of supply and the continuous production of new competitive EVA capacity, the market supply and demand situation gradually changed. However, in the second half of the year, with the green energy incentive policies successively issued by mainland China, the demand for solar cell packaging film increased greatly, making EVA in short supply. In addition, the dual control of energy consumption and the speculation of traders, making the price soared. However, due to excessive speculation, the market fell sharply at the end of the year. The average annual selling price of both LDPE and EVA increased by 69% compared with 2020, while the sales volume of LDPE and EVA decreased by 19% and increased by 9% respectively compared with 2020, with total sales volume of 136,000 metric tons.

Materials and cost:

Due to the impact of extreme climate in the important petrochemical town of North America at the beginning of the year, there was a gap in the supply of petrochemical products. Due to the change of supply chain and the epidemic situation, shipping congestion occurred, driving up the prices of raw materials. The price of ethylene and VAM, the main raw materials has risen, and the production cost has also risen. The unit cost of ethylene and VAM consumption throughout the year increased by more than 50% compared with the previous year.

Production, research and development:

The Company has completed the project to upgrade the heat exchange of the process cold source recovery and purification system to save energy and reduce carbon to protect the shared global environment, and to replace the old equipment to maintain operational efficiency. Establish a chain management and control system, improve personnel education and training, and evaluate and add prevention and control equipment to strengthen industrial safety and environmental protection functions. The annual LDPE/EVA production volume was 136,000 metric tons at record highs, which was a5% decrease from 2020 and the budget achievement rate was 103%.

Comprehensive Annual Operating Performance:

The market pushed up the selling price of LDPE / EVA. Although it was disturbed by the epidemic situation and supply and demand during the period, the Company adjusted the production and marketing combination accordingly. As a result, the raw material cost increased more than the product price, and the price spread improved. The Company's consolidated net profit in 2021 was NT$3.319 billion, an increase of NT$2.397 billion from 2020. The consolidated non-operating income and expenditure was in a net profit of NT$419 million, a decrease of around NT$56 million compared with 2020, mainly due to the increase in dividend income.

(II) 2022 Business Plan outline and future development strategies:

With regard to the overall economy, research institutions predict that the global economy is on a growth path, which provide bonus effect for the development of petrochemical industry closely related to economic growth. However, due to the varying degree of interference from the epidemic, there are periodic dislocation and asynchronous kinetic energy in boom growth, employment and inflation. In addition, China, South Korea and other countries have put EVA new production capacity, and even geopolitical disturbances have triggered regional wars, pushing up the price volatility of petrochemical products, which has increased the variables both of EVA supply and demand and the uncertainty of the market. Fortunately, due to the issue ofnet zero emissionsand the trend of energy transition, countries are actively promoting green energy policies, making the long-term outlook for the demand for solar cell packaging films optimistic, which is favorable to the EVA market. In terms of regulations and environment,in order to implement environmental justice and across generations balance, we will face challenges in the implementation of the climate governance roadmap and related climate change laws in the future. It not only focuses on reducing and managing greenhouse gas emissions, but also focuses on constructing adaptation strategies to cope with climate change. After assessing market competition and future industrial development, the Company has set an annual LDPE/EVA sales target of about 136,000 tons. It is expected to further improve product quality, production stability and strengthen sales channels, so as to improve customer satisfaction, flexibly adjust product mix in line with market trends, give full play to the advantages of production lines of small but beautiful, and strive to achieve operational objectives.

I wish you all good health and good fortune.

Chairman Quintin Wu 

General Manager Pei-Chi Wu 

Chapter 2 Company Profile

I. Date of Founding: January 25, 1977

II. Company History

In response to the government's policy to promote investment, the first chairman of the Company Mr. Chao, Ting-Chen invited famous domestic and foreign corporate figures and plastic processing companies to jointly raise NT$600 million in share capital in order to build a medium and low density polyethylene plant in Linyuan Petrochemical Industrial Park. After its completion in March 1979, the plant immediately began operation and produced an annual output of 75,000 metric tons of medium- and low-density polyethylene.

The Company's main products include various film-grade, injection-grade and laminating film-grade low-density polyethylene. As the Company imported and incorporated the latest technology from the Gulf Oil Company into its initial manufacturing methods, its film-grade products possess good optical properties and processability, while its injection-grade products possess excellent gloss and toughness. Thereafter, the Company modified its manufacturing methods to produce laminating films of excellent quality.

In 1980, the Company increased its capital by NT$90 million using its retained earnings in 1979. In order to enhance its capital structure in 1982, the Company increased its capital by NT$110 million upon approval during the shareholders' meeting, thereby increasing its paid-in capital to NT$800,000,000.

In May 1984, construction began on the third production line. The production line officially started operation in September 1985, thereby increasing the Company's production capacity from 75,000 tons to 100,000 tons.

In addition, since June 20, 1986, the Company's shares have been publicly listed on the Taiwan Stock Exchange in response to the government's economic development policy of "securitization of capital and popularization of securities". In November 1986, BTR Nylex invested in the Company and acquired 51 percent of the Company's shares and transferred all its equity in the Company to its subsidiary - BTRN Asia in December within the same year.

In 1987, the Company increased its capital by NT$80 million using its retained earnings in 1986, thus increasing its paid-in capital to NT$880,000,000.

In 1988, during the shareholders’ meeting, the shareholders approved the resolution to increase the Company’s authorized capital to NT$1.4 billion, and the Board of Directors was authorized to issue shares in several installments. Within the same year, the Company increased its capital by NT$264 million using its retained earnings in 1987 as part of the funds required for the addition of co-generation equipment, thereby increasing its paid-in capital to NT$1,144,000,000.

In 1989, the Company increased its capital by NT$228.80 million in order to repay the first corporate debt issued by the Company for the construction of the third production line at the LDPE plant, thus increasing its paid-in capital to NT$1,372,800,000.

In 1990, the Company increased its capital by NT$137.28 million for the addition of co-generation equipment in order to deal with shortage of funds in 1987, thereby increasing its paid-in capital to NT$1,510,080,000.

In March 1997, BTR Asia transferred its 51 percent stake in the Company to Bermuda Fiji Guinea Co., Ltd. This company was an overseas holding company jointly and indirectly invested in by USI Corporation and UPC Group. In addition, Taiwan Union International Investment Co. replaced BTR Asia as the Company's director and supervisor.

In 1997, the Company increased its capital by NT$256.71 million and NT$120.81 million using its retained earnings and capital reserve in 1996 respectively to increase its working capital, thereby increasing its paid-in capital to NT$1,887,600,000.

In March 1997, the Company's Board of Directors approved the resolution to establish APC (BVI) Holding Co. Ltd. in order to facilitate overseas investment projects.

In June 1998 Bermuda Fiji Guinea Co., Ltd. transferred its fifty-one per cent interest in the company to each of them 7.65% and 43.35% out of its stake in the Company to Taiwan Union International Investment Co. and Union Polymer Int'l Investment Corp., which was jointly and directly in invested by USI Corporation and UPC Group, and Union Polymer International Investment Corp. respectively. This Company was an overseas holding company jointly and indirectly invested in by USI Corporation and UPC Group.

In 1998, the Company increased its capital by NT$283.14 million using its retained earnings in 1997, thereby increasing its paid-in capital to NT$2,170,740,000.

In 1999, the Company increased its capital by NT$54,268,500 and NT$54,268,500 using its retained earnings and capital reserve in 1998 respectively, thereby increasing its paid-in capital to NT$2,279,277,000.

During the re-election of directors and supervisors at the 2001 Annual General Meeting, Union Polymer International Investment Corp. replaced Taiwan Union International Investment Co. as the Company's director and supervisor, and Taiwan VCM Corporation was elected a supervisor of the Company.

In July 2003, the Company's Board of Directors approved the resolution to jointly invest in USI International Corp. with APC (BVI) Holding Co., Ltd., and establish an office in Shanghai in the name of USI International Corp., as its base to expand into the Mainland Chinese market.

In 2004, the Company increased its capital by NT$182,342,160 using its retained earnings in 2003, thus increasing its paid-in capital to NT$2,461,619,160. During the re-election of directors and supervisors during the 2004 Annual General Meeting, the Company's previous supervisor, Taiwan VCM Corporation was replaced by Union Polymer Int'l Investment Corp.

In 2005, the Company increased its capital by NT$147,697,150 using its retained earnings in 2004, thereby increasing its paid-in capital of

NT$2,609,316,310.

During the re-election of directors and supervisors at the 2007 Annual General Meeting, the Company's previous supervisor, Union Polymer Int'l Investment Corp. was replaced by China General Terminal & Distribution Corporation and Mr. Yeh, Te-Chang.

In August 2007, the Company's Board of Directors approved the resolution to establish APC Investment Corporation in order to facilitate domestic investment projects.

During the re-election of directors and supervisors at the 2010 Annual General Meeting, the Company's previous supervisors, Mr. Yeh, Te-Chang and Mr. Wu, Sheng-Chuan, the representative of China General Terminal & Distribution Corporation, were replaced by Mr. Chiang, Hui-Chung and Mr. Wu, Sheng-Chuan, the representative of Taiwan Union International Investment Co.

In 2010, the Company increased its capital by NT$521,863,260 using its retained earnings in 2009, thereby increasing its paid-in capital to NT$3,131,179,570.

In 2011, the Company increased its capital by NT$782,794,890 using its retained earnings in 2010, thereby increasing its paid-in capital to NT$3,913,974,460.

On December 25, 2011, the Company's Board of Directors approved the resolution to invest approximately NT$3.1 billion to build an EVA production line with an annual production capacity of 40,000 to 45,000 tons. The production line was completed in 2016.

In 2012, the Company increased its capital by NT$782,794,890 using its retained earnings in 2011, thereby increasing its paid-in capital to NT$4,696,769,350.

In February 2014, the Company's Board of Directors approved the resolution to indirectly invest in the manufacture of petrochemical-related products at Gulei Petrochemical Park located in Zhangzhou, Fujian, China via an investment company established in a third region other than Taiwan and Mainland China. In March 2016, the Company's Board of Directors approved the resolution to indirectly invest no more than NT$6 billion in the above-mentioned project.

On June 26, 2014, the Company obtained the approval of the Ministry of Economic Affairs to increase its authorized capital by NT$1 billion, thereby increasing its total capital to NT$5,696,769,350 for future capital increase.

In 2015, the Company increased its capital by NT$234,838,460 using its retained earnings in 2014, thereby increasing its paid-in capital to NT$4,931,607,810.

In January 2016, the Company's Board of Directors approved the resolution to acquire all the shares of USI Trading (Shanghai) Co., Ltd owned by Swanlake Traders Ltd. via APC (BVI) Holding Co., Ltd. This equity transfer was approved by the Investment Commission under the Ministry of Economic Affairs in August 2016 and was completed in October 2016. The Company obtained the approval letter for the operations headquarters in October of the same year.

In March 2016, the Company's Board of Directors approved the resolution to relocate its headquarters from Taipei City to Kaohsiung City. The relocation was completed in June of the same year.

In 2016, the Company increased its capital by NT$98,632,150 using its retained earnings in 2015, thereby increasing its paid-in capital to NT$5,030,239,960.

In 2017, the Company increased its capital by NT$150,907,190 using its retained earnings in 2016, thereby increasing its paid-in capital to NT$5,181,147,150.

In 2018, the Company increased its capital by NT$362,680,300 using its retained earnings in 2017, thereby increasing its paid-in capital to NT$5,543,827,450.

In February 2009, the Board of Directors approved the resolution that in order to ensure an adequate supply of the raw material ethylene, an ethylene storage tank and underground ethylene pipelines would be constructed.

In 2020, the Company increased its capital by NT$277,191,370 using its retained earnings in 2019, thereby increasing its paid-in capital to NT$5,821,018,820.

In August 2020, the Board of Directors of the Company passed a resolution to establish a joint venture sales company in Fujian Province, China, through a company established in a third region.

In 2020, the Company won the 13th TCSA "Corporate Sustainability Report Awards - Gold Award".

In 2021, the Company increased its capital by NT$116,420,370 using its retained earnings in 2020 hereby increasing its paid-in capital to NT$5,937,439,190.

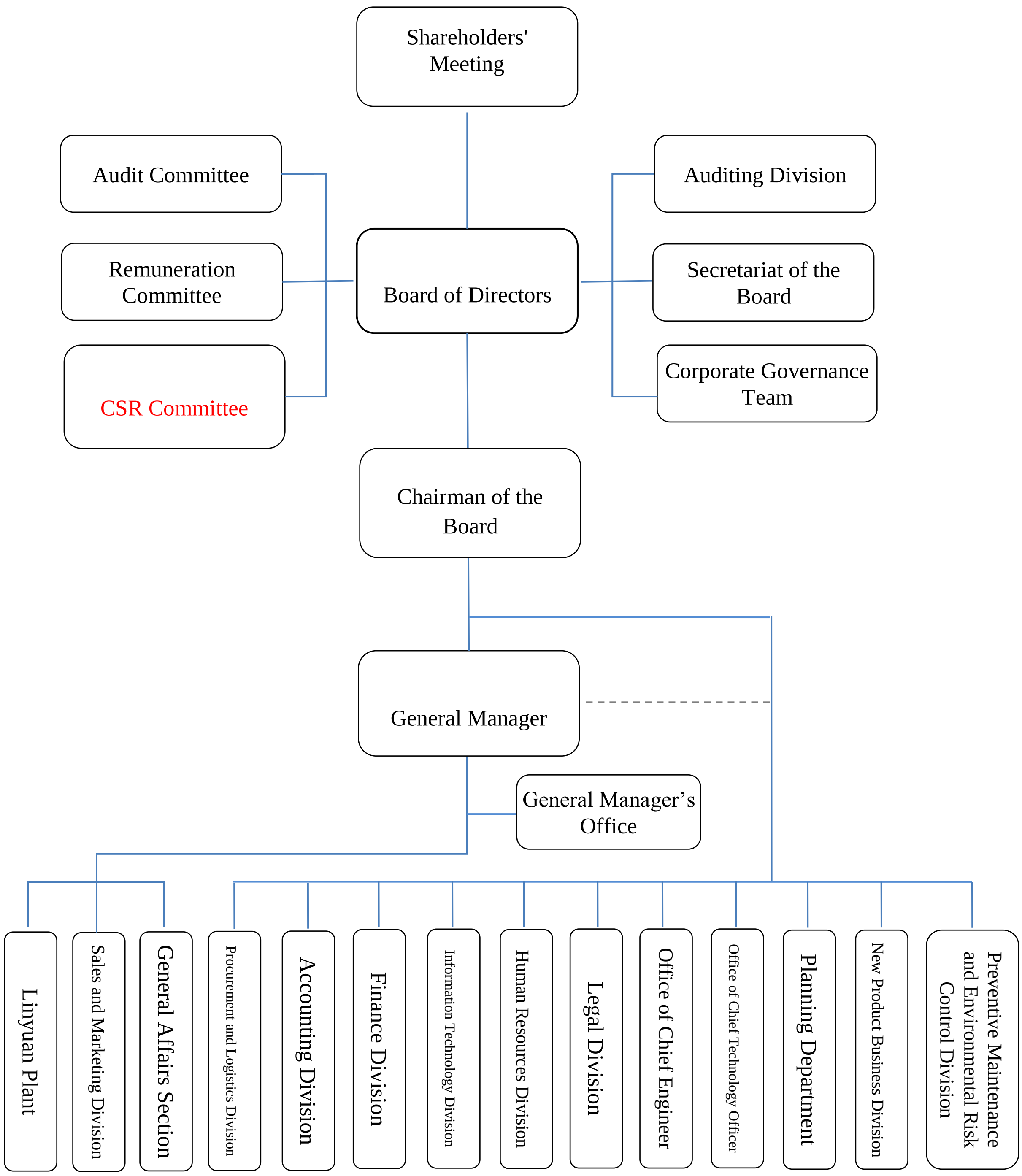
In 2021, the Company won the 14th TCSA"Corporate Sustainability Report Awards - Platinum Award".

Chapter 3 Corporate Governance Report

I. Organizational System

(I) Organizational Structure

Organizational Chart, as of March 31, 2022



(II) Department Functions

Department	Main Responsibilities
General Manager	Management of the Company's operations.
Linyuan Plant	Responsible for matters related to manufacturing, research and development (R&D), storage, coordinating transportation of company products and maintenance of plant equipment, work safety, and environmental protection
Sales and Marketing Division	Responsible for processing product sales, market survey, and after sales services.
General Affairs Section	Responsible for processing personnel evaluation, salary, and general administrative tasks
Auditing Division	1. Implement internal audit and improve work flows in the Company 2. Evaluate the soundness and reasonableness of the Company's internal control systems, as well as the effectiveness of their implementations at all departments and divisions
Procurement and Logistics Division	1. Purchase and audit major capital expenditures including raw materials, machinery and equipment. 2. Plan the supervision and execution of trading and transportation, warehousing and customs-related operations.
Accounting Division	1. Preparation and analysis of financial statements and budgets to be used by decision-making units for the management and formulation of strategies 2. Establishment, evaluation and implementation of accounting systems 3. Planning and declaration of various taxes. 4. Regular announcement or reporting of financial performance
Finance Division	1. Fund management, and planning and scheduling of fund raising activities. 2. Short-term financing and long-term investments. 3. Property insurance. 4. Credit control operations. 5. Collection of delayed payments. 6. Handling of various shares-related matters.
Information Technology Division	Plan, build, develop, and manage various information systems and facilities at the Company.
Human Resource Division	1. Plan human resources strategies and systems 2. Plan training and organizational development strategies 3. Plan and handle salary and benefits 4. Provide employee services and handle general affairs 5. Assist overseas branches in organizational planning, as well as dispatch and training of personnel
Legal Division	Provide legal advice, handle legal cases and affairs.
Office of Chief Engineer	1. Assist and participate in the construction of new plants, or deal with such constructions entirely 2. Assist and participate in the improvement of equipment and local manufacturing processes in operation, or deal with such cases entirely 3. Integration of engineering personnel and engineering specifications
Office of Chief Technology Officer	Product research, development, and innovation.
Planning Department	1. Develop and propose product trees, according to markets for current products and products to be invested in the future, as well as the technical strengths and weaknesses of such products, for future planning and development. 2. Track and analyze the macroeconomy. 3. Track and analyze upstream industries and future competitors. 4. Coordination and follow-up of various projects.

Department	Main Responsibilities
Secretariat of the Board	1.Plan and handle matters related to Board of Directors' meetings. 2.Handle matters related to Shareholders' meetings such as convening Shareholders' meetings, dealing with various announcements and reporting associated with Shareholders’ meetings, preparing agenda handbooks and keeping information regarding shareholders present at Shareholders' meetings in accordance with the law. 3. Assist in promoting and handling decrees issued by the competent authority.
Remuneration Committee	1. Regularly review the Committee's charter and propose recommendations to amend it when necessary. 2. Establishing and regularly reviewing the BOD and upper management's performance evaluation in conjunction with the remuneration policies, systems, standards, and structure. 3. Regular evaluation and stipulation on the remuneration of directors and managers.
Audit Committee	1. Establishment, amendment, and evaluation of the effectiveness of internal control systems. 2. Stipulate or amend the procedures for acquiring or disposing of assets, derivatives trading, lending funds to others, and making endorsements or guarantees to others. 3. Asset transactions or derivatives trading of a material nature. 4. A material asset or derivatives transaction. 5. A material monetary loan, endorsement, or provision of guarantee. 6. The offering, issuance, or private placement of any equity-type securities. 7. The hiring, discharge, or compensation of an attesting CPA. 8. The appointment or discharge of a financial, accounting, or internal audit officer. 9. Review annual financial reports and semi-annual financial reports. 10. Accept and handle the prosecution cases concerning the above-mentioned functions and powers. 11. Any other material matter so required by the competent authority.
CSR Committee	1. Determining the sustainable development policy. 2. Negotiation of sustainable development strategic plan, annual plan and project plans. 3. Supervising the implementation of sustainable development strategic plan, annual plan and project plan, and evaluate the implementation. 4. Reviewing and approving the sustainable report. 5. Report the implementation of sustainable development activities to the Board of Directors each year. 6. Other matters to be conducted by the committees based on resolutions of the Board of Directors.
Corporate Governance Team	1. Handling matters relating to board meetings and shareholders meetings according to laws 2. Producing minutes of board meetings and shareholders meetings 3. Assist directors in assuming office and pursuing continuing education. 4. Furnishing information required for business execution by directors and supervisors 5. Assisting directors and supervisors with legal compliance 6. Other matters set out in the articles or corporation or contracts
New Product Business Division	1.Assist in formulating marketing strategies for new businesses, and establish appropriate business models. 2. Responsible for developing new products or acquiring new customers to increase revenue. 3. Integrate company resources and generate synergy so as to enhance the successful development of new businesses.

Department	Main Responsibilities
Preventive Equipment Maintenance and Environmental Risk Control Division	1. Assist the Group in establishing preventive maintenance systems at all plants. 2. Improve and enhance existing equipment. 3. Manage equipment malfunction and prevention. 4. Routine/non-routine audit, counseling and training. 5. Environment risk management planning and technical supervision. 6. Plan and promote compliance with laws related to energy conservation and carbon reduction, and establish related systems.

II.Information on the Directors, President, Vice Presidents, Assistant Vice Presidents, and Supervisors of Divisions and Branch Units

(I) Board meetings

(I) Board of Directors

March 29, 2022

Job title (Note 1)	Nationality/Place of Registration	Name	Gender Age (Note 2)	Date Elected (Appointed) Date	Term	Date First Elected (Note 3)	When the selected Shareholding		Now Shares Held		Spouse & Minor Shareholding		Shares Held in the Name of Other Persons		Experience(Education) (Note 4)	Other Position Concurrently Held at the Company and Other Companies	Executive Officers, Directors or Supervisors Who Are Spouses or Relatives within the Second Degree of Kinship			Note(Note 5)
							Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding			Job title	Name	Relation	
Chairman and CEO	China R.O.C	Union Polymer Int'l Investment Corp.	—	June 24, 2019	3 years	June 18, 2001	200,042,785	36.08%	214,245,822	36.08%	-	-	0	0%	Chairman of USI	(NOTE 6)	None			
	Republic of China	Representative: Quintin Wu	Male 71 ~ 75 years old			February 28, 1997	-	-	0	0%	-	-	0	0%						
Directors	Republic of China	Union Polymer Int'l Investment Corp.	—	June 24, 2019	3 years	June 18, 2001	200,042,785	36.08%	214,245,822	36.08%	-	-	0	0%	Department of Chemical Engineering, Chung Yuan Christian University; General Manager, Taiwan VCM Corporation; General Manager, APC Corporation ;Deputy General Manager, USI	Director: Taiwan VCM 、 General Terminal & Distribution	None			
	Republic of China	Representative: Li, Kuo-Hung	Male 76 ~ 80 years old			June 15, 2007	-	-	0	0%	0	0%	0	0%						
Director and General Manager	Republic of China	Union Polymer Int'l Investment Corp.	—	June 24, 2019	3 years	June 18, 2001	200,042,785	36.08%	214,245,822	36.08%	-	-	0	0%	General Manager of Thermoset Materials Division in Asia Pacific, and Director of Basic Plastic Sales in Greater China, Dow Chemical; Sales Engineer, Taiwan Branch, ESSO	(NOTE 7)	None			
	Republic of China	Representative:Wu , Pei-Chi	Male 56 ~ 60 years old			June 24, 2019	-	-	0	0%	0	0%	0	0%						
Directors	Republic of China	Union Polymer Int'l Investment Corp.	—	September 01, 2020	1 year 10 months	June 18, 2001	200,042,785	36.08%	214,245,822	36.08%	-	-	0	0%	PhD in Chemical Engineering, Pennsylvania State University	(NOTE 8)	None			
	Republic of China	Representative: Liu, Han-Tai	Male 71 ~ 75 years old			June 10, 2013	-	-	0	0%	0	0%	0	0%						
Directors	Republic of China	Union Polymer Int'l Investment Corp.	—	June 24, 2019	3 years	June 18, 2001	200,042,785	36.08%	214,245,822	36.08%	-	-	0	0%	Fashion Institute of Design and Merchandising; FIDM-Merchandise Marketing; President: Changju Food Co., Ltd., Jinyi Global Operations Co., Ltd., Liancai Co., Ltd., and Jo Wei Distribution and Trading Company Limited.	(Note 9)	None			
	Republic of China	Representative: Wu, Hung-Chu	Male 41 ~ 45 years old			June 24, 2019	-	-	0	0%	0	0%	0	0%						
Directors	Republic of China	Tai Lien International Investment Co., Ltd.	—	June 24, 2019	3 years	June 15 2010	20,932,787	3.78%	11,811,014	1.99%	-	-	0	0%	Department of Chemical Engineering, Chung Yuan Christian University; United Nylon Co., Ltd.; China Phosphate Co., Ltd.; and TSRC Corporation	(NOTE 10)	None			
	Republic of China	Representative: Ko, I-Shao	Male 71 ~ 75 years old			March 13, 2018	-	-	0	0%	0	0%	0	0%						

Job title (Note 1)	Nationality/Place of Registration	Name	Gender Age (Note 2)	Date Elected (Appointed) Date	Term	Date First Elected (Note 3)	When the selected Shareholding		Now Shares Held		Spouse & Minor Shareholding		Shares Held in the Name of Other Persons		Experience(Education) (Note 4)	Other Position Concurrently Held at the Company and Other Companies	Executive Officers, Directors or Supervisors Who Are Spouses or Relatives within the Second Degree of Kinship			Note(Note 5)
							Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding			Job title	Name	Relation	
Independent Directors	Republic of China	Chen, Ta-Hsiung	Male 76 ~ 80 years old	June 24, 2019	3 years	June 08, 2016	0	0%	0	0%	0	0%	0	0%	College of Law, National Taiwan University; Trustee of Mitsubishi Corporation (Taiwan) Ltd.; Chairman, New Northern Knitting Co., Ltd.; Chairman, Shanghai Jianeng Textile Co., Ltd.; Chairman of the Board of Supervisors, National Association of Small & Medium Enterprises R.O.C.; Representative, Chinese Taipei in the APEC Business Advisory Council (ABAC); Executive Director, Importers and Exporters Association of Taipei; Director, Republic of China Trade Education Foundation	HONORARY CHAIRMAN: BEIXIANG TECH. SERVICE CHAIRMAN OF THE BOARD: XIUZI INTERNATIONAL CO., LTD. AND XIUZHI CO., LTD DIRECTOR: YANG TANG-HAI SOCIAL WELFARE AND CHARITY FOUNDATION	None			
Independent Directors	Republic of China	Shen, Shang-Hung	Male 61 ~ 65 years old	June 24, 2019	3 years	June 08, 2016	0	0%	0	0%	0	0%	0	0%	MBA, Emory University; Department of Electrical Engineering of National Taiwan University; AT&T Manager	(NOTE 11)	None			
Independent Directors	Republic of China	Cheng Tun-Chien	Male 56 ~ 60 years old	June 24, 2019	3 years	June 08, 2016	0	0%	0	0%	0	0%	0	0%	MBA, Columbia University (U.S.A.); General Manager, UMC Capital; Director and General Manager, United Management Consultancy Investment Co., Ltd.; Executive Director and General Manager, Taiwan of Morgan Stanley Asia Limited; Executive Director, Goldman Sachs Asia L.L.C.	(NOTE 12)	None			

Note 1: In the case of institutional shareholders, their names and representatives should be stated (for representatives, the names of institutional shareholders they represent should be indicated respectively) and filled in Table 1.

Note 2: Please list actual ages and express them in intersectional manner, e.g. 41-50 years or 51-60 years.

Note 3: Any disruption of duty as a director or supervisor after the date he/she is elected shall be included in a separate note.

Note 4: Work experiences of anyone in the table above that are related to their current roles, such as previous employment at CPA firms or employment in affiliated companies, shall be disclosed along with job titles and responsibilities.

Note 5: Where the chairman, general manager, or individual with equivalent roles of the Company are the same individual, spouses, or relatives within the first degree of kinship, the Company shall specify related information regarding the reason, reasonableness, necessity, and response measures (e.g., appointment of additional Independent Directors and requiring the appointment of more than half of the Directors from individuals who are not employees or managers).

(1). The Company appoints the same person to serve as the Chairman and CEO of the Company due to overall business operations. We rely on the Chairman's insight for business operations to manage business decisions and improve operational efficiency.

(2). More than half of the members of the Company's current Board of Directors do not serve concurrently as employees or managerial officers. The Company also appoints a major CPA firm to perform audits and established the Audit Committee, Remuneration Committee, and Corporate Social Responsibility Committee to strengthen corporate governance and continues to implement rigorous internal control mechanisms to reduce operational risks.

Note 6: Chairman: USI, CGPC, TTC, Acme Electronics Corporation, Union Polymer Int'l Investment Corp, USI Optronics Corporation, Swanson Plastics Corporation, Swanson Technologies Corporation, Chong Loong Trading Co., Ltd., USI Investment, CGPCPOL, APC Investment, Taiwan United Venture Capital Corporation, USI Management Consulting, Taiwan United Venture Management Corporation, Acme (Cayman), USI Education Foundation, and Fujian Gulei Petrochemical

Director: Taiwan VCM Corporation, USI (Hong Kong), Swanlake, USI International, Acme Components (Malaysia), Forever Young, Curtana, Swanson (Singapore), Swanson (Malaysia), Swanson International, Swanson (India), Swanson Plastics Corporation (Kunshan), Golden Amber Enterprises, Acme Electronics Corporation (Kunshan), Acme Electronics Corporation (Guangzhou), Taita (BVI), APC

(BVI), CGPC (BVI), CGPC America, A.S. Holdings (UK), ASK-Swanson, Acme Ferrite, Swanson Plastics Corporation (Tianjin), Cypress Epoch, Ever Conquest Global, Ever Victory Global, Dynamic Ever Investments, CIS (Shanghai), PT. Swanson Plastics Indonesia, Xuanju, Zhangzhou Taiju, Yutao Investment, Dasheng Ventures, Dasheng Yiyi Ventures, and CTCI Group

General Manager: Union Polymer International Investment Corporation, USI Management Consulting, Dynamic Ever Investments, Ever Victory Global

Chief Executive Officer: USI, APC, CGPC, TTC, Acme Electronics Corporation and USI Optronics Corporation

Executive Director: Chinese National Federation of Industries

Note 7: Chairman: TTC (Zhongshan), TTC (Tianjin), USI Trading (Shanghai) Co., Ltd.

Director: Dynamic Ever Investments Ltd., Ever Victory Global Limited, Ever Conquest Global Limited, Taita (BVI) Holding Co., Ltd., APC (BVI) Holding Co., Ltd., USI International Corporation, Cypress Epoch, TTC, CGTDC, Asia Polymer Investment Corporation, Chong Loong Trading Co. Ltd., Swanson Plastics Corporation, Swanson Technologies Corporation, INOMA Corporation, USI Education Foundation, Taiwan United Venture Capital Corporation, USI Management Consulting, CIS (Shanghai), Acme Electronics Corporation (Kunshan), Zhangzhou Taiju, Fujian Gulei Petrochemical

Supervisor: USI Optronics Corporation

General Manager: PLC, , Asia Polymer Corporation, and USI Trading (Shanghai) Co., Ltd.

Note 8: Directors: Ever Victory Global Ltd., Dynamic Ever Investmens Ltd., GGPC, Continental General Plastics (Zhongshan) Co., Ltd, Taiwan VCM Corporation, Swanson Plastics Corporation, INOMA Corporation, Xuanju, Zhangzhou Taiju, USI Education Foundation

Supervisor: GGT DC, Fujian Gulei Petrochemical

Vice President: USI

Note 9: Director: Changhui Construction, Maoxi Construction, Jo Wei Distribution and Trading Company Limited

General Manager: Chang Jie Food Co., Ltd., Jo Wei Distribution and Trading Company Limited

Note 10: Chairman:, Zhenjiang UPC, Zhongshan UPC, Zhuhai UPC, Taizhou UPC, Taizhou Warehousing, Taizhou Plastic, Tai Lien International, Jiangsu Logistics, Guangdong Logistics, Panjin UPC, Panjin Warehousing, Panjin Materials, Panjin Plastic, Nanchong UPC, Sichuan Logistics, and Wei Cheng Investment

Executive Director: Zhenjiang Lianju

Director: TTC, China General Terminal & Distribution Co., UPC Group, UPC Venture Capital, Harbinger VII Venture Capital Corp., Lianhua United Liquid Fossil Oil and Gas, UPC CHEMICALS (MALAYSIA) SDN.BHD, UPCM TRADING (THAILAND) COMPANY LIMITED, UPCM TRADING (VIETNAM) COMPANY LIMITED, APC (BVI) Holding Co., Ltd., Taita (BVI) Holding Co., Ltd.

General Manager: UPC Group, Zhenjiang UPC, Zhongshan UPC, Zhuhai UPC, Taizhou UPC, Taizhou Warehousing, Taizhou Plastic, Tai Lien International, Jiangsu Logistics, Guangdong Logistics, Panjin UPC, Panjin Warehousing, Panjin Materials, Nanchong UPC, Sichuan Logistics

Note 11: Chairman: Ta Ya Electric Wire & Cable, Cuprime Material Co., Ltd., Jia Hsi Investment Holding Co. Ltd., Chia Shang Capital, Honeyed Investment Co., Ltd., HUA YA Venture Capital Co., Ltd., TA YA Innovation Investment Co., Ltd., Ta Ya Green Energy Technology Co., Ltd., Touch Solar Power Co., Ltd., BOSI SOLAR ENERGY CO., LTD., Cugreen Metal Tech Co., Ltd., United Electric Industry Co., Ltd., Po Shuo Power, Union Storage Energy System Ltd., and Sin Jhong Solar Power Co., Ltd., Bo Telecom Power, Zhiguang Energy, Daya Venture Capital, Daya Energy Storage Technology

Director: Iridium Medical Technology Co., Ltd., Jung Shing Wire Co., Ltd., Bora Pharmaceuticals Co., Ltd., and Bigbest Solutions, Inc.

Independent Director: Mercuries Data Systems Ltd., Partner Tech Corporation

Supervisor: Ta Ho Engineering, Co., Ltd.

Note 12: Chairman: Hongding Capital, TriKnight Capital Corporation,

Vice Chairman: Hua Xingguang Tong Technology

Director: FuSheng Precision Co., Ltd., Advanced Energy Solution Holding Co., Ltd., and Minson Integration, Inc., Qundeng Technology

Independent Director: EDOM Technology, EMC

Table 1: Major Shareholders of Institutional Shareholders

March 29, 2022

Name of corporate shareholder (Note 1)	Major Shareholders of Institutional Shareholders (Note 2)	
Union Polymer Int'l Investment Corp.	USI CORPORATION	100%
Taiwan Union International Investment Corporation	UPC Technology Corporation	100%

Note 1:For legal person directors and supervisors, the names of the institutional shareholders shall be disclosed.

Note2: Fill in the name of the major shareholders of these institutional shareholders (include top 10 major shareholders by shareholding percentage) and their shareholding percentages. If the major shareholder is a juristic person, his/her name should be filled in Table 2 below.

Note3: Where an institutional shareholder is not organized as a company, the name of the shareholders and shareholding ratio that must be disclosed in accordance with the above shall be the name of the funder or donor (Please refer to the Judicial Yuan notice for inquiries) and the funding or donation ratio. Donor who has died and notes "death”

Table 2: Major Shareholders of Institutional Shareholders with Corporations as Their Major Shareholders

March 29, 2022

Name of Juristic Person (Note 1)	Major Shareholders of Juristic Persons (Shareholding Percentage) (Note 2)	
USI CORPORATION	Shing Lee Enterprise (Hong Kong) Limited	14.62%
	Wholegainer Company Limited' investment account is under custody of Fubon Securities Co., Ltd.	9.25%
	Asia Polymer Corporation	8.53%
	Fubon Life Insurance Co., Ltd.	4.00%
	Yueh Hsing Hua Investment Co., Ltd.	1.73%
	Shan-Shan Lin Su	1.67%
	Total Success Investment Limited	1.50%
	Wen-Hsuan Yu	1.41%
	Wen-Tsung Yu	1.41%
	Wen-Yu Yu	1.41%
UPC Technology Corporation	Lien Hwa Industrial Holdings Corp.	31.46%
	Synnex Technology International Corporation	5.11%
	Yi Yuan Investment Co., Ltd.	1.59%
	Liberty Stationery Corporation	1.53%
	Mei An Investment Co., Ltd.	1.35%
	Tsu Feng Investment Co., Ltd.	1.29%
	MiTac International Corp.	1.20%
	Pornchai Engineering & Trading Company Limited	1.11%
	Tung Ta Investment Co., Ltd.	1.07%
	Yifeng Investment Co., Ltd.	0.97%

Note1: If the major shareholder of juristic person shareholders as shown in Table 1 is a juristic person, the name of the juristic person shall be filled.

Note2: Fill in the name of the major shareholders of these institutional shareholders (include top 10 major shareholders by shareholding percentage) and their shareholding percentages.

Note3: Where an institutional shareholder is not organized as a company, the name of the shareholders and shareholding ratio that must be disclosed in accordance with the above shall be the name of the funder or donor (Please refer to the Judicial Yuan notice for inquiries) and the funding or donation ratio. Donor who has died and notes "death”

(2) Disclosure of professional qualifications of directors and independent information of independent directors

March 31, 2022

Terms / Name	Professional Qualification and Work Experience(Note 1)	INDEPENDENCE CRITERIA (NOTE 2)	NUMBER OF OTHER PUBLIC COMPANIES WHERE THE INDIVIDUAL CONCURRENTLY SERVES AS AN INDEPENDENT DIRECTOR
Quintin Wu	(1) Currently serves as the chairman and chief executive officer of USI and its affiliated companies, and has professional fields of company operation management and work experience in supervising financial manager, accounting manager and other positions. (2) Not under any of the categories stated in Article 30 of the Company Act.	N/A	N/A
Li, Kuo-Hung	(1) The former general manager of the company, with professional fields of chemical industry required by the company. (2) Not under any of the categories stated in Article 30 of the Company Act.		
Wu, Pei-Chi	(1) Currently he is the general manager of our company and Delta Chemical Industry co., LTD., with experience in direct supervision of financial supervisor and accounting supervisor. (2) Not under any of the categories stated in Article 30 of the Company Act.		
Liu, Han-Tai	(1) He received his ph. D. degree in chemical engineering from American University, and is now the vice general manager of USI Corporation, with experience in direct supervision of R&D work. (2) Not under any of the categories stated in Article 30 of the Company Act.		
Wu, Hung-Chu	(1) General manager of Changju Food Co., Ltd. and Jo Wei Distribution and Trading Company Limited, with experience in direct supervision of financial supervisor and accounting supervisor. (2) Not under any of the categories stated in Article 30 of the Company Act.		
Ko, I-Shao	(1) Currently, he is the general manager of UPC Technology Corporation, and has professional fields of chemical industry. (2) Not under any of the categories stated in Article 30 of the Company Act.		

Chen, Ta-Hsiung	(1) Has served as the Chairman of several companies such as PTSC, and has profound business work experience. (2) Not under any of the categories stated in Article 30 of the Company Act.	Two years before the appointment and during the term of office, there is no matter described in Item 1, Article 3 of "Measures for setting up and Matters to be Followed by Independent Directors of public offering Companies".	0
Shen, Shang-Hung	(1) At present, he serves as the chairman of many companies such as Ta Ya Electric Wire & Cable (Stock) Company, with professional fields of company operation management. (2) Not under any of the categories stated in Article 30 of the Company Act.		2
Cheng, Tun-Chien	(1) Currently serves as the chairman and chief executive officer of Hongding Capital, with professional fields of investment and accounting. (2) Not under any of the categories stated in Article 30 of the Company Act.		2

(3) The diversity and independence of board of directors:

I.Board meetings:

According to Article 20 of the Company's "Corporate Governance Best Practice Principles", diversity shall be considered in the composition of the Company's Board of Directors, and members of the Board of Directors shall possess the knowledge, skills and qualities required to perform their duties. To achieve the ideal goal of corporate governance, the Board of Directors shall possess the following abilities:

1.1 Ability to make operational judgments.
1.2 Ability to perform accounting and financial analysis.
1.3 Ability to conduct management administration.
1.4 Ability to conduct crisis management.
1.5 Industrial Knowledge
1.6 An international market perspective.
1.7 Ability to lead.
1.8 Ability to make policy decisions.

In addition to the eight competencies above, the Company has added two professional abilities, namely legal capability and environmental protection for the diversification of the Board members by taking into consideration the growing importance of global issues concerning corporate governance and environmental protection at present. At present, existing members of the Board of Directors possess the knowledge, skills and qualities required to perform their duties, and specialize in professional areas including accounting and finance, international markets, law and environmental protection.

As for Board diversity, it is planned to engage one more Director with legal professional experience, particularly those with legal licenses and practice experience in technology law, so as to strengthen the protection of the Company’s patent rights in the future; it is also planned to engage another Director with risk management expertise to enhance the Company’s sustainable competitiveness. The Company sets goals for increasing the diversity of board members in terms of legal, risk management, and other professional skills so that the functions of the Board of Director can be more complete.

2. Independence of board of directors

The term of office of the company's independent directors is 6 years, and the consecutive term of office of all independent directors shall not exceed 3 terms. The member of the board are all of their own nationality, and the composition of the board is 33% of 3 independent directors. Two directors with employee status 22%. The age distribution range of directors includes 1 director aged 41 to 50, 2 directors aged 51 to 60, 1 director aged 61 to 70 and 5 directors aged 71 to 80. The directors of the company are not related to each other by spousal relationship or second cousin.

Note 1:Professionalqualifications and experience: State the professional qualifications and experience of the individual directors and supervisors or, if they are members of the Audit Committee and have expertise in accounting or finance, their accounting or financial background and work experience, and whether or not they are not subject to section 30 of the Companies Act.

Note 2: The independent director shall state the circumstances conforming to the independence, including but not limited to whether he/she, his/her spouse or his/her second relative are directors, supervisors or employees of the company or its related enterprises; The number and proportion of shares held by himself, his spouse or his second-degree relatives (or in the name of others); Whether to serve as a director, supervisor or employee of a company that has a special relationship with the Company (refer to the provisions of Article 3, Item 1, 5 to 8 of the Measures for setting up independent directors of public offering companies and matters to be followed); The amount of remuneration obtained in the last 2 years for providing business, legal, financial, accounting and other services to the company or its affiliated enterprises.

Note 3: For disclosure, please refer to the best practice examples on the Taiwan Securities Exchange.

(II) Information Regarding General Manager, Deputy General Managers, Senior Managers, and Heads of Departments

March 29, 2022

Job title (Note 1)	Nationality	Name	Gender	Date Elected (Appointed) Date	Shareholding		Shares Held by Spouse and Minors		Shares Held in the Name of Other Persons		Experience(Education) (Note 2)	Other Position Concurrently Held at the Company and Other Companies	Managerial Officer who Are Spouses or within the Second Degree of Kinship			Remark
					Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding			Title	Name	Relationship	
Chief Executive Officer	Republic of China	Quintin Wu	Male	September 1, 2009	0	0%	-	-	0	0%	Chairman of USI	(Note 4)	None	None	None	(Note 3)
General Manager	Republic of China	Wu, Pei-Chi	Male	March 26, 2019	0	0%	0	0%	0	0%	General Manager of Thermoset Materials Division in Asia Pacific, and Director of Basic Plastic Sales in Greater China, Dow Chemical; Sales Engineer, Taiwan Branch, ESSO	(Note 5)	None	None	None	
Deputy General Manager of Business (Note 7)	Republic of China	Wu, Ming-Tsung	Male	July 01, 2021	0	0%	0	0%	0	0%	Master in Chemical Engineering, National Taiwan University	USI Corporation Deputy General Manager of Business	None	None	None	
Director of Linyuan Plant	Republic of China	Chen, Chun-Hung	Male	November 11, 2019	0	0%	0	0%	0	0%	Master's Degre, Chemical Engineering, National Cheng Kung University	None	None	None	None	
Corporate Governance Officer	Republic of China	Chen, Yung-Chih	Male	May 09, 2019	0	0%	0	0%	0	0%	PhD in Law, Ludwig Maximilian University of Munich,an attorney of Winkler Partners, an arbitrator of Chinese Arbitration Association, Taipei	(Note 6)	None	None	None	
Accounting Manager	Republic of China	Cheng-Shun Chen	Male	September 1, 2015	0	0%	0	0%	0	0%	Graduated from Dept. of Accounting, Fu Jen Catholic University	China General Terminal & Distribution Co. Accounting Manager	None	None	None	
Finance Manager	Republic of China	Shih, Ju-Hsuan	Female	September 1, 2014	0	0%	-	-	0	0%	Graduated from Dept. of Accounting, Soochow University	None	None	None	None	
Sales Manager	Republic of China	Huang, Ko-Ming	Male	August 10, 2018	0	0%	0	0%	0	0%	Department of Fiber Engineering Technology, National Taiwan Institute of Technology; Senior Manager Special Assistant, Sales Division, USI/APC	Senior Manager, Sales Division, USI/APC Special Assistant	None	None	None	

Note 1: Information regarding General Manager, Deputy General Manager, senior managers, managerial officers of departments and branches shall be included, whereas information regarding positions equivalent to General Manager, Deputy General Manager or senior managers shall be disclosed regardless of job title.

Note 2: Work experiences of anyone in the table above that are related to their current roles, such as previous employment at CPA firms or employment in affiliated companies, shall be disclosed along with job titles and responsibilities.

Note 3: when the general manager or person holding the equivalent post (top manager) and the chairman of the board are the same person, spouse or relative of first degree, the reasons, rationality, necessity and corresponding measures (such as increasing the number of independent directors, and the way that more than half of the directors are not employees or managers) shall be disclosed.

(1). The Company appoints the same person to serve as the Chairman and CEO of the Company due to overall business operations. We rely on the Chairman's insight for business operations to manage business decisions and improve operational efficiency.

(2). More than half of the members of the Company's current Board of Directors do not serve concurrently as employees or managerial officers. The Company also appoints a major CPA firm to perform audits and established the Audit Committee, Remuneration Committee, and Corporate Social Responsibility Committee to strengthen corporate governance and continues to implement rigorous internal control mechanisms to reduce operational risks. More than half of the members of the Company's current Board of Directors do not serve concurrently as employees or managerial officers. The Company also appoints a major CPA firm to perform audits and established the Audit Committee, Remuneration Committee, and Corporate Social Responsibility Committee to strengthen corporate governance and continues to implement rigorous internal control mechanisms to reduce operational risks.

Note 4:: Chairman: USI Corporation, China General Plastics Corporation, Taita Chemical Company Limited, Acme Electronics Corporation, United Polymers Corporation, USI Optronics Corporation, Swanson Plastics Corporation, Swanson Technologies Corporation, Chong Loong Trading Co., Ltd., USI Investment Co., Ltd., CGPC Polymer Corporation, Asia Polymer Investment Corporation, Taiwan United Venture Capital Corporation, USI Management Consulting Corporation, Taiwan United Venture Management Corporation, Acme Electronics (Cayman) Corporation, USI Education Foundation and Fujian Gulei Petrochemical.

Director: Taiwan VCM Corporation, USI (Hong Kong), Swanlake, USI International, Acme Components (Malaysia), Forever Young, Curtana, Swanson (Singapore), Swanson (Malaysia), Swanson International, Swanson (India), Swanson Plastics Corporation (Kunshan), Golden Amber Enterprises, Acme Electronics Corporation (Kunshan), Acme Electronics Corporation (Guangzhou), Taita (BVI), APC (BVI), CGPC (BVI), CGPC America, A.S. Holdings (UK), ASK-Swanson, Acme Ferrite, Swanson Plastics Corporation (Tianjin), Cypress Epoch, Ever Conquest Global, Ever Victory Global, Dynamic Ever Investments, CIS (Shanghai), PT. Swanson Plastics Indonesia, Xuanju, Zhangzhou Taiju, Yutao Investment, Dasheng Ventures, Dasheng Yiyi Ventures, and CTCI Group

General Manager: Union Polymer International Investment Corporation, USI Management Consulting, Dynamic Ever Investments, Ever Victory Global

Chief Executive Officer: USI, CGPC, TTC, ACME, and USIO

Executive Director: Chinese National Federation of Industries

Note 5: Chairman: TTC (Zhongshan), TTC (Tianjin), USI Trading (Shanghai) Co., Ltd., PLC

Director: Dynamic Ever Investments Ltd., Ever Victory Global Limited, Ever Conquest Global Limited, Taita (BVI) Holding Co., Ltd., APC (BVI) Holding Co., Ltd., USI International Corporation, Cypress Epoch, TTC, CGTDC, Asia Polymer Investment Corporation, Chong Loong Trading Co. Ltd., Swanson Plastics Corporation, Swanson Technologies Corporation, INOMA Corporation, USI Education Foundation, Taiwan United Venture Capital Corporation, USI Management Consulting, CIS (Shanghai), Acme Electronics Corporation (Kunshan), Zhangzhou Taiju, Fujian Gulei Petrochemical

Supervisor: USI Optronics Corporation

General Manager: TTC, USI Trading (Shanghai) Co., Ltd.

Note 6: Independent Director: Man Zai Industrial Co., Ltd.

Director: Continental General Plastics (Zhongshan) Co., Ltd. Acme Electronics Corporation (Kunshan), Acme Electronics Corporation (Guangzhou) and RD&D Cold Logistics Co., Ltd.

Supervisor: Zhongshan Huaju Plastic & Chemical Products Co.,Ltd., CIS (Shanghai),USI Investment,APCInvestment,Chong Loong Trading Co., Ltd., Xuanju Corporation, Shunan Coating Technology (Kunshan) Co., LTD, Swanson Plastics (Tianjin) Corporation, , Swanson Plastics (Kunshan) Corporation, Swanson Plastics Corporation, Zhangzhou Taiju Trading Co., Ltd. Taiwan United Venture Capital Corp.,Taiwan United Management Consulting, INOMA Corporation,, Huanjing Green Technology (Stock) Company, Union Polymer International Investment Corp., Cerebra Technologies Co., Ltd., FiduciaEdge Technologies Co., Ltd.

Head of Corporate Governance: USI Corporation, CGPC Corporation, Taita Chemical Co., Ltd., Acme Electronics Corporation

Note 7: Mr. Zong-Ming Wu was promoted to vice general manager from associate manager of business Departmenton July 1, 2021

(III) Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto.

Based on the overall operation, the Company's Chairman serving as the CEO concurrently is to tap into his excellent business vision. With his participation in the Company's operations in person, the Company can implement the business decisions consistently and improve the operating efficiency.

More than half of the current members of the Company's Board of Directors do not serve as employees or managerial officers concurrently, which is audited and certified by Deloitte & Touche. The Company has also established an Audit Committee, a Remuneration Committee, a Sustainable Development Committee, and a Corporate Governance Team to strengthen corporate governance, and to reduce operational risks continuously through a rigorous internal control mechanism.

III. Remuneration Paid to the Directors, President, and Vice Presidents

Remuneration paid to Directors, Independent Directors, Supervisors, General Manager, and Deputy General Managers

(I) If the Company has any of the following circumstances, it shall disclose its individual Directors' or Supervisors' name and remuneration; it can choose to disclose a range table with name disclosed, or disclose the name and remuneration individually for the rest (where individual disclosure is adopted, please fill in the job title, name, and amount; there is no need to fill in the table of remuneration ranges): None.

(1) Where it was a loss after tax in the parent company only or individual financial statements in the last three years, the name and remuneration of individual "Directors and Supervisors" shall be disclosed; provided that it is net income after tax in the parent company only or individual financial statements in the most recent year, and the said net income is sufficient to make up for the accumulated losses [Note 1].

(2) A Company with Directors whose shareholding percentages have been insufficient for three or more consecutive months during the most recent fiscal year shall disclose the remuneration of individual Directors. A Company

with Supervisors whose shareholding percentages have been insufficient for three or more consecutive months during the most recent fiscal year shall disclose the remuneration of individual Supervisors [Note 2].

(3) A Company with an average ratio of shares pledged by Directors or Supervisors that exceeds 50 % in any three months during the most recent fiscal year shall disclose the remuneration paid to each individual Director or Supervisor who owns a ratio of shares pledged that exceeds 50% for each of these three months [Note 3].

(4) If the total amount of remuneration received by all the Directors and Supervisors of a company from all the companies listed in its financial statements exceeds 2% of its net income after tax, and the amount of remuneration received by any individual Director or Supervisor exceeds NT$15 million, the Company shall disclose the amount of remuneration paid to individual Directors or Supervisors. (Description: The remuneration of Directors and Supervisors is calculated based on "Remuneration of Directors" plus "Remuneration of Supervisors" as in the Appendix without including the relevant remuneration received as concurrent employees.)

(5) Any result of evaluation made on corporate governance in the most recent year is in the last level, or any trading method changes, any trading or marketing stops, or any evaluation is rejected by the Corporate Governance Evaluation Committee in the most recent year as of the publication date of this Annual Report as a listed company. [Note 4]

(6) The average annual salary of a full-time employee of a listed company who does not hold a managerial position in the most recent year has not reached NT$500,000. [Note 5]

(II) If any of the foregoing events (1) or (5) occurs to a listed company, the remuneration information of the five highest paid individuals (such as general manager, deputy general manager, chief executive officer, or financial manager) shall be disclosed separately.

(I) Remuneration of Directors, Supervisors, General Manager and Deputy General Manager

1. Remuneration paid to Directors and Independent Directors (a remuneration range table with name disclosed)

Unit: NT$ 1,000

Title	Name (Note 1)	Remuneration Paid to Directors								Sum of items A, B, C and D to NIAT Ratio (Note 10)		Relevant Remuneration Received by Directors who Are Also Employees								Percentage of the total of 7 items A, B, C, D, E, F and G to net income after taxes (Note 10)		Remuneration received from investee companies other than subsidiaries or the parent company (Note 11)
		Base Compensation (A) (Note 2)		Severance Pay and Pension (B)		Director Compensation (C) (Note 3)		Allowances (D) (Note 4)				Salary, Bonus Allowances (E). (Note 5)		Severance Pay and Pension (F)		Employee Rewards (G) (Note 6)						
		The Company	All the Companies in the Financial Report (Note 7)	The Company	All Companies in the Financial Report (Note 7)	The Company	All the Companies in the Financial Report (Note 7)	The Company	All the Companies Listed in the Consolidated Financial Statements (Note 7)	The Company	All the Companies in the Financial Report	The Company	All the Companies Listed in the Consolidated Financial Statements (Note 7)	The Company	All Companies in the Financial Report (Note 7)	The Company		All Companies in the Financial Report (Note 7)		The Company	All the Companies in the Financial Report	
																Cash Amount	Share Amount	Cash Amount	Share Amount			
Chairman	Quintin Wu	1,560	1,560	0	0	0	0	390	390	0.063%	0.063%	12,850	12,850	0	0	340	0	340	0	0.488%	0.488%	37,868
Directors	Wu, Pei-Chi																					
Directors	Li, Kuo-Hung																					
Directors	Wu, Hung-Chu																					
Directors	Liu, Han-Tai\																					
Directors	Ko, I-Shao																					
Independent Director	Shen ,Shang-Hung	3,600	3,600	0	0	0	0	518	518	0.133%	0.133%	0	0	0	0	0	0	0	0	0.133%	0.133%	0
Independent Director	Chen ,Ta-Hsiung																					
Independent Director	Cheng ,Tun-Chien																					

1. Please state the policies, systems, standards, and structure of independent directors' remuneration payment, and describe the relevance to the amount of remuneration according to their responsibilities, risks, and time of investment:
   The remuneration of Independent Directors is determined in accordance with the Company's Articles of Incorporation and the remuneration policies and regulations. It is also determined by their level of participation in the Company's operations, value of their contribution, and median pay in the industry. The methods of distribution are filed to the Remuneration Committee for approval and the Board of Directors for resolution before implementation. Except for the fixed remuneration, no other consideration is paid each year.
2. Unless disclosed above, the Directors of the current year received remuneration for providing services (such as serving as a non-employee consultant) to the companies listed in the consolidated financial statements: None.

*Please list the relevant information of the Directors (non-independent general directors) and Independent Directors, respectively.

Range of Remuneration

Range of Remuneration Paid to the Directors of the Company	Name of Director			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company (Note 8)	All the Companies Included in the Financial Statements (Note 9) H	The Company (Note 8)	The Company and All the Investees Included in the Financial Statements (Note 9) I
Less than NT$1,000,000	Quintin Wu, Li, Kuo-Hung, Wu, Pei-Chi, Liu, Han-Tai, Wu, Hung-Chu, Ko, I-Shao,	Quintin Wu, Li, Kuo-Hung, Wu, Pei-Chi, Liu, Han-Tai, Wu, Hung-Chu, Ko, I-Shao,	Liu, Han-Tai, Wu, Hung-Chu Ko, I-Shao, Li, Kuo-Hung,	Ko, I-Shao, Li, Kuo-Hung, Wu, Hung-Chu
NT$1,000,000 (inclusive) - NT$2,000,000 (exclusive)	Chen, Ta-Hsiung, Cheng, Tun-Chien, and Shen, Shang-Hung	Chen, Ta-Hsiung, Cheng, Tun-Chien, and Shen, Shang-Hung	Chen, Ta-Hsiung, Cheng, Tun-Chien, and Shen, Shang-Hung	Chen, Ta-Hsiung, Cheng, Tun-Chien, and Shen, Shang-Hung
NT$2,000,000 (inclusive) - NT$3,500,000 (exclusive)				
NT$3,500,000 (inclusive) - NT$5,000,000 (exclusive)				
NT$5,000,000 (inclusive) - NT$10,000,000 (exclusive)			Quintin Wu, Wu, Pei-Chi	Wu, Pei-Chi
NT$10,000,000 (inclusive) - NT$15,000,000 (exclusive)				Liu, Han-Tai
NT$15,000,000 (inclusive) - NT$30,000,000 (exclusive)				Quintin Wu
NT$30,000,000 (inclusive) - NT$50,000,000 (exclusive)				
NT$50,000,000 (inclusive)～NT$100,000,000 (exclusive)				
Over NT$100,000,000				
Grand Total	NT$6,068 thousand	NT$6,068 thousand	NT$19,258 thousand	NT$57,126 thousand

Note 1: The name of Directors shall be listed, respectively (for institutional shareholders, the name of institutional shareholders and their representatives shall be listed, respectively), and the name of Directors and Independent Directors shall be listed respectively; the payment amount shall be disclosed in aggregation This table and table (3-1), or tables (3-2-1) and (3-2-2) below shall be filled out if a Director concurrently serves as the General Manager or Deputy General Manager.

Note 2: Remuneration received by Directors in the most recent year (including salaries, job-related allowances, severance, bonuses, and rewards).

Note 3: Fill the amount of rewards approved by the Board of Directors and distributed to the Directors in the most recent fiscal year.

Note 4: Business expenses paid to the Directors in the most recent fiscal year (including services and goods provided such as honoraria, special allowances, various allowances, accommodation, and vehicle). If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rent fees and fuel cost calculated based on the actual amount or fair market value, and other payments shall be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company in a separate note (not included in the remuneration).

Note 5: Salary, job-related allowances, separation pay, various bonuses, incentives, transportation allowance, special allowance, various allowances, accommodation allowance and vehicle received by Directors who concurrently serve as employees (including general manager, deputy general managers, other managerial officers and employees) in the most recent fiscal year. If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rent fees and fuel cost calculated based on the actual amount or fair market value, and other payments shall be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company in a separate note (not included in the remuneration). Furthermore, any compensation recognized in the IFRS 2 section of "Share-Based Payment," including issuance of employee stock options, new restricted employee shares and capital increase by stock subscription, shall be included in the calculation of remuneration. The Company provides a driver; the annual remuneration was NT$596,000, plus NT$19,000 for relevant fuel costs.

Note 6: For Directors concurrently serving as employees (including general manager, deputy general manager, other managerial officers and employees) who receive employee rewards (including shares and cash), the amount of employee rewards that have been approved by the Board of Directors and are distributed to them in the most recent fiscal year shall be disclosed. If the amount of rewards cannot be estimated, the amount of rewards in the current fiscal year shall be calculated based on the ratio of the amount of rewards distributed in the previous fiscal year, and this amount shall also be filled in Table 1-3.

Note 7: The total amount of all the remuneration paid to the Company's Directors by all the companies (including the Company) listed in its consolidated financial statements shall be disclosed.

Note 8: The name of each Director shall be disclosed in the range of remuneration corresponding to the amount of all the remuneration paid to the Director by the Company.

Note 9: The total amount of all the remuneration paid to each Director of the Company by all the companies (including the Company) listed in its consolidated financial statements shall be disclosed. The name of each Director shall be disclosed in the range of remuneration corresponding to the amount of all the remuneration paid to each Director by the Company.

Note 10: Net profit after tax refers to the net profit after tax in the most recent parent company only or individual financial report.

Note 11:
a. To specify whether the Company's directors have received remuneration from investees beyond subsidiaries (If there is none, please fill in "none").
b. If a Director of the Company receives remuneration from investees other than subsidiaries or the parent company, the amount of remuneration received by the Director from investees other than subsidiaries shall be combined into Column I of the table for range of remuneration, and this column shall be renamed "Parent Company and All Investees.”
c. Remuneration refers to the compensation, rewards (including rewards distributed to employees, Directors, and supervisors) and remuneration related to business expenses that are received by the Company's Directors who serve as Directors, supervisors or managerial officers at investees other than subsidiaries or the parent company.

* A different concept is used for the content of remuneration disclosed in this table compared to that in the Income Tax Act. This table is used for information disclosure, but not for taxation.

2. Remuneration Paid to Supervisors: Not applicable as the Company has an Audit Committee that replaces the functions of Supervisors.

3. Remuneration paid to General Manager and Deputy General Managers (range of remuneration with name disclosed)

Unit: NT$ 1,000

Title	Name (Note 1)	Salary (A) (Note 2)		Severance Pay and Pension (B)		Bonuses and special expenses (C) (Note 3)		Employee Compensation (D) (Note 4)				Proportion of the sum of A, B, C, and D (%) to NIAT (Note 8)		Remuneration from Invested Companies Other than Subsidiaries or the Parent Company (Note 9)
		The Company	Financial Statement All companies (Note 5)	The Company	Financial Statement All companies (Note 5)	The Company	Financial Statement All companies (Note 5)	The Company		All Companies in the Financial Report (Note 5)		The Company	In the financial statement All companies	
								Cash Amount	Share Amount	Cash Amount	Share Amount			
Chief Executive Officer	Quintin Wu													
General Manager	Wu, Pei-Chi	6,474	6,474	0	0	8,028	8,028	510	0	510	0	0.484%	0.484%	26,787
Deputy General Manager	Wu,Ming-Tsung (Note 10)													

*Regardless of job titles, positions that are equivalent to general manager, deputy general manager (such as president, chief executive director and director) shall be disclosed.

Range of Remuneration

Range of Remuneration Paid to the President and Vice Presidents	Name of General Manager and Deputy General Manager	
	The company (Note 6)	The parent company and all investees (Note 7) E
Less than NT$1,000,000		
NT$1,000,000 (inclusive)~NT$2,000,000 (exclusive)	Wu,Ming-Tsung (Note 10)	Wu,Ming-Tsung(Note 10)
NT$2,000,000 (inclusive)~NT$3,500,000 (exclusive)		
NT$3,500,000 (inclusive) - NT$5,000,000 (exclusive) Quintin		
NT$5,000,000 (inclusive)～NT$10,000,000 (exclusive)	Quintin Wu, Wu,Pei-Chi	Wu,Pei-Chi
NT$10,000,000 (inclusive) - NT$15,000,000 (not inclusive)		
NT$15,000,000 (inclusive) - NT$30,000,000 (not inclusive)		Quintin Wu
NT$30,000,000 (inclusive) - NT$50,000,000 (not inclusive)		
NT$50,000,000 (inclusive) - NT$100,000,000 (not inclusive)		
Over NT$100,000,000		
Grand Total	NT$15,012 thousand	NT$41,799 thousand

Note 1: The names of the General Manager and Deputy General Manager shall be listed separately, and the amount of remuneration paid to them shall be disclosed collectively. If a Director concurrently serves as a General Manager or Deputy General Manager, his/her name and the amount of remuneration paid to him/her shall be listed in Table (1-1) or (1-2-1) and (1-2-2) above.

Note 2: Fill the salary, job-related allowances and severance pay received by the General Manager and Deputy General Managers in the most recent fiscal year.

Note 3: Fill the amount of various bonuses, incentives, transportation allowances, special allowance, various allowances, accommodation, and vehicle received by the General Manager and Deputy General Managers in the most recent fiscal year. If housing, vehicle and other modes of transportation or personal expenses are provided, the nature and cost of the assets provided, the rent fees and fuel cost calculated based on the actual amount or fair market value, and other payments shall be disclosed. If a driver is provided, please indicate the amount of compensation paid to the driver by the Company in a separate note (not included in the remuneration). Furthermore, any compensation recognized in the IFRS 2 section of "Share-Based Payment," including issuance of employee stock options, new restricted employee shares and capital increase by stock subscription, shall be included in the calculation of remuneration. The Company provides a driver; the annual remuneration was NT$596,000, plus NT$19,000 for relevant fuel costs.

Note 4: Fill the amount of employee rewards (including shares and cash) that have been approved by the Board of Directors and are distributed to the General Manager and Deputy General Manager in the most recent fiscal year. If the amount of rewards cannot be estimated, the amount of rewards in the current fiscal year shall be calculated based on the ratio of the amount of rewards distributed in the previous fiscal year, and this amount shall also be filled in Table 1-3.

Note 5: The total amount of the remuneration of all the companies (including the Company) in the consolidated report to the General Manager and Deputy General Managers of the Company shall be disclosed.

Note 6: The name of each General Manager and Deputy General Manager should be disclosed in the range of remuneration corresponding to the amount paid to the General Manager and Deputy General Manager by the Company.

Note 7: The total amount of all the remuneration paid to each general manager and deputy general manager of the company by all the companies (including the company) listed in its consolidated financial statements should be disclosed. The name of each general manager and deputy general manager should be disclosed in the range of remuneration corresponding to the total amount mentioned in the preceding sentence.

Note 8: Net income after tax refers to net income after tax listed in the parent company only or individual financial statements in the most recent year.

Note 9: a. This field should clearly indicate the amount of remuneration received by the Company's general manager or vice general manager from a reinvestment business other than a subsidiary or the parent company (if not, please fill in “none”).

b. If the General Manager or Deputy General Managers of the Company receive remuneration from investees other than subsidiaries or the parent company, the remuneration received by the General Manager or Deputy General Managers of the Company from investees other than subsidiaries or the parent company shall be included in Column E in the Range of Remuneration Table, and the column shall be renamed "Parent Company and All Investees."

c. The remuneration means pay, compensation (including compensation of employees, directors and supervisors) and business expenses received by the General Managers and Deputy General Managers serving as a director, supervisor or manager of an investee company or parent company of the Company other than subsidiaries

Note10: Mr. Ming-Chung Wu was promoted from Sales Associate to Vice President of Sales on July 1, 2021

* A different concept is used for the content of remuneration disclosed in this table compared to that in the Income Tax Act. This table is used for information disclosure, but not for taxation.

4. The remuneration of the top five executives with the highest remuneration at a listed company (name and remuneration shall be disclosed individually): Not applicable.

5. Name of managerial officers who distribute employee bonuses and the situation of distribution

Collective disclosure

Unit: NT$ 1,000

<table>
<tr><th></th><th>Title
(Note 1)</th><th>Name
(Note 1)</th><th>Stock</th><th>Amount of Cash</th><th>Total</th><th>Percentage of total remuneration on NIAT (%)</th></tr>
<tr><td rowspan="8">Managers</td><td>Chief Executive Officer</td><td>Quintin Wu</td><td rowspan="8">0</td><td rowspan="8">1,359</td><td rowspan="8">1,359</td><td rowspan="8">0.04%</td></tr>
<tr><td>General Manager</td><td>Wu ,Pei-Chi</td></tr>
<tr><td>Deputy General Manager of Business</td><td>Wu ,Ming-Tsung (Note5)</td></tr>
<tr><td>Director of Linyuan Plant</td><td>Chen, Chun-Hung</td></tr>
<tr><td>Corporate Governance Officer</td><td>Chen, Yung-Chih</td></tr>
<tr><td>Accounting Manager</td><td>Chen, Cheng-Shun</td></tr>
<tr><td>Finance Manager</td><td>Shih, Ju-Hsuan</td></tr>
<tr><td>Sales Manager</td><td>Huang, Ko-Ming</td></tr>
</table>

Note 1: Names and positions should be listed individually, and the amount of profit distributed should be disclosed collectively.

Note 2: Refers to compensations paid to the Managers (including stock and cash) approved by the Board of Directors in the most recent year; If such compensations cannot be estimated, an estimation for this year shall be calculated in proportion of the compensations paid last year. Net profit refers to the after-tax net income for the most recent fiscal year; for those that have already adopted the IFRS principles, net profit refers to the after-tax net income in individual or consolidated financial reports for the most recent fiscal year.

Note 3: The scope of application for the term "managerial officer" shall follow the official document with reference number 0920001301 dated March 27, 2003. Its scope of application shall be as follows:

(1) General Manager and its equivalent
(2) Deputy General Manager and its equivalent
(3) Senior Manager and its equivalent
(4) Head of the Finance Department
(5) Head of the Accounting Department
(6) Other Personnel Authorized to Manage the Company's Affairs and Sign for Approval

Note 4: Directors, General Manager, and Deputy General Manager who receive employee compensation (including shares and cash) shall be listed not only in Table 1-2, but also in this table.

Note 5: Mr. Ming-Chung Wu was promoted from Sales Associate to Vice President of Sales on July 1, 2021.

(II) Separate comparison and description of total remuneration, as a percentage of net income stated in the parent company-only or individual financial statements, as paid by the Company and all other companies included in the consolidated financial statements during the past 2 fiscal years to Directors, supervisors, General Manager, and Deputy General Managers, with analysis and description of remuneration policies, standards, and packages, procedure for determining remuneration, and the correlation with business performance and future risks.

1. Analysis of total remuneration paid to general Directors, Independent Directors,General Manager, and Deputy General Managers as a percentage of NIAT:

Category \ Year	2021		2020	
	The Company	In the financial statement All companies	The Company	In the financial statement All companies
General Directors' remuneration as a percentage of NIAT (%) (excluding the remuneration to those who work as employees concurrently)	0.063%	0.063%	0.084%	0.084%
Independent Directors' remuneration as a percentage of NIAT (%) (excluding the remuneration to those who work as employees concurrently)	0.133%	0.133%	0.375%	0.375%
General Directors' remuneration as a percentage of NIAT (%) (including the remuneration to those who work as employees concurrently)	0.488%	0.488%	1.117%	1.117%
Independent Directors' remuneration as a percentage of NIAT (%) (including the remuneration to those who work as employees concurrently)	0.133%	0.133%	0.375%	0.375%
General Manager and Deputy General Manager's remuneration as a percentage of NIAT (%)	0.484%	0.484%	1.033%	1.033%

2. Remuneration Policies, Standards and Packages, Procedures for Determining Remuneration and Correlation of Remuneration with Business Performance and Future Risks:

(1) Remuneration policies, standards and packages

(1-1) The remuneration of Directors shall be in accordance with Article 15-1 of the Articles of Incorporation, which states that "regardless of the Company's operating profit and loss, it shall be handled in accordance with the value of their participation in and contribution to the operation of the Company and taking into consideration the domestic industry level"; The remuneration shall not exceed 1% of the profit in the current year according to Article 18 of the Articles of Incorporation. The above remuneration is agreed upon by taking into consideration the Company's operating performance and the performance evaluation results of the Directors. In addition, the Company shall pay the traffic allowance in accordance with the resolution of the shareholders' meeting, but the manager of the Company who concurrently serves as the director shall not receive the traffic allowance. Among them, the aspects of directors' regular evaluation include the mastery of the Company's objectives and tasks, directors' cognition of their responsibilities, their participation in the Company's operation, internal relationship management and communication, directors' professionalism and continuous learning, and internal control.

(1-2) The manager's remuneration shall be handled in accordance with the relevant personnel regulations of the Company, and shall be determined by considering the operating performance. Among them, business performance includes financial aspects (operating income, operating profits and net profit before tax), customer aspects, product aspects, talent aspects, safety aspects and project aspects.

(1-3) The Company's remuneration packages are determined by the Remuneration Committee Charter. They include cash compensation, stock options, profit sharing and stock ownership, retirement benefits or severance pay, allowances or stipends of any kind, and other substantive incentive measures. The scope is consistent with the remuneration for Directors and managerial officers specified in the Regulations Governing Information to be Published in Annual Reports of Public Companies.

(2) Procedures for determining the remuneration

The results of the evaluations conducted in accordance with the Company's "Regulations for Evaluating the Performance of the Board of Directors" and the "Performance Management Regulations" for managerial officers and employees are used as the basis for regular evaluations of the salary and remuneration of Directors and managerial officers.

The performance evaluation and reasonableness of the remuneration of Directors and managerial officers are regularly assessed and reviewed by the Remuneration Committee and the Board of Directors every year. The Company reviews their performance achievement rate and contributions to the Company, considers the overall performance of the Company's operations, future risks, and development trends of the industry, and reviews the remuneration system whenever necessary based on actual operations and relevant laws and regulations to provide reasonable remuneration and attain a balance between the Company's sustainable operations and risk management.

(3) Correlations with the Company's business performance and future risk exposure

The Remuneration Committee reviews the Company's overall business performance, outlook of the industry, business risks, and development trends and evaluates the attainment of performance targets of the Company's Directors and managerial officers to set the content and amount of their individual remuneration packages. The Committee proposes recommendations and submits them to the Board of Directors for approval. We also review the remuneration system for Directors and managerial officers whenever necessary, and refrain from incentivizing Directors and managerial officers from pursuing remuneration by engaging in activities that exceed the risk appetite of the Company.

IV. Implementation of Corporate Governance

(I). Implementation by the Board of Directors

A total of five meetings (A) were held by the Board of Directors in the most recent fiscal year (2021). The attendance of the members of the Board are as follows:

Job title	Name (Note 1)	2021 1st March 5, 2021	2021 2nd May 05, 2021	2021 3rd July 09, 2021	2021 4th August 04, 2021	2021 5th November 03, 2021	Actual attendance Number B	By proxy Attendance number	Actual attendance Rate (%) (B/A) (Note 2)	Remark
Chairman	Quintin Wu (representative of Union Polymer International Investment Corp.)	◎	◎	◎	◎	◎	5	0	100	Re-elected
Directors	Li, Kuo-Hung (representative of Union Polymer International Investment Corp.)	◎	◎	◎	◎	◎	5	0	100	Re-elected
Director and General Manager	Wu,Pei-Chi (Representative of Union Polymer International Investment Corp.)	◎	◎	◎	◎	◎	5	0	100	Re-elected
Directors	Liu, Han-Tai (representative of Union Polymer International Investment Corp.)	◎	◎	◎	◎	◎	5	0	100	Re-elected
Directors	Wu, Hung-Chu (Representative of Union Polymer Int'l Investment Corp.)	◎	◎	◎	◎	◎	5	0	100	Re-elected
Directors	Ko, I-Shao (representative of Taiwan Union International Investment Corp.)	◎	◎	◎	◎	◎	5	0	100	Re-elected
Independent Directors	Chen,Ta-Hsiung	◎	◎	◎	◎	◎	5	0	100	Re-elected
Independent Directors	Shen, Shang-Hung	◎	◎	◎	◎	◎	5	0	100	Re-elected
Independent Directors	Cheng, Tun-Chien	◎	◎	◎	◎	◎	5	0	100	Re-elected

Note: Attendance in person: ◎

Note 1: If the director and supervisor is an institution, the name of the institutional shareholder and their representative should be disclosed.

Note 2:

(1) If a director or supervisor resigns before the end of the year, the date of resignation shall be indicated in the Remarks column, and the actual attendance rate (%) shall be calculated based on the number of Board of Directors meeting and the actual number of attendance during his or her term of office.

(2) If a director or supervisor is replaced before the end of the year, the new or former director or supervisor should be listed, and the date of the by-election should be indicated in the Remarks column.

The actual attendance rate (%) is calculated based on the number of Board of Directors meetings and the actual number of attendance during his or her term of office.

Note 3: Attend in person: ◎ .

Other matters to be noted:

I. If any of the following applies to the operations of the Board of Directors, the date and session of the Board of Directors' Meeting, as well as the resolutions, opinions of independent directors and the company's actions in response to the opinions of independent directors should be stated:

(I) Items listed in Article 14-3 of the Securities and Exchange Act.

Board of Directors Term Date	Content of Motion and Follow-up	Items specified in Article 14-3 of the Securities and Exchange Act	Objections or Reservations by Independent Directors
2021 1st March 5, 2021	1. Agree on the distribution of remuneration to directors and employees for the year 2020.	Yes	None
	2. Approved capital increase by retained earnings.	Yes	None
	3. Approved the appointment of CPAs.	Yes	None
	Opinions of Independent Directors: None		
	The Company's actions in response to the opinions of Independent Directors: None		
	Resolution: All the Directors present voted in favor of the resolution without any dissenting opinion.		
	4. Recommend the removal of non-compete restrictions on directors.	Yes	None
	Opinions of Independent Directors: None		
	The Company's actions in response to the opinions of Independent Directors: None		
	Voting result: Except for Directors Shen Shang-Hong, Cheng Tun-Chien, Wu Pei-Chi , Liu Han-Tai Liu and Ko I-Shao who withdrew due to interest, all the directors present agreed to pass the resolution after being consulted by the chairman.		
2021 2nd May 05, 2021	Approve the amendment of internal control system	Yes	None
	Opinions of Independent Directors: None		
	The Company's actions in response to the opinions of Independent Directors: None		
	Resolution: All the Directors present voted in favor of the resolution without any dissenting opinion.		
2021 4th August 4, 2021	Issue new shares.	Yes	None
	Opinions of Independent Directors: None		
	The Company's actions in response to the opinions of Independent Directors: None		
	Resolution: All the Directors present voted in favor of the resolution without any dissenting opinion.		
2021 5th November 3, 2021	Approved CPAs' remuneration for 2021	Yes	None
	Opinions of Independent Directors: None		
	The Company's actions in response to the opinions of Independent Directors: None		
	Resolution: All the Directors present voted in favor of the resolution without any dissenting opinion.		

(II) Other than the matters mentioned above, other resolutions with objections or reservations from the Independent Directors and are documented or stated: None.

II. In regards to the recusal of independent directors from voting due to conflict of interests, the name of the independent directors, the proposal, reasons for recusal due to conflict of interests and voting outcomes should be stated:

Name of Director	Resolutions	Reason for recusal	Participation in Voting	Remark
Shen Shang-Hung Cheng Tun-Chien Wu Pei-Chi Liu Han-Tai Ko I-Shao	Removal of the non-compete clause for Directors	The recused Director is the subject in the removal of the non-compete clause.	Did not participate in voting	2021 1st March 5, 2021
Quintin Wu Wu Pei-Chi Liu Han-Tai	Donations to the USI Education Foundation	They recused themselves due to conflict of interest as they serve as Directors of the foundation.		

III. The company listed on TWSE shall disclose the evaluation cycle and duration, scope of evaluation, methodology, and evaluation contents of the evaluation of the Board of Directors.

Evaluation of the Board of Directors' performance for 2021:

Frequency (Note 1)	Period (Note 2)	Scope (Note 3)	Method (Note 4)	Content (Note 5)
Once every year	January 1, 2021 to December 31, 2021	Board of Directors Performance Evaluation	Board of Directors Self-evaluation	I. Performance Evaluation of the Board of Directors 1. Level of participation in corporate operations. 2. Improvement of the quality of the Board of Directors' decision making 3. Composition and structure of the Board of Directors. 4. The election of the Directors and their continuing professional education. 5. Internal control
		Performance evaluation of individual director member	Board of Directors Self evaluation	II. Self performance evaluation of board members 1. Mastery of company goals and tasks. 2. Understanding of the director's roles and responsibilities 3. The degree of participation in the operation of the Company. 4. Management and communication of the internal relations 5. Expertise and continuing education of the directors 6. Internal control
		Evaluation of functional committees'	Self-evaluation of the members	III. Audit Committee Performance Evaluation 1. Level of participation in corporate operations.

Frequency (Note 1)	Period (Note 2)	Scope (Note 3)	Method (Note 4)	Content (Note 5)
		performance	of functional committees	2. Understanding of the Audit Committee's duties. 3. Improvement of the quality of the Audit Committee' decision making. 4. Composition of the Audit Committee and selection of committee members. 5. Internal control
				IV. Remuneration Committee Performance Evaluation 1. Level of participation in corporate operations. 2. Understanding of the Remuneration Committee's duties. 3. Improvement of the decision-making quality of the Remuneration Committee. 4. Composition of the Remuneration Committee and selection of committee members

※ The results of performance evaluation for the Board of Directors and functional committees for 2021 have been reported to the 1st meeting of the Board of Directors in 2022 (March 9, 2022) and disclosed on the Company's website.

Note 1: Fill out the evaluation cycle for the evaluation of the Board of Directors such as once every year.

Note 2: Fill in the period covered by the evaluation of the Board of Directors. For example, the performance evaluation of the Board of Directors from January 1, 2021 to December 31, 2021.

Note 3: The scope of evaluation covers the evaluation of the performance of the Board of Directors, individual Directors, and functional committees.

Note 4: Methods of evaluations include the self-evaluation of the board, self-evaluation by individual board members, peer evaluation, and evaluation by appointed external professional institutions, experts, or other appropriate methods.

Note 5: The contents of the evaluation shall include at least the following items:

(1) Performance evaluation of the Board of Directors: The evaluation shall include at least the "participation in the operations of the Company", "improvement of the quality of the Board of Directors' decision making", "composition and structure of the Board of Directors", "election and continuing education of the Directors", "and "internal control".

(2) Performance evaluation of individual Directors: The evaluation shall include at least the "familiarity with the goals and missions of the Company", "knowledge of the duties of Directors", "degree of participation in the Company's operations", "management of internal relations and communication", "professional and continuous education of Directors", and "internal control".

(3) Performance evaluation of functional committees: It shall include the degree of participation in the Company's operations, the understanding of the functional committee's responsibilities, the quality of decision-making of the functional committee, the composition and selection of members of the functional committee, and internal control.

IV. Targets for strengthening the functions of the Board of Directors in the current fiscal year and the most recent fiscal year (e.g. establishing an audit committee and enhancing information transparency) and evaluation of implementation:

1. The operations of the Board of Directors of the Company are exercised in accordance with the provisions of the laws and regulations, the Articles of Incorporation, and the resolutions of the shareholders' meetings. All Directors, in addition to the professional knowledge and skills necessary to perform their duties, should strive for the best shareholder interests based on the principles of loyalty and integrity.
2. The Company constantly pays attention to changes in laws and regulations of the competent authority, reviews its Rules of Procedure for Board of Directors' Meetings and the Rules Governing the Scope of Powers of Independent Directors, evaluates its Audit Committee Charter and Remuneration Committee Charter in due course. The Company seeks to improve information transparency in accordance with the amended laws, and the implementation of these regulations has been effective.
3. To have a corporate governance officer to safeguard shareholders' interests and to strengthen the functions of the Board of Directors, the Board of Directors engaged a corporate governance office to support operations of the Board on May 9, 2019.
4. The Company has formed functional committees such as the Remuneration Committee and the Audit Committee in 2011 and 2016, and has continued to improve their performance.
5. The Company's website and MOPS have disclosed relevant information regarding the Company's internal rules and major resolutions adopted by the Board of Directors, so as to facilitate shareholders's understanding of the development and to improve its information transparency.
6. The Company organizes 6 hours training courses for Directors and encourages Directors to attend corporate governance-related courses organized by external institutions.

The status of continuing education among the Directors and managerial officers of the Company for 2021 is as follows:

Title	Name	Number of Date	Training Institution	Course Title	Number of Hours
Chairman	Quintin Wu	September 1, 2021	Securities and Futures Institute	The value of information security in the post-epidemic era and the Sino-US trade war	3
		Oct. 07, 2021	Securities and Futures Institute	Insider Trading Case Study	3
Directors	Li, Kuo-Hung	September 1, 2021	Securities and Futures Institute	The value of information security in the post-epidemic era and the Sino-US trade war	3
		Oct. 07, 2021	Securities and Futures Institute	Insider Trading Case Study	3
Director and General Manager	Wu Pei-Chi	September 1, 2021	Securities and Futures Institute	The value of information security in the post-epidemic era and the Sino-US trade war	3
		Oct. 07, 2021	Securities and Futures Institute	Insider Trading Case Study	3
Directors	Liu Han-Tai	September 1, 2021	Securities and Futures Institute	The value of information security in the post-epidemic era and the Sino-US trade war	3
		November 12, 2021	Taiwan Corporate Governance Association	Management strategy of enterprise management and public opinion news crisis	3
Directors	Wu, Hung-Chu	September 1, 2021	Securities and Futures Institute	The value of information security in the post-epidemic era and the Sino-US trade war	3
		Oct. 07, 2021	Securities and Futures Institute	Insider Trading Case Study	3
Directors	Ko I-Shao	September 1, 2021	Financial Supervisory Commission	The 13th Taipei Corporate Governance Forum	6
Independent Directors	Chen Ta-Hsiung	September 1, 2021	Securities and Futures Institute	The value of information security in the post-epidemic era and the Sino-US trade war	3
		Oct. 07, 2021	Securities and Futures Institute	Insider Trading Case Study	3
Independent Directors	Shen Shang-Hung	September 06, 2021	Taiwan Corporate Governance Association	How to improve corporate governance through TIPS smart money management	3
		November 3, 2021	Taiwan Corporate Governance Association	Global trends and business opportunities of low-carbon economy and enterprise low-carbon innovation in 2021	3
Independent Directors	Cheng Tun-Chien	May 12, 2021	Securities and Futures Institute	An era of sustainable industrial competitiveness	3
		July 28, 2021	Taiwan Corporate Governance Association	How can enterprise digital transformation balance intelligence, security and risk to achieve a win-win situation	3
Director of Corporate Governance	Chen Yung-Chih	September 1, 2021	Securities and Futures Institute	The value of information security in the post-epidemic era and the Sino-US trade war	3
		September 1, 2021	Financial Supervisory Commission	The 13th Taipei Corporate Governance Forum	6
		Oct. 07, 2021	Securities and Futures Institute	Insider Trading Case Study	3
		Oct. 27, 2021	Securities and Futures Institute	Workshop on Equity Trading Compliance for Insiders in 2021	3
		November 8, 2021	Taiwan Corporate Governance Association	How does the Board of Directors Review the Sustainability Report: ESG Disclosure Norms	3
		November 12, 2021	Securities and Futures Institute	2021 Insider Trading Prevention Seminar	3
		December 7, 2021	Taiwan Stock Exchange (TWSE)	2021 Cathay Sustainable Finance and Climate Change Summit Forum	6
		December 20, 2021	Taiwan Corporate Governance Association	How the Board of Directors interprets the Hong Kong government's revision of tax regulations and faces Taiwan's anti-tax avoidance rules	3
Deputy General Manager of Business	Wu Ming-Tsung	September 1, 2021	Securities and Futures Institute	The value of information security in the post-epidemic era and the Sino-US trade war	3
		Oct. 07, 2021	Securities and Futures Institute	Insider Trading Case Study	3
		December 08, 2021	Organized by the Company	The digital transformation of Taiwan Cement Ltd.	2
Accounting Manager	Chen Cheng-Shun	March 17, 2021	Organized by the Company	Intergenerational Leadership and Communication Skills	4
		August 19, 2021	Organized by the Company	Internet Copyright and How to Use Software Legally	2
		September 1, 2021	Securities and Futures Institute	The value of information security in the post-epidemic era and the Sino-US trade war	3
		September 09, 2021 to	Accounting Research and Development Foundation	Ongoing Education for Securities Issuers, Securities Firms, and TWSE Chief Accounting Officer (Accounting, Auditing,	12

Title	Name	Number of Date	Training Institution	Course Title	Number of Hours
		September 10, 2021		Finance, and Ethics)	
		Oct. 07, 2021	Securities and Futures Institute	Insider Trading Case Study	3
		Oct. 20, 2021	Organized by the Company	Introduction to the Trade Secrets Act and Case Analysis	3
		December 08, 2021	Organized by the Company	The digital transformation of Taiwan Cement Ltd.	2
Financial Manager	Shih, Ju-Hsuan	March 17, 2021	Organized by the Company	Intergenerational Leadership and Communication Skills	4
		March 25, 2021	Organized by the Company	2021 Digital Transformation Workshop: Pre-departure Briefing Session	2
		August 19, 2021	Organized by the Company	Internet Copyright and How to Use Software Legally	2
		Oct. 07, 2021	Securities and Futures Institute	Insider Trading Case Study	3
		Oct. 14, 2021	Organized by the Company	Problem Analysis and Solving Practice	3
		November 18, 2021	Organized by the Company	Supervisor's Compulsory Course in Labor Regulations	3
		December 08, 2021	Organized by the Company	The digital transformation of Taiwan Cement Ltd.	2
Auditors	Lin Chia-Huei	March 25, 2021	Internal Audit Association of the Republic of China	Business contract management and audit services	6
		July 15, 2021	Organized by the Company	A Day of Jason: A compulsory course for digital freshmen	3
		September 1, 2021	Internal Audit Association of the Republic of China	Cross-strait tax audit and regulation analysis practice	6
		Oct. 05, 2021	Organized by the Company	Transforming DNA: Amazon's Culture of Innovation	2
		November 09, 2021	Organized by the Company	International trend of net zero carbon emission and green transformation of chemical industry	3
		November 10, 2021	Organized by the Company	Insider Trading Practice Cases and Related Legal Liabilities	3
		December 20, 2021	Organized by the Company	Introduction to pressure vessels: Education and training	2

The number of learning hours, scope of learning, learning systems, arrangements and information on the abovementioned training sessions which comply with the Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies shall be disclosed.

Note 1: For legal person directors and supervisors, the name of the institutional shareholders and their representatives shall be disclosed.

Note 2: (1) Where directors or supervisors resign before the end of the year, the "remark" column shall be annotated with the date of resignation. Actual presence (attendance) rate (%) shall be calculated using the number of Directors’ Meetings convened and actual presence (attendance) during the term of service.

(2) Where Directors and Supervisors were re-elected before the end of the year, both the incoming and outgoing Directors and Supervisors shall be listed accordingly. The "remark” column shall be annotated to indicate whether the Director or Supervisor was outgoing, incoming, or re-elected as well as the date of re-election. The Director's rate of attendance in person (%) shall be calculated based on the number of Board of Directors' Meetings held and the attendance in person during his/her term of office.

(II) Information Regarding the Implementation of the Audit Committee or the Participation of Supervisors in the Operations of the Board of Directors

1. Operations of the Audit Committee:

(1) The duties and responsibilities as set out in Article 6 of the Company's Audit Committee Charter are as follows:

(1.1) Adoption or amendment of internal control systems in accordance with Article 14-1 of the Securities and Exchange Act.

(1.2) Evaluation of the effectiveness of the internal control system.

(1.3) Pursuant to Article 36-1 of the Securities and Exchange Act, formulate or revise procedures for major financial business actions including the acquisition or disposal of assets, engaging in derivative trading, loaning of funds to others, making endorsement or guarantees for others

(1.4) Items involving the interests of directors.

(1.5) Major assets or derivative trading.

(1.6) Major loaning of funds, making of endorsements or guarantees.

(1.7) Offering, issuance, or private placement of any equity securities.

(1.8) Appointment, dismissal, and compensation of CPAs.

(1.9) Appointment and dismissal of finance manager, accounting manager and chief internal auditor.

(1.10) financial reports signed and sealed by the Chairman, a managerial officer, and the accounting manager.

(1.11) Accept and deal with whistleblowing cases in accordance with the functions listed in this article.

(1.12) Other important items required by other companies or the competent authority

(2) The Audit Committee met 5 times (A) in the most recent year (2021).The attendance of Independent Directors was as follows:

Title	Name	Attendance in Person (B)	Attendance by Proxy	Attendance Rate (%) (B/A) (Note 1、Note 2)	Note
Independent Director	Shen Shang-Hung	5	0	100	
Independent Director	Ta-Hsiung Chen	5	0	100	
Independent Director	Cheng Tun-Chien	5	0	100	

(3) The key work items reviewed in the most recent year mainly included:

(3.1) Annual accounting statement and earnings distribution, and corresponding audit report issued

(3.2) Modification of the internal control system.

(3.3) Compensation to the CPAs.
(3.4) CPA appointment and the assessment of CPA independence.
(3.5) Evaluate the effectiveness of the internal control system and make a statement of declaration on internal control system.
(3.6) Audit plans.
(3.7) Review the annual financial statements, communicate with the accountant and audit supervisor separately.
(3.8) To review the implementation report of internal audit. Since the meeting on November 3, 2021, internal auditors will report and communicate with independent directors separately.

- Review the financial statement

  The Audit Committee hereby presents the Business Report, financial statements and proposal for earnings distribution, among which the financial statements have been audited by Deloitte, Taiwan, by whom an audit report has been issued accordingly. The said business report, financial statements, and the proposal for earnings distribution have been audited by the Audit Committee and no discrepancies have been found.

- Evaluate the effectiveness of the internal control system

  The Audit Committee evaluates the effectiveness of the company's internal control systems policies and procedures (including financial, operational, risk management, compliance and other control measures) and reviews the company's audit department and certified accountants, as well as management reports, including risk management and compliance. The Audit Committee found that the Company's risk management and internal control systems were effective. The company has adopted the necessary control mechanisms to monitor and correct violations.

- Appointed the CPA

  The independence evaluation form formulated by the audit committee is to ensure the independence of certified public accounting firms by referring to article 47 of the CPA Law and the contents of "Integrity, impartiality, objectivity and independence" in the Bulletin of the Code of Professional Ethics for Accountants No. 10. It evaluates the independence, professionalism and suitability of the accountant, and evaluates whether the accountant has a mutual relationship with the company, business or financial interest. On March 5, 2021, the 10th audit committee of the second session and the first board of directors of 2021 on the same day reviewed and approved that eviewed and approved that Qiu Zhengjun and Zhuang Biyu, accountants of Deloitte & Touche, meet the evaluation criteria of independence and are eligible to serve as financial and tax certified public accountants of the company.

Other matters to be noted:

I. The date of the Board meeting, the term, contents of the proposals, resolutions of the Audit Committee, and the Company's handling of the resolutions of the Audit Committee shall be recorded under the following circumstances in the operations of the Audit Committee meeting.

(I) Items listed in Article 14-5 of the Securities and Exchange Act

Audit Committee	Content of Motion and Follow-up	Items listed in Article 14-5 of the Securities and Exchange Act	Other resolutions passed by two thirds of all Directors but yet to be approved by the Audit Committee
The second term 10th March 5, 2021	1. 2020 Account Book	Yes	None
	2. 2020 earnings distribution proposal	Yes	None
	3. Approved the issuance of new shares for capital increase from surplus.	Yes	None
	4. Evaluation of the independence of appointed CPAs for 2021.	Yes	None
	5. Change the appointment of CPAs.	Yes	None
	6. For issuance of the internal control system statement in 2020	Yes	None
	7. Removal of the non-compete clause for Director Shen, Shang-Hung	Yes	None
	8. Removal of the non-compete clause for Directors	Yes	None
	Audit Committee resolution: 1. Except for Cases 7 and 8: the Audit Committee unanimously agreed. 2. Cases 7 and 8: The Chair consulted all the directors present, except for independent director who had to recuse himself from voting due to conflict of interest, and they voted in favor of the resolution.		
	The Company's response to the opinions of the Audit Committee: 1. Except for cases 7 and 8: Approved by the unanimous decision of the directors present at the Board meeting. 2. Cases 7 and 8: Except for the recusals, all directors present voted in favor.		
The second term 11 th May 05, 2021	Amendment to the Company's internal control system.	Yes	None
	Audit Committee's resolution: All members in attendance unanimously passed the proposal and submitted it to the Board of Directors for discussion.		
	The Company's actions in response to the opinions of the Audit Committee: All Directors present voted in favor of the resolution.		
The second term 14 th November 03, 2021	1. Approved CPAs' remuneration for 2021	Yes	None
	2. Reviewed the 111 annual audit plan	Yes	None
	Audit Committee's resolution: All members in attendance unanimously passed the proposal and submitted it to the Board of Directors for discussion.		
	The Company's actions in response to the opinions of the Audit Committee: All Directors present voted in favor of the resolution.		

(II) In addition to the aforementioned motions, other motions not passed by the Audit Committee but passed by at least two-thirds of the votes of the entirety of the Board of Directors: No such occurrences.

II. Any recusals of Independent Directors due to conflicts of interest, the name of the Independent Director, the content of proposal, the reason of recusal, and the participation in the voting shall be stated: Please refer to the above item.

III. Communications between independent directors and the head of internal audit and CPAs (material issues, methods and outcomes related to the Company's financial and business status shall be included).

(I) Not only does the Internal Audit Department submit audit reports to each independent director for review every month, but also the Head of Internal Audit reports major audit findings to each independent director in the Audit Committee every quarter.

Both the Company's Audit Committee and the Head of Internal Audit have maintained good communications.

Summary of communication between independent directors and internal audit director in 2021:

Audit Committee	Key Communication Points	Recommendations and Results
The second term 10th March 5, 2021	1. Internal audit report for the 10th meeting of the 2nd Audit Committee. 2. Review of the 2020 Internal Audit Plan	No objections
The second term 11th May 5, 2021	1.Internal audit report for the 11th meeting of the 2nd Audit Committee. 2. Amended the standard book for the management of shareholder services in the internal control system in accordance with the amended "Standards for the Internal Control Systems of Shareholder Service Units” promulgated by the Taiwan Depository & Clearing Corporation.	No objections
The second term 12th July 9, 2021	Internal audit report for the 12th meeting of the 2nd Audit Committee.	No objections
The second term 13th August 4, 2021	Internal audit report for the 13th meeting of the 2nd Audit Committee.	No objections
The second term 14th November 3, 2021	Review the annual internal audit plan for 2022.	No objections

(II) CPAs compile information on the audit of the Company's consolidated financial statements (annual financial statements including parent company-only financial statements) and review of governance-related matters, and report them to the Audit Committee; In case of major anomalies, they may call a meeting at any time, in accordance with the Auditing Standards Bulletin No. 39 - Communication with Those Charged with Governance and the letter with the Ref No. Tai Tsai

Cheng Liu Tzu 0930105373 issued by SFB on March 11, 2004. Both the Company's Audit Committee and CPAs have maintained good communications.

Both the Company's Audit Committee and CPAs have maintained good communications.

Summary of communication between independent directors and CPAs in 2021:

Audit Committee	Key Communication Points	Recommendations and Results
The second term 10th March 5, 2021	1. The CPAs' audit status and report on the 2020 Consolidated and Parent Company Only Financial Statements reports (including key audit matters (KAM)). 2. Check and approve the qualifications, performance and independence of certified accountants. 3. Appointed Accountant of the Republic of 2021. 4. The CPAs have discussed and communicated with attendees on the questions they raised with regard to major legal amendments and their impact.	No objections
The second term 13th August 04, 2021	1. CPAs' audit report for the consolidated financial statements for Q2 2021 2. Discussion and communication of the queries between the CPA and the independent directors.	No objections
The second term 14 th November 03, 2021	1. CPAs' audit report for the consolidated financial statements for Q3 2021. 2. Discussion and communication of the queries between the CPA and the independent directors.	No objections

(III)In order to fully exercise their powers and better understand the company's financial reports and financial and business conditions, independent directors shall communicate with accountants and internal audit directors at least once a year without the presence of general directors and management.

The communication situation of 2021 as follows:

Date	Attendee	Communication Item	Communication Results
November 03, 2021 Communicate independently Meeting	Independent Directors Shen,Shang-Hung Independent Directors Chen, Ta-Hsiung Independent Directors Cheng, Tun-Chien CPA Chiu, Cheng-Chun Lin, Chia-Huei	Accountant: 1. CPAs' audit report for the consolidated financial statements for Q3 2021. 2. Review planning report and communicate key audit items in audit report for 2021. Internal Audit: 1. Internal audit business execution report and communication. 2. Independent director communication type report with accountant and internal audit supervisor.	No objections

Note 1: Where an independent director resigns before the end of the fiscal year, the Remark column shall be filled with the independent director's resignation date, whereas his/her percentage of attendance in person (%) shall be calculated based on the number of meetings held by the Audit Committee and the actual number of meetings attended during his/her term of office.

Note 2:If Independent Directors are re-elected before the end of the fiscal year, incoming and outgoing independent directors shall be listed accordingly, and the Remark column shall indicate whether the status of an Independent Director is "outgoing," "incoming," or “re-elected”and the date of re-election. Actual attendance percentage (%) is calculated based on the number of meetings held by the Audit Committee and the actual number of meetings attended during his/her term of office.

2. Participation of supervisors in the operations of the Board of Directors:

Not applicable as the Company has an Audit Committee that replaces the functions of supervisors.

(III) Implementation of Corporate Governance, Discrepancies Between its Implementation and the Corporate Governance Best Practice Principles for TWSE or TPEx Listed Companies, and Reasons for such Discrepancies

Evaluation Item	Operation Situation (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Abstract Illustration	
I. Has the company formulated and disclosed its corporate governance best practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE or TPEx Listed Companies"?	V		The Company has established its "Corporate Governance Best Practice Principles" and complied with the "Corporate Governance Best Practice Principles for TWSE or TPEx Listed Companies" to promote the implementation of corporate governance and discloses such information on its own website.	No significant difference
II. Shareholding Structure and Shareholders' Rights (I)Has the company established internal operating procedures for handling matters related to shareholders' recommendations, doubts, disputes and lawsuits, and implemented them accordingly?	V		(I) The Company has appointed specific personnel to take change of such matters.	No significant difference
(II)Does the company maintain a list of major shareholders who have actual control over the company and persons who have ultimate control over the major shareholders?	V		(II) The Company has maintained contact with its major shareholders and persons who have ultimate control over the major shareholders.	No significant difference
(III)Has the company established and implemented risk control and firewall mechanisms among its affiliated companies?	V		(III) The Company has established and implemented a system to supervise its subsidiaries.	No significant difference
(IV) Has the company formulated internal	V		(IV) The Company has formulated its Procedures for Ethical Management and Guidelines for Conduct, in which Article 14 stipulates the prevention of insider trading.	No significant difference

Evaluation Item	Operation Situation (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Abstract Illustration	
regulations that prohibit insiders of the company from trading securities using undisclosed information in the market?			In March, October, and December, 2021, educational programs were conducted for current directors, managers and employees, including insider trading regulations, definitions and constituent elements, insider trading from the perspective of corporate governance, section 157 item1 of the Securities and Exchange Act, and case studies. And relevant course video files and briefings will be placed in the internal learning platform system for the reference of those who have not attended classes.	
III. Composition and Responsibilities of the Board of Directors (I) Has the Board of Directors drawn up policies on diversity of its members and implemented them?	V		I: The diversity policy of board members According to Article 20 of the Company's "Corporate Governance Best Practice Principles", diversity shall be considered in the composition of the Company's Board of Directors, and members of the Board of Directors shall possess the knowledge, skills and qualities required to perform their duties. To achieve the ideal goal of corporate governance, the	No significant difference

Evaluation Item	Operation Situation (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Abstract Illustration	
			Board of Directors shall possess the following abilities: 1. Ability to make sound business judgment. 2.Ability to conduct accounting and financial analysis 3.Business management ability 4.Crisis management ability 5.Knowledge of the industry; 6. An understanding of international markets. 7. Leadership. 8.Decision-making ability In addition to the eight competencies above, the Company has added two professional abilities, namely legal capability and environmental protection for the diversification of the Board members by taking into consideration the growing importance of global issues concerning corporate governance and environmental protection at present. At present, existing members of the Board of Directors possess the knowledge, skills and qualities required to perform their duties, and specialize in professional areas including accounting and finance, international markets, law and environmental protection. II: Specific management objectives for board diversity As for Board diversity, it is planned to engage one	

Evaluation Item	Operation Situation (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Abstract Illustration	
			more Director with legal professional experience, particularly those with legal licenses and practice experience in technology law, so as to strengthen the protection of the Company's patent rights in the future; it is also planned to engage another Director with risk management expertise to enhance the Company's sustainable competitiveness. The Company sets goals for increasing the diversity of board members in terms of legal, risk management, and other professional skills so that the functions of the Board of Director can be more complete. III: Executive status of board member's diversity For details on the diversity of Board members, refer to the table below:	

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Operation Situation (Note 1)</th><th rowspan="2">Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td></td><td>V</td><td></td><td>
<table>
<tr><th rowspan="2">Names of Director</th><th rowspan="2">Gender</th><th colspan="10">Diversified Core Competences</th></tr>
<tr><th>Sound business judgments</th><th>Accounting and finance</th><th>Business management</th><th>Crisis management</th><th>Knowledge of the industry</th><th>Understanding of international markets</th><th>Leadership skills</th><th>Decision-making ability</th><th>Legal expertise</th><th>Environmental protection expertise</th></tr>
<tr><td>Quintin Wu</td><td>Male</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td></td><td></td></tr>
<tr><td>Li, Kuo-Hung</td><td>Male</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td></td><td>V</td></tr>
<tr><td>Wu, Pei-Chi</td><td>Male</td><td>V</td><td></td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td></td><td></td></tr>
<tr><td>Liu, Han-Tai</td><td>Male</td><td>V</td><td></td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td></td><td></td></tr>
<tr><td>Wu, Hung-Chu</td><td>Male</td><td>V</td><td></td><td>V</td><td>V</td><td></td><td></td><td>V</td><td>V</td><td></td><td></td></tr>
<tr><td>Ko, I-Shao</td><td>Male</td><td>V</td><td></td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td>V</td><td></td><td></td></tr>
<tr><td>Chen, Ta-Hsiung</td><td>Male</td><td>V</td><td>V</td><td>V</td><td>V</td><td></td><td>V</td><td>V</td><td>V</td><td>V</td><td></td></tr>
<tr><td>Shen, Shang-Hung</td><td>Male</td><td>V</td><td>V</td><td>V</td><td>V</td><td></td><td>V</td><td>V</td><td>V</td><td></td><td>V</td></tr>
<tr><td>Cheng, Tun-Chien</td><td>Male</td><td>V</td><td>V</td><td>V</td><td>V</td><td></td><td>V</td><td>V</td><td>V</td><td></td><td></td></tr>
</table>
The Company's Directors with employee status accounted for 22% and Independent Directors with employee status 33%
Five Directors are above 70 years old, one Director is between 60-69 years old, another two are among 50-59 years old, and the remaining one is under 50 years old.
※None of the three independent directors has served more than three consecutive terms.</td><td>No significant difference</td></tr>
<tr><td>(II) Has the Company voluntarily established functional committees other than the Remuneration Committee and Audit Committee that are established in accordance with the law?</td><td>V</td><td></td><td>(II) The Company has established a Remuneration Committee and an Audit Committee, and exercises its authority in accordance with its "Remuneration Committee Charter" and "Audit Committee Charter" with positive performance.</td><td>No significant</td></tr>
</table>

Evaluation Item	Operation Situation (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Abstract Illustration	
			The Company has voluntarily established a Corporate Social Responsibility Committee which exercises its authority in accordance with the Corporate Social Responsibility Committee Charter with favorable performance.	difference
(III) Has the company established and implemented methods for assessing the performance of the Board of Directors and conducted performance evaluation annually? Does the Company submit results of assessments to the Board of directors and use results as the basis for the salary, remuneration, nomination and reappointment of individual Directors?			(III) The Company has formulated rules and procedures for evaluating the performance of the Board of Directors and conducts it annually. I Results of Performance Evaluation of the Board of Directors and Individual Directors in 2021 1. In accordance with the "Regulations Governing the Evaluation of the Performance of the Board of Directors" amended and approved by the Board of Directors in November 2019, the Company plans to conduct the performance evaluation of the Board of Directors as a whole and individual Directors at the end of each year. 2. The performance assessment of the Board of Directors as a whole and individual directors is performed by the Secretariat of the Board using internal self-assessment. The results of performance	

Evaluation Item	Operation Situation (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Abstract Illustration	
			assessments are used as basis for the Company's review and improvement and as reference in determining remuneration for individual Directors, their nomination and additional office term. 3. The Company completed the performance assessment of the Board of Directors in January 2022 with an evaluation period from January 1, 2021 to December 31, 2021. The below is the evaluation result: (1) Overall performance of the Board of Directors	

Performance aspect	Score (Note)	Evaluation results and supplementary notes
Degree of participation in the Company's operations	4.67	1.According to the overall evaluation results of the board of directors, the average score of the five aspects is above 4.6, and the evaluation results are good. 2. In view of the growing global focus on environmental, social and governance (ESG) issues,the competent authorities
Improvement in the quality of decision-making of the Board of Directors	5	

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Operation Situation (Note 1)</th><th rowspan="2">Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td>Composition and structure of the Board of Directors</td><td>5</td><td rowspan="3">have also issued the Corporate Governance 3.0 Blueprint for Sustainable Development, which specifically promotes measures to encourage LISTED companies to voluntarily improve the quality of corporate governance.Boards of directors should pay attention to this trend. In addition to continuously improving the effectiveness of corporate governance, In particular, the implementation of carbon reduction targets and the development of green electricity strategies should be carefully planned to meet international standards and achieve the ambitious goal of sustainable development of enterprises.</td></tr>
<tr><td>Election and continuing education of the Directors</td><td>5</td></tr>
<tr><td>Internal control</td><td>5</td></tr>
</table>
Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Operation Situation (Note 1)</th><th rowspan="2">Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td></td><td></td><td></td><td>
(II)Board members performance
<table>
<tr><th>Performance aspect</th><th>Score (Note)</th><th>Evaluation results</th></tr>
<tr><td>Understanding of the Company's goals and tasks</td><td>4.82</td><td rowspan="6">The Director's self-evaluation result shows that the average score of the six aspects is above 4.7, which is a good evaluation result</td></tr>
<tr><td>Understanding of the Director's responsibilities</td><td>4.94</td></tr>
<tr><td>Degree of participation in the Company's operations</td><td>4.78</td></tr>
<tr><td>Management and communication of the internal relations</td><td>4.78</td></tr>
<tr><td>Expertise and continuing education of the directors</td><td>4.96</td></tr>
<tr><td>Internal control</td><td>4.85</td></tr>
</table>
Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.
4. In 2021, the results of the performance assessment of the Board of Directors as a whole and board members were reported to the Board of Directors meeting in the first quarter of 2022.
</td><td></td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Operation Situation (Note 1)</th><th rowspan="2">Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td></td><td></td><td></td><td>II:The functional committee reviews the results of the performance evaluation in 2021
The Company completed the performance evaluation of the Board of Directors in January 2022 for the evaluation period from January 1 to December 31, 2021. The below summarizes the evaluation result:

1. Audit Committee performance
<table>
<tr><th>Performance aspect</th><th>Score (Note)</th><th>Evaluation results</th></tr>
<tr><td>Degree of participation in the Company's operations</td><td>4.83</td><td rowspan="5">According to the self-evaluation results of the committee members, the average score of the five aspects is above 4.8, and the overall evaluation result is good.</td></tr>
<tr><td>Understanding of the Audit Committee's duties</td><td>4.83</td></tr>
<tr><td>Improvement of the decision-making quality of the Audit Committee</td><td>4.89</td></tr>
<tr><td>Composition of the Audit Committee and selection of committee members</td><td>4.83</td></tr>
<tr><td>Internal control</td><td>4.83</td></tr>
</table>
Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points.</td><td></td></tr>
</table>

Evaluation Item	Operation Situation (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Abstract Illustration	
	V		2.Remuneration Committee performance Performance aspect / Score (Note) / Evaluation results: Degree of participation in the Company's operations: 4.67 Understanding of the Remuneration Committee's roles and responsibilities: 4.67 Improvement in the Remuneration Committee's decision-making quality: 4.89 Composition and member selection of the Remuneration Committee: 4.84 Evaluation results: According to the self-evaluation results of the Remuneration Committee, the average score of the four major aspects is above 4.6, and the overall evaluation result is good. Note: Evaluation scores are on a scale of 0 to 5, with a maximum of 5 points. 3.Results of the performance evaluation of functional committees in 2021, presented to the board of Directors in the first quarter of 2022 (IV)In accordance with Article 30 of the Corporate	No significant difference

Nested table (Remuneration Committee performance):

Performance aspect	Score (Note)	Evaluation results
Degree of participation in the Company's operations	4.67	According to the self-evaluation results of the Remuneration Committee, the average score of the four major aspects is above 4.6, and the overall evaluation result is good.
Understanding of the Remuneration Committee's roles and responsibilities	4.67	
Improvement in the Remuneration Committee's decision-making quality	4.89	
Composition and member selection of the Remuneration Committee	4.84	

Evaluation Item	Operation Situation (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Abstract Illustration	
(IV) Does the company regularly evaluate the independence of CPAs?			Governance Best Practice Principles, the Company shall assess the independence of CPAs regularly. The Company has approved the independent assessment standards as in Note 2 and the statement issued by the CPAs as in Note 3. It is confirmed that the accountant has no financial interest or business relationship with the company except for the expenses of the visa and tax cases. The latest annual appraisal result was discussed and approved by the audit committee on March 9, 2022, and reported to the board of directors on the same day to approve the independent appraisal of the accountant.	
IV.Has the TWSE/TPEx listed company designated an appropriate number of qualified corporate governance personnel and appointed a corporate governance officer responsible for matters related to corporate governance(including but not limited to providing directors and supervisors with the necessary information for operation,assisting directors and supervisors in following regulations, handling matters related to Board meetings and the shareholders' meetings in accordance with the regulations,	V		To protect the interests of the shareholders and strengthen the functions of the Board of Directors, the Company, following the resolution passed by the Board of Directors meeting on May 9th, 2019, appointed the legal affairs manager Chen, Yung-Chih as the Company's Corporate Governance Officer, the highest-ranking manager responsible for related corporate governance affairs. Mr. Chen, Yung-Chih has more than three years of experience in services as a manager of a public company's legal affairs unit. His main duties include related affairs of board meetings and shareholders' meetings, production of meeting minutes for board meetings and shareholders' meetings, assisting Directors in taking office and continuing education, providing data required by Directors to perform their duties, and assisting Directors in legal compliance. Key points for business execution in 2021: I.Assisted Directors in performing their duties, provide the necessary information, arrange continuing education for Directors, and process liability insurance policies. 1. The Corporate Governance Officer compiled the latest laws and regulations related to the business areas of the Company and corporate governance, arranged discussions at the Board meetings and provided educational information to the Board members from time to time	No significant difference

Evaluation Item	Operation Situation (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Abstract Illustration	
preparing minutes for Board meetings and the shareholders' meetings, etc.)?			2. Assisted Directors, upon request, to understand the regulations for which compliance is required for the execution of their business. 3. Provided Directors with the necessary information of the Company. They are also provided with assistance for communicating and exchanging ideas with business managers. 4. Assisted Independent Directors in arranging meetings with the head of internal audit or CPAs when there is a need for Independent Directors to meet them in order to understand the Company's financial operations. 5. Assisted the Company in arranging at least 6 hours of continuing education courses for members of the Board of Directors. 6. Verified that the Company has purchased the liability insurance for Directors and key persons" for members of the Board of Directors and reported to the Board of Directors. II. Procedures for Board of Directors meetings and the shareholders’ meetings and compliance regarding confirmation of resolutions: 1. Produced meeting notices and agenda for the Board of Directors; reminded Directors to recuse themselves in advance for discussions on issues that require their recusal due to conflicts of interests; produced meeting minutes within the statutory time limit. 2. Registered the date of the shareholders' meeting in advance according to the law and prepared the meeting notice, handbook, and meeting minutes within the statutory time limit. 3. Confirm the meeting of the board of directors and shareholders meeting, resolution procedures and proceedings comply with the relevant laws and regulations of corporate governance code. 4. Changed registration items. III. Maintain relations with investors: The Company updates website information from time to time to keep investors abreast of the Company’s financial, business, and corporate governance information and protect the interests of shareholders. Continuing education in 2021: Pursuant to Article 24 of the "Taiwan Stock Exchange Corporation Operation Directions for Compliance with the Establishment of Board of Directors by TWSE Listed Companies and the Board's Exercise of Powers," a listed company shall arrange continuing professional education for its corporate governance officer.	

A newly appointed chief corporate governance officer shall complete a minimum of 18 CPE hours within the year from the person's appointment and a minimum of 12 CPE hours per year in each following year.

In 2021, Mr. Chen, Yung-Chih, the corporate governance officer of the company, has completed 30 hours of further study after taking office. The details are as follows:

Number of Date	Training Institution	Course Title	Number of Hours	Total training hours during the year
2021 September 1	Securities and Futures Institute	The value of information security in the post-epidemic era and the Sino-US trade war	3	30
2021 September 1	Financial Supervisory Commission	The 13th Taipei Corporate Governance Forum	6	
2021 October 07	Securities and Futures Institute	Insider Trading Case Study	3	
2021 October 27	Securities and Futures Institute	Workshop on Equity Trading Compliance for Insiders in 2021	3	
2021 November 08	Taiwan Corporate Governance Association	How does the Board of Directors Review the Sustainability Report: ESG Disclosure Norms	3	
2021 November 12	Securities and Futures Institute	2021 Insider Trading Prevention Seminar	3	
2021 December 07	Taiwan Stock Exchange (TWSE)	2021 Cathay Sustainable Finance and Climate Change Summit Forum	6	
2021 December 20	Taiwan Corporate Governance Association	How the Board of Directors interprets the Hong Kong government's revision of tax regulations and faces Taiwan's anti-tax avoidance rules	3	

Evaluation Item	Operation Situation (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Abstract Illustration	
V. Has the Company established channels of communication with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), dedicated a section of the Company's website for stakeholder affairs, and adequately responded to stakeholders' inquiries on significant corporate social responsibility issues?	V		The Company has set up a stakeholders' section under Corporate Social Responsibility on its website, which features contact information as channels of communication. Communication can be performed through interviews, telephone calls, or dedicated mailboxes. The communication with all stakeholders have been reported to the Board of Directors every year, and the communication channels, concerns and responses with stakeholders in 2020 have been reported to the Board of Directors on March 5, 2021.	No significant difference

Evaluation Item	Operation Situation (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Abstract Illustration	
VI. Has the company commissioned a professional shareholder services agency to handle Shareholders' Meetings and other relevant affairs?		V	The Company takes charge of its own stockholder affairs and handles matters related to shareholders' meetings in accordance with the law.	The Company handles its own shares-related affairs to ensure quality and efficiency.
VII. Information Disclosure (I) Has the company established a website to disclose information on financial operations and corporate governance?	V		(I) The Company has set up a website and regularly discloses company information.	No significant difference
(II) Has the Company adopted other means of information disclosure (such as establishing a website in English, appointing specific personnel to collect and disclose Company information, implementing a spokesperson system, and disclosing the process of investor conferences on the Company's website)?	V		(II) The Company has designated dedicated personnel in charge of the collection and disclosure of company information and has implemented a spokesperson system.	No significant difference
(III) Does the Company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline?		V	(III) The Company has not announced and declared its annual financial report within two months after the end of the fiscal year but has announced and declared its quarterly financial reports, monthly revenue, and endorsement and guarantee information in advance of the specified period.	No significant difference

Evaluation Item	Operation Situation (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Abstract Illustration	
VIII. Has the company provided important information to better understand the state of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' rights, progress of training of directors and supervisors, risk management policy and implementation of risk impact standards, implementation of customer policies, and the company's purchase of liability insurance for its directors and supervisors)?	V		(I) The Company provides its employees with comprehensive health care. In addition to the formulation of guidelines related to employee assistance services and gender equality in the workplace, the Company provides annual health checkups, sports and fitness equipment, organizes various outdoor recreational activities and talks on mental, emotional and spiritual health, purchases group insurance and issues LOHAS e-newsletters. Furthermore, the Company's employees have voluntarily set up the Employee Assistance Program Center (EAPC) to help their colleagues solve work, life and psychological problems. (II) The Company has always been committed to the principle of equal opportunities, and recognizes the contribution of employees from different backgrounds. The Company adopts an open selection process and hires the right talent for the right position, instead of restricting employees' career development based on their race, gender, age, religion, nationality or political affiliation. (III) The Company has appointed a spokesperson to answer various types of questions raised by shareholders and serves as the bridge to connect the Company with its shareholders. Additionally, the Company maintains	No significant difference

Evaluation Item	Operation Situation (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Abstract Illustration	
			contact with its major shareholders. (IV) The Company maintains a good relationship with major suppliers, and the supply status is normal. (V) The Company maintains a good and stable relationship with its customers in order to generate profits. (VI) The Company encourages its directors to participate in continuing education. In addition to providing its directors with various information on continuing education, the Company organizes such courses from time to time and invites its directors to attend courses related to corporate governance. (VII) Purchase of liability insurance for the Company's Directors and Supervisors: The Group has purchased liability insurance for its Directors, Supervisors, and key employees. In 2020, the total amount of co-insurance was US$35 million and the insurance policy was for the period from May 1, 2021 to May 1, 2022. Relevant information can be obtained from MOPS. Matters related to liability insurance have been included in the Board of Directors' report on May 5, 2021. (VIII) Implementation of risk management policies and risk measurement standards: The Company has established operating procedures and internal control systems and	

Evaluation Item	Operation Situation (Note 1)			Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof
	Yes	No	Abstract Illustration	
			possesses clear rules and regulations on authorized limits.The Company also implements internal audit for risk control. The audit supervisor shall report the implementation to the board of directors at least quarterly. However, the general manager or his designated person shall report the implementation status to the board of directors at least once a year, and relevant matters have been included in the report of the Board of Directors on November 3, 2021.	

IX. Improvements made in the most recent fiscal year in response to the results of corporate governance evaluation conducted by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, and improvement measures and plans for items yet to be improved. (Leave this section blank if the company is not included in the evaluation process)

Parts that have been improved are as follows:

(Number 1.03) A majority of the directors and the convener of the Audit Committee attend the ordinary meeting in person.

(Number 1.04) The chairman personally attends the meeting of shareholders.

Preferential enhancement items:

(Number 1.06 The meeting of shareholders will be held at the end of May.

Note: Regardless of whether "Yes" or "No" is selected, provide a brief description in the Summary column.

Note 2: CPA independence evaluation criteria

Item	Evaluation results	Whether the CPA Independence
1. As of the most recent assurance operation, no CPA has yet to be replaced for seven (7) years.	Yes	Yes
2. The CPA does not have significant financial interest in his/her trustor.	Yes	Yes
3. The CPA avoids any inappropriate relationship with his/her trustor.	Yes	Yes
4. The CPA should ensure that his/her assistants are honest, fair and independent.	Yes	Yes
5. The CPA may not perform audit and assurance services on the financial statements of companies he/she has served within two (2) years before practicing.	Yes	Yes
6. The CPA may not permit others to practice under his/her name.	Yes	Yes
7. The CPA does not own any shares of the Company and its affiliated companies.	Yes	Yes
8. The CPA has not engaged in lending and borrowing of money with the Company and its affiliated companies.	Yes	Yes
9. The CPA has not engaged in joint investments or benefit sharing with the Company or its affiliated companies.	Yes	Yes
10. The CPA does not concurrently serve as a regular employee of the Company or its affiliated companies and does not receive a fixed salary from them.	Yes	Yes
11. The CPA is not involved in the decision-making process of the Company and its affiliated companies.	Yes	Yes
12. The CPA does not concurrently engage in other businesses that may lead to loss of independence.	Yes	Yes
13. The CPA does not have a spouse, immediate family members or relatives within the second degree of kinship who serve in the senior management of the Company.	Yes	Yes
14. The CPA has not collected any commission related to his/her service.	Yes	Yes
15. As of now, the CPA has not engaged in any matter that may result in disciplinary actions taken against him/her or damage to the principle of independence.	Yes	Yes

Note 3: Letter of Declaration issued by CPA

Interrogating No. 11101252 on February 18, 2022

Attn: Asia Polymer Corporation

Subject: The firm intends to accept the offer to audit your company's financial statements for 2022. In accordance with the No. 10 Bulletin-"Integrity, Objectivity and Independence" in the Norm of Professional Ethics for Certified Public Accountant of the Republic of China set forth by the National Federation of Certified Public Accountant Associations of the Republic of China, the members of the audit team declare that they have complied with the following regulations without committing violations of independence.

Explanation:

I. Members of the audit team and their spouses and dependents are not involved in the following:

1. Directly or indirectly hold significant financial interests in your company
2. Have business relations with your company or directors, supervisors and managerial officers at your company, where such relations may affect our independence

II. During the audit, members of the audit team, their spouses and dependents do not serve as directors, supervisors or managerial officers at your company or do not assume positions that may directly and significantly affect the auditing process.

III. Members of the audit team do not have spouses, immediate family members or relatives within the second degree of kinship who serve as directors, supervisors or managerial officers at your company.

IV. Members of the audit team have not received gifts or presents of significant value (where their values have not exceeded the general etiquette standards) from your company or directors, supervisors, managerial officers or major shareholders at your company.

V. Members of the audit team have performed the necessary procedures for evaluating independence or conflict of interests and have not been found to commit independence violations or be involved in unresolved conflicts of interest.

Deloitte & Touche

CPA Chiu, Cheng-Chun

Referenced Letter Qin-Shen No. 11101328 dated February 18, 2022

Attn: Asia Polymer Corporation

Subject: The firm intends to accept the offer to audit your company's financial statements for 2022. In accordance with the No. 10 Bulletin-"Integrity, Objectivity and Independence" in the Norm of Professional Ethics for Certified Public Accountant of the Republic of China set forth by the National Federation of Certified Public Accountant Associations of the Republic of China, the members of the audit team declare that they have complied with the following regulations without committing violations of independence.

Explanation:

I. Members of the audit team and their spouses and dependents are not involved in the following:

1. Directly or indirectly hold significant financial interests in your company

2. Have business relations with your company or directors, supervisors and managerial officers at your company, where such relations may affect our independence

II. During the audit, members of the audit team, their spouses and dependents do not serve as directors, supervisors or managerial officers at your company or do not assume positions that may directly and significantly affect the auditing process.

III. Members of the audit team do not have spouses, immediate family members or relatives within the second degree of kinship who serve as directors, supervisors or managerial officers at your company.

IV. Members of the audit team have not received gifts or presents of significant value (where their values have not exceeded the general etiquette standards) from your company or directors, supervisors, managerial officers or major shareholders at your company.

V. Members of the audit team have performed the necessary procedures for evaluating independence or conflict of interests and have not been found to commit independence violations or be involved in unresolved conflicts of interest.

Deloitte & Touche

CPA Chuang, Pì-Yu

(IV) If the company has established a remuneration committee, the composition and operations of the committee shall be disclosed:

1. Information regarding the members of the Remuneration Committee

March 31, 2022

Title (Note 1) / Name / Terms		Professional Qualification and Work Experience (Note 2)	Status of Independence (Note 3)	Number of Other Public Companies in Which the Individual is Concurrently Serving as a Remuneration Committee Member
Independent Directors (Convener)	Shen Shang-Hung	At present, he serves as the chairman of many companies such as Ta Ya Electric Wire & Cable (Stock) Company, and has professional fields of company operation management	Two years before the appointment and during the term of office, there is no matter described in Item 1, Article 3 of "Measures for setting up and Matters to be Followed by Independent Directors of public offering Companies".	2
Independent Directors	Chen Ta-Hsiung	Has served as the Chairman of several companies such as PTSC, and has profound business work experience.	Two years before the appointment and during the term of office, there is no matter described in Item 1, Article 3 of "Measures for setting up and Matters to be Followed by Independent Directors of public offering Companies".	0
Independent Directors	Cheng Tun-Chien	Currently serves as the chairman and chief executive officer of Hongding Capital, with professional fields of investment and accounting.	Two years before the appointment and during the term of office, there is no matter described in Item 1, Article 3 of "Measures for setting up and Matters to be Followed by Independent Directors of public offering Companies".	2

Note 1: Please specify in the form the relevant working years, professional qualifications and experience and independence of each member of the Compensation Committee. If he/she is an independent director, please refer to Appendix 1 Directors and Supervisors (1) for releated information Fill "Independent Director" or "Others" in the Title column (if it is the convener, please add a note).

lease fill in the series as independent directors or others respectively (if it is the convener, please add a note).

Note 2: Professional qualifications and experience: Specify the professional qualifications and experience of individual Compensation Committee members.

Note 3: Condition of independence: specify that the members of the Compensation and Remuneration Committee meet the conditions of independence, including but not limited to whether they, their spouse, or relatives within the second degree of kinship serve as directors, supervisors or employees of the Company or its affiliated companies; The number and proportion of the Company’s shares held by themselves, their spouse, relatives within the second degree of kinship (or in the name of others); Whether he/she serves as a director, supervisor or employee of a company that has a specific relationship with the Company (refer to Subparagraphs 5 to 8, Paragraph 1, Article 6, of the Regulations on the Establishment and Exercise of Powers of the Compensation and Remuneration Committee of Companies Listed in Stocks or Trading at the Business Office of Securities Firms); The amount of remuneration obtained by providing the Company or its affiliates with business, legal, financial, accounting and other services in the last two years.

Note 4: For disclosure methods, please refer to the Best Practice Reference Examples on the website of the Corporate Governance Center of the Taiwan Stock Exchange.

2. Remuneration Committee's roles and responsibilities:

The Remuneration Committee shall exercise the care of a good administrator to faithfully fulfill the following functions and powers, and submit the recommendations to the Board of Directors for deliberation:

(1)Regularly review the Committee's charter and propose recommendations to amend it when necessary.

(2)Establishing and regularly reviewing the BOD and upper management's performance evaluation in conjunction with the remuneration policies, systems, standards, and structure)

(3) Regular evaluation and stipulation on the remuneration of directors and)

3. Operational status of the Remuneration Committee

(1) There are a total of 3 members in the Remuneration Committee.

(2) The term of office of the current Remuneration Committee is from July 5, 2019 to June 23, 2022. A total of 3 meetings of the Remuneration Committee A were held in 2021, with the attendance records of members as follows：

Title	Name	Attendance in Person (B)	Attendance by Proxy number	Attendance Rate (%) (B/ANote)	Note
Convener	Shen Shang-Hung	3	0	100%	
Committee Member	Chen Ta-Hsiung	3	0	100%	
Committee Member	Cheng Tun-Chien	3	0	100%	

Other matters to be noted:

If the Board of Directors refuses to adopt or amends a recommendation of the Remuneration Committee, the date of the meeting, session, content of the motion, resolution by the Board of Directors, and the company’s response to the Remuneration Committee’s opinion (e.g., if the remuneration passed by the Board of Directors exceeds the recommendation of the Remuneration Committee, the circumstances and cause for the difference shall be specified) shall be specified: None.

If there are resolutions of the Remuneration Committee to which members object or express reservations, and for which there is a record or declaration in writing, the date of the meeting, session, content of the motion, all members’ opinions and the response to members’ opinion shall be specified::

<table>
<tr><th>Remuneration Committee</th><th>Content of Motion and Follow-up</th><th>Dissenting Opinions or Qualified Opinions of Members of the Remuneration Committee</th></tr>
<tr><td rowspan="6">The 4th term 6th
March 5, 2021</td><td>1. The Company’s compensation distribution plan for directors and employees in 2020.</td><td>None</td></tr>
<tr><td>2. The Company's annual special bonus review proposal for managers in 2020.</td><td>None</td></tr>
<tr><td>3. Review the Company's remuneration methods and performance evaluation system for directors and managers.</td><td>None</td></tr>
<tr><td colspan="2">Opinion of the remuneration committee: none</td></tr>
<tr><td colspan="2">Remuneration Committee Resolution: All members in attendance unanimously passed the proposals and filed for discussion in the board meeting.</td></tr>
<tr><td colspan="2">The Company's actions in response to the opinions of the Remuneration Committee: All the Directors in attendance voted in favor of the resolution.</td></tr>
<tr><td rowspan="4">The 4th term 7th
August 4, 2021</td><td>The Company's annual salary adjustment.</td><td>None</td></tr>
<tr><td colspan="2">Opinion of the remuneration committee: none</td></tr>
<tr><td colspan="2">Remuneration Committee resolution: The proposal was passed unanimously by the Committee Members in attendance.</td></tr>
<tr><td colspan="2">The Company's handling of the resolution results of the Remuneration Committee: carry out relevant operations according to the results of the resolution.</td></tr>
<tr><td rowspan="5">The 4th term 8th
November 3, 2021</td><td>1. Review the proposal of "Compensation Committee Organization Regulations" of the Company</td><td>None</td></tr>
<tr><td>2. Formulate the 2022 annual work plan of the Committee.</td><td>None</td></tr>
<tr><td colspan="2">Opinion of the remuneration committee: none</td></tr>
<tr><td colspan="2">Remuneration Committee resolution: The proposal was passed unanimously by the Committee Members in attendance.</td></tr>
<tr><td colspan="2">The Company's handling of the resolution results of the Remuneration Committee: carry out relevant operations according to the results of the resolution.</td></tr>
</table>

Note: 1. Where a member of the Remuneration Committee resigns before the end of the fiscal year, the Remark column shall be filled with the member's resignation date, whereas his/her rate of attendance in person (%) shall be calculated based on the number of meetings held by the Remuneration Committee and the actual number of meetings attended during his/her term of office.

2. If members of the Remuneration Committee are re-elected before the end of the fiscal year, incoming and outgoing members shall be listed accordingly, and the Remark column shall indicate whether the status of a member is "outgoing", "incoming" or "re-elected", and the date of re-election. Actual attendance percentage (%) is calculated based on the number of meetings held by the Remuneration Committee and the actual number of meetings attended during his/her term of office.

4. Information on members of the Nomination Committee and information on their operation: not applicable

Implementation Status of Promoting Sustainability and Deviations from the Sustainability Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof：

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
	Yes	No	Abstract Illustration	
I. Does the company establish a governance structure to sustainability, and establish an exclusively (or concurrently) dedicated unit to implement sustainability and have the management appointed by the Board of Directors to be in charge of corporate social responsibility and to be supervised the implementation by the Board of Directors?	V		(I) The Company established the "Corporate Social Responsibility Committee" in 2015, which is one of the functional committees organized by the Board of Directors. In 2022, in accordance with the announcement of the Stock Exchange, the "Code of Practice for Sustainability of Listed Companies" was amended and renamed as "Sustainability Committee" to assist the Board of Directors in continuously promoting the implementation of sustainability and sustainable management. (II) The members of the Sustainability Committee are composed of Chairman, General Manager and two independent directors decided by the Board of Directors. One of the independent directors serves as the chairman and the general manager serves as the deputy chairman. The responsibilities of the Committee include: (1) Agreement of sustainability policies. (2) Agreement of sustainability strategic plan, annual plan and project plan. (3) Supervising the implementation of sustainability plans, annual plans and project plans, and evaluate the implementation. (4) Approval of the Sustainability Report. (5) Reporting the implementation results of sustainability to the Board of Directors every year. (6) Other matters handled by the Committee according to the instruction by the resolution of the Board of Directors.	Compliant with the requirements of the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies."

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
	Yes	No	Abstract Illustration	
			The Sustainability Committee has three task groups, including "corporate governance", "environmental protection" and "social relations", and has a project secretary. Assist the Committee to promote the sustainability work, such as collecting sustainability topics, formulating countermeasures and working policies, editing sustainability reports, communicating and responding to stakeholders, and implementing sustainability policies into the daily management of the Company's operations. (3) The Committee meets at least twice a year to report the implementation results of sustainability and future work plans to the Board of Directors. In 2021, two Committee Meetings were held respectively on March 5 and August 4, 2021. The contents of the report include: (1) The results of the discussion among the main stakeholders, including the identification of the main stakeholders, issues of concern, communication channels and response methods. (2) Pay attention to the significant identification results of the issues, implementation performance, future plans and goals. (3) For climate change issues, identify risks and opportunities with the TCFD method, identification results include projects with 5 major risks and 4 major opportunities, evaluate their potential financial impacts, propose countermeasures according to the length of the impact period, and track the implementation results. (4) The 2020 Corporate Social Responsibility Report was issued. The execution results have been reported to the Board of Directors and it has been handled based on the resolutions and instructions of the Board of	

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
	Yes	No	Abstract Illustration	
			Directors. (IV) Supervision of the Board of Directors The Board of Directors of the Company listens to the ESG report of the management team every six months. The management team must propose corporate strategies to the Board of Directors, such as important regulatory compliance, carbon reduction target setting, greenhouse gas inventory and verification, etc. The Board of Directors must evaluate the possibility of success of these strategies. The progress of the strategy must be regularly reviewed and the management team must be urged to make adjustments when needed.	
II. Does the company conduct risk assessments on environmental, social and corporate governance issues related to the business operations and formulate relevant risk management policies or strategies based on the materiality principle? (Note 2)	V		(1) The disclosure period of this information is from January 1 to December 31, 2021, covering all operating entities in the consolidated financial statements of Asia Polymer Corporation (APC), and the risk assessment boundary is mainly based on the company's Taiwan operating sites, including Taipei contact Division and Kaohsiung Garden Plant, which is the scope of risk assessment. (2) The members of the implementation working group of the sustainability Committee collect the concerns of major stakeholders in their daily operations, and consider APC's business objectives, as well as international standards and norms, and compile them into APC's sustainability issues. Conduct a survey on the Issue Concern of stakeholders through online questionnaires, and evaluate the impact of issues by Department Heads, determine major issues on environment, society, and corporate governance, and disclose management policy and performance to stakeholders in corporate social responsibility reports.	Compliant with the requirements of the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies."

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
	Yes	No	Abstract Illustration	
			(3) According to the above-mentioned materiality assessment principles, the Company has formulated relevant risk management policies or strategies for identifying the materiality issues from the results as follows:	

Significant Issues	Risk Evaluation Item	Relevant management policies or strategies
Environment	Raw material management	1. Improvement of raw material utilization efficiency 2. Material recovery and recycling 3. Equipment operation rate increased
	Climate change and energy management	1. Improvement of energy usage monitoring and efficiency 2. Compliance with energy-related regulations 3. Energy-related regulatory compliance 4. Climate change risk response
	Air pollution control	1. Inspection for leakage of equipment components 2. Air pollution emission improvement 3. Legal Compliance
Society	Talent recruitment and retention	1. Establish multiple talent recruitment channels to find talents with the same idea 2. Provide high quality salary and

<table>
<tr><th rowspan="2">Promotion items</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td rowspan="3"></td><td></td><td>comprehensive welfare system</td></tr>
<tr><td>Occupational Safety and Health</td><td>Zero disaster policy for industrial safety:
1. Establishment of ISO 45001 occupational safety and health management system and implemention
2. Implementation of Process Safety Management (PSM)
3. Zero accident of underground pipeline safety
4. Occupational safety education and training
5. Emergency Response Drills</td></tr>
<tr><td>Process safety management</td><td>1. Developing a process safety management policy
2. Regulatory compliance
3. Promotion of Process Safety Management (PSM) System
4. Stipulation of Process Safety Performance Management</td></tr>
<tr><td rowspan="2">Corporation governance</td><td>Economic Performance</td><td>1. Stable supply of raw materials
2. Product development and innovation
3. Strengthening market expansion</td></tr>
<tr><td>Technology R & D</td><td>1. Niche product development
2. High-value product development</td></tr>
</table>
For the execution performance related to major issues, please refer to the</td><td></td></tr>
</table>

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
	Yes	No	Abstract Illustration	
			"2020 Corporate Social Responsibility Report" issued by the Company in June 2021, which can be downloaded from the Company's website - Corporate Social Responsibility Zone (Website https://www.apc.com.tw/CSR/zh-tw/CSR82.aspx)	
III. Environmental issues (I) Does the company establish an environmental management system proper to its industry's characteristics?	V		(一)(I) The Company established the ISO 14001 environmental management system in 1998 and obtained the latest version of the 2015 certificate on April 26, 2018 while establishing a good environmental protection framework for the Company and formulating environmental policies with energy conservation, carbon reduction, and air pollution improvement management plans. The occupational safety and health department conducts regular inspections and follow-ups to implement disaster prevention and air pollution prevention, while complying with the EU Restriction of Hazardous Substances (RoHS) regulations and strengthening environmental protection education and training to control and reduce impact on environment. In addition, on October 21, 2019, the Company passed the ISO 50001 energy management system verification and obtained the certificate, formally established the energy management system, controlled the major energy use equipment in the plant and monitored the energy use efficiency. Relevant energy usage management, greenhouse gas emission inventory, water resources management, energy conservation and carbon reduction program and other implementation performance are disclosed on the	Compliant with the requirements of the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies."

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
	Yes	No	Abstract Illustration	
			Company's website: https://www.apc.com.tw/CSR/	
(II) Does the company endeavor to improve energy efficiency and use renewable materials that have low impact on the environment?	V		(II) In 2019, the Company established the ISO 50001 Energy Management System to improve energy efficiency through identifying major energy-using equipment, monitoring energy use, setting energy-saving goals and implementing energy-saving reduction measures. And it has planned the construction of renewable energy solar power generation equipment to reduce greenhouse gas emissions and reduce the impact on the environment. In 2021, 7 energy-saving management plans was implemented, saving a total of 1,468,391 kWh of electricity and 441 metric tons of steam. The average annual electricity saving from 2015 to 2021 is 1.77%, which meets the requirements of the "Energy Bureau's 1% Annual Average Electricity Saving Regulations". Taiju Group holds the "Group Plant Technical Exchange Meeting" and several "Northern/Kaohsiung Plant Resource Integration Meetings" every year. By means of technology sharing among factories and problem discussions to achieve resource sharing and improve the achievements of energy saving and carbon reduction. The raw materials are all in line with the Restriction of Hazardous Substances (RoHS), REACH, and halogen-free specifications. Promote clean production and green process, improve the efficiency of energy resource use, respond to circular economy activities, and reduce environmental impact, including recycling of materials and packaging materials, recycling and reuse of waste reduction, etc. The recycling rate of space bags in 2021 was 78.2% , the scrap metal/plastic recycling volume was 78.3 metric tons.	

<table>
<tr>
<td>(III) Has the company assessed the present and future potential risks and opportunities of climate change for the entity, and taken measures to respond to climate-related issues?</td>
<td>V</td>
<td></td>
<td>(III) In view of the increasing impact on operations caused by climate change, prudently face any possible risks and seize new possible business opportunities. In recent years, the Company has actively implemented energy conservation and carbon reduction improvement plans, improved production efficiency, replaced old equipment with high efficiency energy-saving equipment, and spared no effort to seize any possible new business opportunities.
The Sustainability Committee is the highest-level organization for climate change management, with an independent director serving as the chairman, to review and plan the climate change response strategies and the corresponding actions for climate change risks and opportunities, as well as review the implementation status and report to the CSR Committee.
Based on the Task Force on Climate-related Financial Disclosures (TCFD) issued by the Financial Stability Board, the Company evaluates the transition risks and physical risks of climate change to its operation process, and the evaluation results of 5 major risk projects and 4 major opportunity projects based on the duration of the occurrence till 2020 are as follows:
<table>
<tr><th>Category</th><th>Short term (< 3 years)</th><th>Medium term (3-5 years)</th><th>Long term (> 5 years)</th></tr>
<tr><td>Opportunities</td><td>Participation in renewable energy items and adoption of energy conservation measures</td><td>● Energy substitution/diversification
● Participation in the carbon trading</td><td>Use of low-carbon energies</td></tr>
<tr><td>Transformation Risks</td><td>---</td><td>● Increase in greenhouse gas emissions pricing</td><td>Increase in raw material cost</td></tr>
<tr><td>Physical Risks</td><td>---</td><td>● Increased severity of extreme weather events, such as typhoons and floods
● Changes in rainfall</td><td>Rising sea levels</td></tr>
</table>
</td>
<td></td>
</tr>
</table>

		(water) patterns and extreme changes in climate patterns	

Potential financial impact analysis:

climate-related risk	Potential financial impact
Increase in greenhouse gas emissions pricing	Increase in operational costs
Increased severity of extreme weather events, such as typhoons and floods	Increase in capital expenditure, decrease in asset value, and decrease in revenue
Changes in rainfall (water) patterns and extreme changes in climate patterns	Decrease in revenue
Increase in raw material cost	Increase in operational costs
Rising sea levels	Increase in capital expenditure

climate-related opportunity	Potential financial impact
Participation in renewable energy items and adoption of energy conservation measures	The setting cost is high in the early stage, and the operating cost is reduced year by year in the later stage
Participation in carbon trade markets	The cost of carbon reduction technology in the early stage is high, and the operating cost in the later stage is low
Energy substitution/diversification	The investment cost in the early stage is high, and the operation cost in the later stage is decreasing year by year
Use of low-carbon	High investment cost in the early stage, low carbon

The implementation results of relevant countermeasures in 2021 are as follows:

Response
● The overall planning method is adopted to increase the contract capacity by 8% within 3 years. It will fully cooperate with the overall planning of the group's construction green electricity demand, so as to meet the relevant green electricity laws and regulations. ● Implement an improvement plan to save electricity by 1% per year, reduce the total power consumption of the plant, and improve output by optimizing equipment and operation, so as to improve energy efficiency per unit product and reduce greenhouse gas emissions. ● In 2021, 1,468,391 KWH of electricity will be saved, 441 metric tons of steam will be saved, and electricity consumption per unit product will be 1,452 KWH/metric ton, 1.02% less than the previous year.

<table>
<tr><td rowspan="2">Promotion items</td><td colspan="3">Implementation Status (Note 1)</td><td rowspan="2">Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies</td></tr>
<tr><td>Yes</td><td>No</td><td>Abstract Illustration</td></tr>
<tr><td>(IV) Has the company calculated its GHG emissions, water consumption, and total waste weight in the past two years, and formulated policies for energy conservation, reductions of carbon, GHG, and water consumption, or other waste management?</td><td>V</td><td></td><td>(IV). 1. Greenhouse gas emissions in recent two years
The Company is not the first batch of businesses with fixed pollution sources that shall inspect and register their greenhouse gas emissions, but it still performs inspection of its greenhouse gas emissions voluntarily in accordance with the Environmental Protection Agency's "Greenhouse Gas Inspection and Registration Management Regulations" and identifies the inspection boundary using operation control method in order to learn the status of greenhouse gas emission in Linyuan plant area. The inspection is performed within the Linyuan Plant.
It is planned to introduce ISO 14064-1 greenhouse gas emission inventory certification in 2022 to make the greenhouse gas emission inventory data more reliable and credible.
Statistics of greenhouse gas emissions in recent two years are as follows:
<table>
<tr><td>Year</td><td>2020</td><td>2021</td></tr>
<tr><td>Category 1 (Tonnes of CO_2e)</td><td>6,451</td><td>9,225</td></tr>
<tr><td>Category 2 (Tonnes of CO_{2e})</td><td>99,964</td><td>102,741</td></tr>
<tr><td>Total greenhouse gas emissions Tonnes of CO2e)</td><td>106,415</td><td>111,966</td></tr>
<tr><td>Unit Product Emission Intensity (Metric Ton CO_2e/Metric Ton)</td><td>0.821</td><td>0.823</td></tr>
</table>
In 2021, the total amount of greenhouse gas emissions from the Linyuan plant was 111,966 metric tons of CO_2e, an increase of 5.22%</td><td></td></tr>
</table>

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
	Yes	No	Abstract Illustration	
			compared with 2020, because the total production in 2021 increased by about 4.98%. The emission intensity of greenhouse gas per unit product is 0.823 metric ton CO_2e/metric ton, which is about 0.23% higher than that of 0.821 in 2020. The production mix of products is mainly adjusted according to the change of market demand, and the production proportion of EVA products with higher unit energy consumption is increased, resulting in the increase of energy consumption per unit product and the relative emission intensity of greenhouse gases. Following China's energy development policy and referring to the situation that Science-Based Targets (SBT) limit the global temperature rise by 2 degrees C,in 2019, USI set a new energy management target of 7.2% for six years from 2020 to 2025, continuously tracking international trends and national policies and regulations for dynamic review, and required all the companies of the group to comply with an average of 1.2% per year. In 2021, seven energy-saving and carbon-reduction schemes have been implemented, including energy-saving improvement of process methods, bidding for demand of Taiwan Power Company, etc., saving 1,469,391 kWh of electricity, 441 metric tons of steam and 836 metric tons of CO_2e. Taking 2017 as the base year for energy conservation and carbon reduction, this year is the full year after the expansion of production capacity. In the past five years (2017~2021), the cumulative carbon reduction amounted to 9,577 metric tons of CO_2e, and the cumulative carbon reduction rate was 8.63%, which met the requirements of the Group's energy conservation and	

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			carbon reduction targets. 2. Water Consumption in Recent Two Years (see table below) The water consumption per unit product of the Linyuan plant in 2021 was 3.74 M^3/mt, which was 12.7% lower than that in 2020. This was mainly due to the continuous improvement of cooling water sharing and heat exchanger equipment efficiency in the third and fourth production lines, which reduced the total water consumption and water consumption per unit product. The recovered and reused water includes condensed water recovery and circulating reuse of cooling water in cooling tower. According to the water consumption index specified in the "Key Points of Water Consumption Plan Review" published by the Ministry of Economic Affairs, the water consumption recovery rate (R1) in 2021 was 99.2%. In recent years, due to the abnormal global warming climate change, the water shortage in China has become increasingly serious. In response to the water shortage situation, the government not only gradually implemented	

Year	2020	2021
Water Consumption (M^3)	554,964	508,888
Water Consumption Per Unit Product (M^3/Metric Ton)	4.28	3.74
Water Recovery Rate (%)	99.1	99.2

<table>
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<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td></td><td></td><td></td><td>the phased water restriction measures, but also actively integrated the wastewater volume in various processing zones and industrial zones, and further planned and built wastewater recycling plants. The subsequent reclaimed water treatment became the key factor. After evaluating the construction and operation cost of the wastewater recovery system in our factory, the construction of a small wastewater recovery system is postponed, and a plan is worked out to cooperate with the government's wastewater recovery policy. Some reclaimed water from the wastewater recovery plant planned and built by the government is used in the factory, so as to achieve a win-win advantage for the government and enterprises.

3. Waste Management in Recent Two Years
<table><tr><th>Year</th><th>2020</th><th>2021</th></tr><tr><td>Non-hazardous Waste (Metric Tons)</td><td>200.83</td><td>395.56</td></tr><tr><td>Hazardous Waste (Metric Tons)</td><td>3.54</td><td>0</td></tr><tr><td>Unit Product Waste Output (kg/mt)</td><td>1.58</td><td>2.91</td></tr></table>The industrial wastes generated by Linyuan Plant, including general industrial wastes and harmful industrial wastes, are cleaned and treated by entrusting a domestic qualified cleaning company approved by the Environmental Protection Agency to sign a cleaning contract, and they are handled in accordance with the provisions of the Waste Cleaning Law.</td><td></td></tr>
</table>

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	Yes	No	Abstract Illustration	
			According to the types, intermediate treatment methods such as incineration, thermal cracking, physical treatment, etc. are adopted for the treatment of general industrial wastes, while the final treatment method was carried out by burying according to the approved method of its approved license. In 2021, the odorless mineral spirit has been used to replace n-hexane in Linyuan Plant, the usage amount has increased, and the production proportion of EVA products has increased, resulting in an increase in the amount of waste oil mixture compared with that in 2020, and a higher output of waste per unit product. In 2021, no harmful industrial waste was produced.	
IV. Social Issues (I) Has the company formulated relevant management policies and procedures in accordance with	V		(I) Human Rights policy The Company has made reference to internationally recognized human rights standards, including the International Bill of Rights and the	Compliant with the requirements of the "Corporate Sustainable

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
	Yes	No	Abstract Illustration	
relevant laws and regulations and international human rights conventions?			International Labour Organization's Declaration on Fundamental Principles and Rights at Work to fully exercise CSR and implement human rights protection. Besides, the Company has established human rights policy applicable to the Company and all affiliates of the USI Group, to eliminate human rights violations; as such, the Company's current employees, in addition to enjoying a reasonable and safe workplace, can be treated in a reasonable and dignified manner. 1. Measures to mitigate human rights risks The Company is committed to reasonably ensuring the safety of its employees and working environment, that people are treated with respect and dignity, that operations are environmentally friendly and that compliance with regulations and ethics is followed. To reflect this commitment, the Company adheres to the business philosophy of integrity, respects its employees on a legal basis, assigns dedicated personnel to implement employee occupational safety and health operations in accordance with the law, and establishes reasonable channels for appeals in addition to continuous publicity and education to implement human rights policies in daily life. 2. Human Rights Concerns and Practices 2.1 Providing a safe and healthy working environment The company has passed the examination and verification of ISO 14001 (Environmental Management System) and ISO-45001	Development Best Practice Principles for TWSE or TPEx Listed Companies.”

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	Yes	No	Abstract Illustration	
			(Occupational Safety and Health Management System), and actively promoted improvement activities such as energy saving and carbon reduction, disaster and pollution prevention, so as to reasonably ensure a safe working environment. In addition to providing a safe and healthy working environment in accordance with laws and regulations, the Company has established a dedicated unit and committee organization for occupational safety and health, employed professional doctors and nursing staff, and regularly conducted education and training on safety and health, fire protection, etc., and taken necessary precautions to prevent occupational disasters, thereby reducing the risk factors of the working environment. 2.2 Putting an end to unlawful discrimination to reasonably ensure equal job opportunities The Company implements its human rights policies in the internal control procedures, applies them to employment, remuneration and benefits, training opportunities, promotion, dismissal or retirement and other matters related to labor rights and interests, and does not treat employees and job-seekers unfairly based on their race, class, language, thought, religion, party affiliation, native place, place of birth, gender, sexual orientation, age, marriage, pregnancy, appearance, facial features, physical and mental disabilities, constellation, blood type and other factors. 2.3 Prohibition of Child Labor	

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
	Yes	No	Abstract Illustration	
			To ensure compliance with corporate social responsibility and ethics, the Company has explicitly prohibited child labor since the beginning of recruitment. As of the end of December 2021, the total number of employees was 222, and the number of child labor was 0. 2.4 Prohibition of Forced Labor The Company does not force or coerce any unwilling personnel to perform labor services. The provisions on daily and weekly normal working hours, extended working hours, vacations, special vacations and other kinds of vacations for employees are in compliance with the laws and regulations. A reminder function is set up in the attendance system for employees applying for overtime, overtime pay or compensatory leave is provided after overtime, and a dedicated person is assigned to inspect and control the working hours of the factory on a monthly basis. 2.5 Assisting employees to maintain physical and mental health and work-life balance The Company provides venues or sponsorship funds to encourage employees to participate in healthy activities, and employees can form their own clubs to unite colleagues by emotion through club activities. Besides holding activities such as beano, Mid-Autumn Festival party, guess lantern riddles, etc. to adjust employees' body and mind and cohesion, the company also sets up sports and fitness equipment for employees to use after work.	

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	Yes	No	Abstract Illustration	
			(In 2021, due to epidemic situation, club activities and beano were suspended, but employees were still encouraged to exercise and keep fit by walking or other ways which can keep social distance, so as to maintain physical and mental health) 3. Training Practices on Human Rights Protection 3.1 Newcomers Training The Company requires employees to take education and training for newcomers on compliance promotion upon onboarding, including: sexual harassment prevention, anti-discrimination, anti-harassment, implementation of working hours management, and protection of humane treatment. 3.2 Prevention of Workplace Violence The Company makes its employees aware of their responsibility to assist in ensuring that there is no illegal infringement in the workplace through publicity and announcements, and discloses the complaint hotline to jointly create a friendly working environment. 3.3 Series Training on Occupational Safety The content includes: safety and health education and training, fire safety training, emergency response, first aid training, etc. 3.4 Good Faith Moral Propaganda Educate and promote from daily behavior and ethical standards, to provide a healthy and positive workplace culture. The company continues to pay attention to human rights protection and carries out relevant training, so as to raise awareness of human rights	

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			protection and reduce the possibility of related risks. We organized training related to the promotion of human rights protection in 2021, with a total of 1,809 hours and a total of 590 persons. The details of the number of persons participating and training are as follows:	

Course Name	Course Hours	Total Participants	Total Training Hours
[Ethics Lecture] Insider Trading Practice Cases and Related Legal Liabilities	3	1	3
[Ethics Lecture] Internet Copyright and How to Use Software Legally	2	5	10
[Ethics Lecture] Protection and Reasonable Use of Patents	2	2	4
[Ethics Lecture] Trade Secrets Act Introduction and Case Analysis	3	68	204
[Ethics Lecture] Discussion on Human Resources and Personnel Labor Laws	3	3	9
[Ethics Lecture] The labor laws and regulations that business directors must know	3	9	27
Provide courses on a safe and healthy workplace	2	20	40
Process Safety Training	3	108	324

<table>
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<tr><td></td><td></td><td></td><td>

Work Safety Training/Propaganda	2	103	206
Environmental Protection Training	3	19	57
On-the-job Health Education and Training (Including On-the-job Training and Retraining of Operation Supervisors)	3	96	288
Emergency Response Drill	2	43	86
Self-defense and Fire Marshalling Training	7	65	455
Fire Fighting Training/Propaganda	2	21	42
Workplace Health Promotion Lecture	2	27	54
Total		590	1,809

4. Complaint System
The Company has a smooth complaint channel, through which colleagues can file a complaint with supervisors at all levels or the Human Resources Department when they encounter various problems within the Company. In addition, the Company has a dedicated complaint mailbox and e-mail for sexual harassment prevention, in order to maintain gender equality in work and provide employees and job seekers with a work and service environment free from sexual harassment, . During the period of complaint investigation, it will be handled in a confidential manner, and the name of the complainant or other relevant information sufficient to identify the complainant will not be disclosed to protect the complainant.</td><td></td></tr>
</table>

<table>
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<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td></td><td></td><td></td><td></td><td></td></tr>
<tr><td>(II) Has the company formulated and implemented reasonable employee welfare measures (including salary, vacation and other benefits, etc.), and appropriately reflected its business performance or achievements in employee compensation?</td><td>V</td><td></td><td>(II) 1. Employee Compensation
The Company has a Salary Compensation Committee, which regularly reviews the salary compensation policy; Reward and punishment is linked to the year-end bonus, so that the reward and punishment system is clear and effective. Year-end bonus will be given according to the company's profitability, individual performance of employees and achievement rate of organizational goals.
2. Employee benefits
The Company has diversified welfare measures:
<table><tr><th>Welfare Items</th><th>Summary</th></tr><tr><td>Bonus welfare</td><td>Year-end bonus and performance bonus</td></tr><tr><td>Vacation welfare</td><td>Parenting leave, physiological leave, family care leave and paternity leave for male employees</td></tr><tr><td>Insurance welfare</td><td>Accident insurance, life insurance, employee/dependents group insurance, employee pension,
Business travel group injury insurance for employees</td></tr><tr><td>Catering welfare</td><td>Employee canteen and food allowance</td></tr><tr><td>Traffic welfare</td><td>Employee parking space, transportation allowance</td></tr></table></td><td></td></tr>
</table>

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<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td></td><td></td><td></td><td><table>
<tr><td>Entertainment welfare</td><td>Staff gym, staff travel, staff regular dinner</td></tr>
<tr><td>Subsidy welfare</td><td>Subsidy for on-the-job education and training, and domestic/overseas study subsidy</td></tr>
<tr><td>Other welfare</td><td>Staff maternity subsidy, wedding and funeral celebration subsidy, staff travel subsidy,
Senior staff praise, cash gifts for three festivals and the birthday, and regular health check-ups</td></tr>
</table></td><td></td></tr>
<tr><td>(III) Has the company provided a safe and healthy working environment for employees, and carried out safety and health education for employees regularly?</td><td>V</td><td></td><td>(III) 1. Occupational Safety and Health Management
The company carried out education and training, internal audit and management review related to ISO 45001 Occupational Safety and Health Management System, and passed SGS verification in April 2019, obtained ISO 45001 Occupational Safety and Health Management System Certificate on April 26, 2019, which is valid from April 23, 2019 to April 23, 2022.
Occupational Safety and Health Policy
Constantly strengthening safety and health management (SM)
Regularly evaluating safety and health performance (SP)
Providing workers with a safe and healthy working environment (SE)
SM + SP = SE
The company's occupational safety and health policy aims at "Zero Disaster for Employee Safety", and low work injury rate and absenteeism rate are one of the key indicators to evaluate the health and safety of employees in the organization. From October 14, 2010 to December 31,</td><td></td></tr>
</table>

<table>
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<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td></td><td></td><td></td><td>2021, the accumulated total working hours of no disability injury in the Linyuan Plant amounted to 4,862,968 hours, and the record was still kept.
2. Employee Safety Check
The Employee Safety Department and the construction unit in charge of the safety and health in the Linyuan Plant has carried out the relevant inspection work, conducted all kinds of employee safety inspection work regularly every day, and participated in the Taipei Responsible Care Association (TRCA), Linyuan Industrial Park Safety and Health Promotion Association and the regional defense organization. Fire drills and employee safety education and training are held regularly every year to cultivate employees' ability of emergency response and self-safety management.
3. Safety and Health Education and Training
In 2021, the employees of Linyuan Plant have spent 3,671 hours of on-the-job safety and health education (including PSM of process safety management), accounting for about 82% of the total 4,445 hours of education and training of Asia Polymer Corporation in 2021.
Number of person-time and hours of safety and health education training in recent two years:
<table><tr><th>Year</th><th>Education Training Person-time</th><th>Education Training Hours</th></tr><tr><td>109</td><td>475</td><td>2,981</td></tr><tr><td>2021</td><td>709</td><td>3,671</td></tr></table>4. Occupational Health Management</td><td></td></tr>
</table>

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
	Yes	No	Abstract Illustration	
			In order to know the physical health of employees, the Occupational Safety and Health Department is entrusted to announce qualified hospitals to conduct employee health check-ups every year, so as to ensure the health of employees, and the expenses are all borne by the company. In August, 2021, the health check-up of employees in Linyuan Factory was carried out four times, and the total number of people examined in Linyuan Factory was 208. The graded management system of special operation health check-up was implemented, and the results of the graded management of special operation health check-up were reported to the competent authority for reference. Regular appointment of doctors for in-factory health services, holding health talks, monthly in-factory health services in nurse practitioner, 6 appointments of doctors for in-factory health services in the year of 2021, 2 health talks and health consultations, and 98 health services for in-factory workers in nurse practitioner.	
(IV) Has the company established an effective training plan for employees' career development?	V		(IV) The Company's education and training is coordinated with the external environment, business policy, departmental performance objectives and the needs of employees' career development, and an all-round education and training system is constructed to provide training courses for all-round talents. In regards to the employees' continuing education and learning, the Company conducts the employee training needs survey in the fourth quarter of every year to formulate education and training implementation plans and budgets. At the same time, the Company has also set up a digital learning platform as a means for self-learning, and regularly holds employee functional training,	

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	Yes	No	Abstract Illustration	
			management training, seminars, health talks and various conferences to enhance employees' professional and management skills, thereby balancing employees' physical and mental development. In order to improve coworkers' qualities and overall competitiveness, courses are conducted using diverse methods. In addition to lectures, in-class activities are designed according to course attributes, while case study discussions or group discussions are carried out, with a view to making learning livelier and more productive. Additionally, online e-learning courses allows coworkers to effectively participate in learning activities anytime, anywhere, thereby enhancing their career development and overall work performance.	
(V) Does the company comply with relevant regulations and international standards regarding customer health and safety, right to privacy, marketing and labeling of its products and services and set up relevant consumer protection policies and complaint procedures?	V		(V) The Company focuses on quality, capability, and environmental protection policies, cooperates with high-quality suppliers on a long-term basis to fulfill its corporate social responsibility, conveys environmental policies to contractors and carriers, complies with the EU's RoHS regulations, strengthens education and training on environmental protection, pays attention to suppliers' safety in the plant area, and ensures the safety of various operations, so as to ensure life safety and health of personnel and to conduct risk management collectively.	
(VI) Does the company formulate and implement supplier management policies that require suppliers to follow relevant regulations on	V		(VI) The Company has established long-term strategic partnerships with major raw material suppliers and set up safety stock according to the preparation schedule, to ensure a smooth supply chain. To encourage continuous supplier optimization so that the Company can obtain raw materials and services at the	

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
	Yes	No	Abstract Illustration	
environmental protection, occupational safety and health or labor human rights?			right time, in the right quantity and at the right price, the Company regularly performs annual evaluation of suppliers according to aspects including quality, delivery dates, environmental protection and occupational safety and health, packaging, quality certification and services in coordination with production operations and environmental protection policies. operations and environmental protection policies. The Company will continuously strengthen self-evaluation of supply chain sustainability, and gradually incorporate CSR performance into the process of selection, evaluation, and audit. The Company jointly fulfills corporate social responsibilities with its suppliers using its influence. Excellent CSR experience sharing and collaboration with suppliers serve as a vital foundation for the Company to establish sustainable businesses.	
V.Does the company refer to internationally-used standards or guidelines for the preparation of reports such as sustainability reports to disclose non-financial information? Are the reports certified or assured by a third-party accreditation body?	V		The Company prepares a CSR report based on the core options of the GRI Standard and publishes it every June to disclose non-financial information as a communication bridge with all stakeholders who care about the Company, and to shed light on its philosophy of sustainable business and social responsibility and relevant information, as well as efforts at various relevant issues. The Company's CSR Report has been verified by the third-party certification agency (bsi), which has issued a statement on independent assurance opinion.	Compliant with the requirements of the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies.”

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	Yes	No	Abstract Illustration	

VI If the company has established sustainable development best-practice principles based on the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," describe the implementation and any deviations from such principles:

The Company added its Corporate Social Responsibility Best Practice Principles on March 11, 2015. There was no material discrepancy between these principles and its implementation in accordance with the amendment of Letter Tai-Zheng-Zhi-Li-Zo No. 11000241731 in December 7, 2021. The board of Directors approved the amendment to the Code of Practice on Sustainable Development on March 9, 2022 to meet the objectives of sustainable development in line with international development trends.

There was no material discrepancy between these principles and its implementation in accordance with the amendment.

VII Other important information to facilitate a better understanding of sustainable development practices:

(I) Composition, duties, and operation of the CSR Committee:

Members, responsibilities and operation of the Corporate Social Responsibility Committee of the Company:

1. Member and responsibility data:

Job title	Name	Special skills
Committee Chairman	Independent Director Shen Shang-Hung	Corporate Governance Officer
Deputy Committee Chairman	General Manager Wu, Pei-Chi	Business Administration
Committee Member	Chairman Quintin Wu	Corporate Governance Officer
Committee Member	Independent Director Cheng, Tun-Chie	Business Administration

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
	Yes	No	Abstract Illustration	

(1) The current term of office is from July 5, 2020 to June 23, 2023.

(2) The Corporate Social Responsibility Committee shall meet at least twice a year.

2. Responsibility: Promote the description of project (II) in detail

3. Implementation Status

First meeting in 2021
(1) Date of meeting: March 5, 2021
(2) Committee members in attendance: Shen, Shang-Hung, Wu, Pei-Chi, Quintin Wu, and Cheng, Tun-Chien
(3) Announcements:
(i.) 2020 Corporate Social Responsibility Report Editing Plan
(ii.) The report on the results of stakeholder negotiation in 2020 includes stakeholder identification, issues concerned, communication channels and response methods.
(iii.) Report on the identification results of major issues in 2020.
(iv) Potential financial impact analysis and countermeasures in 2020.

Second meeting in 2021
(1) Date of meeting: August 4, 2021
(2) Committee members in attendance: Shen, Shang-Hung, Wu, Pei-Chi, Quintin Wu, and Cheng, Tun-Chien
(3) Announcements:
(i) 2020 Corporate Social Responsibility Report Editing Plan
(ii) 2020 Corporate Social Responsibility Report Editing Plan
(iii) Corporate Sustainability Report Planning in 2021.

(II) Implementation of environmental protection, energy conservation and carbon reduction:
1. Environmental Policy

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
	Yes	No	Abstract Illustration	

Continuous improvement environmental quality (EQ)
Regular assessment of environmental performance (EP)
Provision of a healthy environmental life (EL)
EQ＋EP＝EL

Taking into account our commitment to environmental protection and obligations, all employees of APC acknowledge that it is our duty to carry out environmental protection work so that the sustainable development of the Earth can be achieved. As a responsible organization, we are committed to and implement the following strategies to achieve the vision:

(1) Abide by the government’s environmental protection and safety and health regulations.
(2) Pay attention to international treaties and environmental protection requirements of customers and stakeholders.
(3) Comply with SONY GP and RoHS product environmental protection assurance requirements.
(4) Implement continuous improvements to pollution prevention tasks and energy and resource management.
(5) Reduce potential environmental risks in operations.
(6) Set environmental goals and continue to improve the environmental management system through education and training and environmental audits to improve environmental performance and ensure the effective implementation of the environmental management system.

2. Outcomes of energy conservation and carbon reduction

In 2021, "Line 1/2 cold energy recycling, Line 1/2 primary reflux power saving, Line 4 primary reflux power saving, Line 3/4 cooling water sharing, E-1413 steam saving, P-1419 soft water circulating pump power saving, P-7101A/B/C process water pump energy saving improvement, Taipower demand bidding" and other energy saving and carbon reduction plans are scheduled to be implemented. It is expected to save 1,469,391 kwh of electricity, 441 metric tons of steam, and reduce 836 metric tons of CO2e emission.

Total energy consumption and greenhouse gas emissions; energy savings and carbon emissions reduction in the most recent three years

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
	Yes	No	Abstract Illustration	

Category	Total energy consumption (GJ)	Total greenhouse gas emissions (tons CO_2e)	Energy saved (GJ)	Carbon emissions reduction	Energy conservation rate (%)	Carbon emissions reduction
2019	800,288	114,598	8,246	1,203	1.04	1.07
2020	783,569	106,415	8,792	1,243	1.10	1.11
2021	835,065	111,966	6,526	836	0.82	0.75

Note: 2017 is the base year for energy use and greenhouse gas emissions.

3. Outcomes of energy conservation and carbon reduction

In 2022, it is scheduled to implement energy-saving and carbon reduction plans such as "Line 3/4 cooling water sharing power saving, E-1413 saving steam usage, Cooling water Circulating pump (P-7103 A/B) Replacement, B-6501A energy-saving improvement, and Taiwan Power Demand Bidding", which are expected to save 2,235,446 KWH of electricity and 183 metric tons of steam.

(III) Implementation of Social Services and Public Welfare:

1. Donation to the USI Education Foundation

USI Group upholds the business philosophy of "Solid Operation, Professional Management, Seeking Excellence and Serving the Society". On December 30, 2011, USI Corporation and Asia Polymer Corporation jointly established the USI Education Foundation with a fund of NT$ 50 million. The USI Education Foundation aims to engage in education-related charitable activities, and focuses on care for the disadvantaged, people in rural areas, and the ecology. The foundation has carried out the following activities in accordance with the relevant laws:

(1) Sponsor education in rural areas.
(2) Set up scholarships.
(3) Hold talks, seminars or other education-related charitable activities.
(4) Sponsor schools at various levels or educational groups to engage in activities such as literature, sports, music, dance, arts and drama.
(5) Industry-academia collaboration.

Promotion items	Implementation Status (Note 1)			Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies
	Yes	No	Abstract Illustration	

(6) Other educational activities of public interest in line with the objectives of the Foundation.

In 2021, the Company donated NT$4 million to the USI Education Foundation to sponsor related public welfare activities through the USI Education Foundation, including awarding scholarships, sponsoring service community activities in colleges and universities, sponsoring the public welfare platform culture foundation and Taidong Junyi Experimental High School, as well as sponsoring various other educational public welfare activities.

The foundation has offered scholarships to outstanding students from underprivileged backgrounds, who pursue studies in areas, including chemical engineering, materials engineering, and applied chemistry at 15 public and private universities to promote education related to the aforementioned areas and talent cultivation, as well as motivate students at university and graduate school to work hard, thereby cultivating outstanding talents for the society. In 2021, grants were awarded to 30 students from 16 departments of 11 public and private universities, including 16 doctoral students, 9 master's students and 5 university students, among whom 17 are from poor families. In addition, a scholarship award ceremony and a praise lunch were held on December 10, 2011 to encourage and cultivate more outstanding students from the poor families, hoping to exert positive influence on the society in the future.

Mr. Stanley Yen, Chairman of the Alliance Cultural Foundation, took over as the Chairman of Junyi Elementary and Secondary School (currently known as Junyi Experimental High School) in Taitung since 2011, and he hopes to provide students in rural areas with equal opportunities for learning through heuristic education to create new value for education in Taiwan. The USI Education Foundation recognizes Mr. Stanley Yen's care for rural education in Taiwan and his idea on sustainable development. Therefore, the foundation supports his efforts to implement various projects related to implementing and fostering rural education by sponsoring the Alliance Cultural Foundation and Junyi Experimental High School.

The foundation established its first music education project in September 2021, in cooperation with The Head Of Miaoli County High School, in combination with the music education project of the private Shangrong 365 Social welfare charity Foundation of Jiayi city (hereinafter referred to as Shangrong).

In 2021, we will sponsor other educational public welfare projects, mainly for boyouyou Social Welfare Foundation, The Foundation for Teaching and Education for Taiwan, the Association For Taiwan Zhanblue Ocean Alliance, the Foundation for Brariyan Dance Culture

<table>
<tr><th rowspan="2">Promotion items</th><th colspan="3">Implementation Status (Note 1)</th><th rowspan="2">Discrepancies between its implementation and the "Corporate Sustainable Development Best Practice Principles for TWSE or TPEx Listed Companies," and reasons for such discrepancies</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td colspan="5">Foundation, and The Hunter School To enable these socially recognized units to receive stable support, the foundation plans to continuously provide sponsorships to them in order to assist more schoolchildren.
2. Community public welfare activities
(1) Organize staff blood donation activities;
(2) Xier kitchen helping welfare activities:
(3) Assist in setting up solar photovoltaic system in Guangying Community, Linyuan District of Kaohsiung City
(4) Donated computer and detection equipment to Linyuan Sub-branch of Kaohsiung
(5) Cross departmental greenhouse gas cooperation of Kaohsiung Environmental Protection Bureau:
(6) The management plan of Kaohsiung air purification zone in 2021;
(7) Respond to the global energy saving activity "Earth Hour" in 2021 to turn off the lights;
(8) Assist the farmers in selling seasonal fruits:
(9) Sponsor the 19th USI Tennis Tournament.
Certificates and awards for promoting sustainable development:
In 2021, the Company won the 14th TCSA "Corporate Sustainability Report Awards - Gold Award".</td></tr>
</table>

Note 1: If “Yes” is checked in the operating status column, please explain the important policies, strategies, measures, and implementation situations; if “No” is checked in the operating status column. Please explain the circumstances and reasons for the differences in the Code of Practice on Sustainable Development with Listed Companies in the section "Circumstances and reasons for the differences" and explain your future plans for implementing relevant policies, strategies and measures.

Note 2: Companies that have already prepared their own CSR reports may specify ways to access the report and indicate the page numbers of the cited content in place of the Implementation Status.

Note 3: The principle of materiality refers to environmental, social, and corporate governance issues that have significant impacts on the Company's investors and other stakeholders.

(VI) Implementation Status of Ethical Corporate Management and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof

Evaluation Item	Operation Situation (Note 1)			Discrepancies between its implementation and the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies" and reasons for such discrepancies
	Yes	No	Abstract Illustration	
I. Establishment of ethical corporate management policies and programs (I) Does the company establish the ethical corporate management policies approved by the Board of Directors and declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its Board to implement the policies?	V		(一) The Group upholds the business philosophy of "Solid Operation, Professional Management, Seeking Excellence and Serving the Society" and exercises its corporate culture that "seeks truth, honesty and comprehensiveness". The Company has established the "Ethical Corporate Management Best Practice Principles" "Procedures for Ethical Management and Guidelines for Conduct", "Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managerial Officers" to specify its ethical corporate management policies. The Company's Board of Directors and the General Manager have signed statements of ethical management to fulfill their commitments in management policies.	Consistent with the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies".
(II) Does the company establish a risk assessment mechanism against unethical conduct, analyze and assess on a regular basis business activities within its business scope which are at a higher risk of being involved in unethical conduct, and establish prevention programs accordingly, which shall at least include those specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice	V		(II) The Company's Board of Directors has established the "Ethical Corporate Management Best Practice Principles" and evaluation mechanisms for the risks of unethical conduct and regularly analyze and evaluate business activities within their business scope that are possibly at a higher risk of being involved in an unethical conduct. The Company shall use the evaluation to establish prevention programs, regularly review the appropriateness and effectiveness of prevention programs, and strengthen related preventive measures. The prevention programs adopted by the Company include	

Evaluation Item	Operation Situation (Note 1)			Discrepancies between its implementation and the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies" and reasons for such discrepancies
	Yes	No	Abstract Illustration	
Principles for TWSE/GTSM Listed Companies"?			preventive measures against the following: 1. To bribe and receive a bribe. 2. To provide illegal political donations. 3. To offer improper charitable donations or sponsorships. 4. To offer or accept unjustified presents or hospitality, or other improper benefits. 5. To infringe on business secrets, trademarks, patents, copyrights, and other intellectual property rights. 6. To engage in unfair competition. 7. Damage directly or indirectly caused to the rights or interests,health, or safety of consumers or other stakeholders in the course of research and development, procurement, manufacture, provision, or sale of products and services.	
(III) Does the company specify in its prevention programs the operating procedures, guidelines, punishments for violations, and a grievance system and implement them and review the prevention programs on a regular basis?	V		(III) 1. The Company has established the “Ethical CorporateManagement Best Practice Principles” and the Procedures for Ethical Management and Guidelines for Conduct, which have been approved by the Board of Directors, to specifically regulate matters to be noted for the Directors, managerial officers, employees, and substantive controllers when performing their duties, as well as the disciplinary and grievance systems for non-compliance; the Company has also established the "Rules for Handling Cases of Illegal and Unethical or Dishonest Conduct" to encourage the reporting of any illegal or unethical conduct or violations of the Code of Ethical	

Evaluation Item	Operation Situation (Note 1)			Discrepancies between its implementation and the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies" and reasons for such discrepancies
	Yes	No	Abstract Illustration	
			Conduct or the Code of Business Integrity. Any employee or external party can freely choose to access the Company's website or a dedicated hotline set up at the Audit Office to report cases of illegal, unethical, or dishonest conduct. 2. Related regulations have been fully implemented and we continue to organize training courses to promote the ideals.	
II. Implementing Ethical Corporate Management (I) Does the company evaluate business partners' ethical records and include ethics-related clauses in the business contracts signed with the counterparties? (II) Does the company establish an exclusively dedicated unit supervised by the Board of Directors to be in charge of ethical corporate management and report to the Board of Directors the implementation of ethical corporate management policies and prevention programs on a regular basis (at least once a year)?	V V		(I) The Company has requested for terms of ethical conduct to be clearly defined in commercial contracts in accordance with its Ethical Corporate Management Best Practice Principles and the Procedures for Ethical Management and Guidelines for Conduct. (II) In order to improve the integrity of the company's business management, the corporate governance group is responsible for the formulation and supervision of the integrity of business policies and prevention programs, and the corporate governance supervisor shall report to the board of Directors regularly (at least once a year). The Director of Corporate Governance shall report to the Board of Directors on November 3, 2021 on the implementation of ethical business for the year, including the following: 1. Cooperate with laws and regulations to formulate and implement relevant regulations for the implementation of honest business policy 2. Regularly analyze and assess the risk of dishonest conduct in the business area. Assess the risk of dishonest conduct within the business scope according to the checklist for assessing the	Consistent with the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies".

Evaluation Item	Operation Situation (Note 1)			Discrepancies between its implementation and the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies" and reasons for such discrepancies
	Yes	No	Abstract Illustration	
			risk of dishonest conduct. No significant risk was assessed for the current year 3. The Company has planned its internal organizational structure and placed a control mechanism on business activities with higher risk of dishonest conduct in the business scope. 4. It promoted and coordinated of honesty policy advocacy training. 5. Developing a whistle-blowing system and ensuring its operating effectiveness. No illegal incidents were reported this year 6. Assist the Board of Directors and the General Manager in reviewing and assessing whether the prevention measures taken for the purpose of implementing ethical corporate management are carried out effectively, and prepare reports on the regular assessment of compliance with operating procedures.	
(III) Does the company establish policies to prevent conflicts of interest, provide appropriate communication channels, and implement them accordingly?	V		(III) The Company has formulated the "Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managerial Officers" to prevent conflict of interest and provide suitable channels for Directors, managers, and employees to explain any potential conflict of interest with the Company.	
(IV) Does the company establish effective accounting systems and internal control systems to implement ethical corporate management, with the internal audit unit	V		(IV) The Company's accounting systems and internal control systems can run independently and objectively. Internal control personnel regularly report their findings to the Audit Committee and the Board of Directors. CPAs appointed by the Company regularly	

<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Operation Situation (Note 1)</th><th rowspan="2">Discrepancies between its implementation and the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies" and reasons for such discrepancies</th></tr>
<tr><th>Yes</th><th>No</th><th>Abstract Illustration</th></tr>
<tr><td>being responsible for devising relevant audit plans based on the results of assessment of any unethical conduct risk, examining accordingly the compliance with the prevention programs, or engaging a certified public accountant to carry out the audit?

(V) Does the company regularly hold internal and external training on ethical corporate management?</td><td>

V</td><td></td><td>perform internal audits and hold discussions with the management.
The internal audit unit, after assessing risks, has drafted the audit plan for the next year, which incorporates the items under "Management of Reporting Illegal and Unethical or Dishonest Behavior," so as to audit the compliance with the Company's Unethical Conduct Prevention Program.

(V) To help employees understand professional ethical regulations, the Company has published related regulations on the corporate website and continues to invite renowned academics and experts to provide training and awareness programs for Directors, managerial officers, employees, and substantial controllers so they understand the Company's resolve for implementing ethical corporate management, the related policies, prevention programs and the consequences of committing unethical conduct.
In 2021, APC Taipei / Linyuan Plant held training lectures on ethical issues, with 79 employees participating in the training, and the total training time is 230 hours. Details are as follows:

<table><tr><th>No.</th><th>Course Title</th><th>Hours</th><th>Pers on-time</th><th>Total hours</th></tr><tr><td>1</td><td>[Ethics Lecture] Insider Trading Practice Cases and Related Legal Liabilities</td><td>3</td><td>1</td><td>3</td></tr></table></td><td></td></tr>
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<table>
<tr><th rowspan="2">Evaluation Item</th><th colspan="3">Operation Situation (Note 1)</th><th rowspan="2">Discrepancies between its implementation and the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies" and reasons for such discrepancies</th></tr>
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<tr><td></td><td></td><td></td><td>
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<tr><td>2</td><td>[Ethics Lecture] Internet Copyright and How to Use Software Legally</td><td>2</td><td>5</td><td>10</td></tr>
<tr><td>3</td><td>[Ethics Lecture] Protection and Reasonable Use of Patents</td><td>2</td><td>2</td><td>4</td></tr>
<tr><td>4</td><td>[Ethics Lecture] Trade Secrets Act Introduction and Case Analysis</td><td>3</td><td>68</td><td>204</td></tr>
<tr><td>5</td><td>Study on Labor Act for HR Personnel</td><td>3</td><td>3</td><td>9</td></tr>
<tr><td colspan="3">Total</td><td>79</td><td>230</td></tr>
</table>
</td><td></td></tr>
<tr><td>III. Operation of the whistle-blowing system
(I) Does the company establish both a reward/whistle-blowing system and convenient whistle-blowing channels? Are appropriate personnel assigned to the accused party?</td><td>V</td><td></td><td>(I)The Company's Board of Directors passed the amendments to the "Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct" on November 12, 2019 (Website: https://www.apc.com.tw/OthersPDF/APC_HandlingForIllegalImmoral.pdf)
They included the following report channels, incentive system, dedicated personnel responsible for processing reports, and whistleblower protection measures:
1. Whistleblowing channels:
(1) Personal report: Face-to-face explanation.
(2) Telephone report: 02-26503783
(3) Written report: Auditing Office, 7F., No. 37, Jihu Rd., Neihu Dist., Taipei City.
2. Incentive system:
Where a report is verified as true and its contribution generates significant economic benefits, the incident may be submitted to</td><td>Consistent with the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies".</td></tr>
</table>

Evaluation Item	Operation Situation (Note 1)			Discrepancies between its implementation and the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies" and reasons for such discrepancies
	Yes	No	Abstract Illustration	
			the General Manager to provide the reporter with appropriate rewards. 3. Responsible personnel: (1) Audit Committee: Accept reports from shareholders, investors, and other stakeholders. (2) Auditing Office: Accept reports from clients, suppliers, and contractors. (3) Personnel Division: Accept reports from employees. 4. Whistleblower protection: Whistleblowers or persons involved in investigations shall be fully protected and the confidentiality of their identities and information provided shall be fully maintained, so that they will not be subjected to unfair treatment or retaliation. Where the whistleblower is an employee, the Company shall guarantee that the employee shall not sustain inappropriate treatment that may arise from the report.	
(II) Does the company establish the standard operating procedures for investigating reported misconduct, follow-up measures to be taken after the investigation, and related confidentiality mechanisms?	V		(II) The measures mentioned in the preceding paragraph specify the standard operating procedures for investigating the case being exposed by the whistleblower and the relevant confidentiality mechanism; where whistleblower is anonymous or did not use his/her true name, or the content stated or the proof of origin provided is deemed necessary for investigation, the case may still be reported to the Chairman/General Manager before the case is handled and recorded as a reference for internal review. After a report is accepted, an investigation will be conducted for internal	

Evaluation Item	Operation Situation (Note 1)			Discrepancies between its implementation and the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies" and reasons for such discrepancies
	Yes	No	Abstract Illustration	
(III) Does the company provide protection for whistle-blowers against receiving improper treatment?	V		evidence. If it is proved to be true, the Company will handle it based on its illegal violation or the severity of violation in accordance with the disciplinary regulations and relevant laws. (III) The procedures above also specify that whistleblowers or persons involved in investigations shall be fully protected and the confidentiality of their identities fully maintained, so that they will not be subjected to unfair treatment or retaliation.	
IV. Enhanced disclosure of ethical corporate management information Does the company disclose the ethical corporate management policies and the results of its implementation on the company website and MOPS?	V		The Company places related regulations and education material for ethical corporate management on the Company's website for employees to read at any time. (Website:https://www.apc.com.tw/OthersPDF/APC_FaithManageRule.pdf) The information related to ethical corporate management and the effectiveness of implementation is disclosed on the website and in the annual report (and MOPS simultaneously).	Consistent with the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies".
V. If the company has established the ethical corporate management best-practice principles based on the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies," please describe the implementation and any deviations from the Principles: The Company has established its "Guidelines for the Adoption of Codes of Ethical Conduct for Directors and Managerial Officers", the "Ethical Corporate Management Best Practice Principles", the "Procedures for Ethical Management and Guidelines for Conduct", the "Code of Conduct for Employees Regarding Concurrent and Part-time Work", and the "Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct". There was no material discrepancy during the implementation of these rules and regulations.				
VI. Other important information that facilitate the understanding of the implementation of ethical corporate management (such as review and amendment of the Company's Ethical Corporate Management Best Practice Principles): The Company has amended the "Ethical Corporate Management Best Practice Principles", "Procedures for Ethical Management and Guidelines for Conduct", and "Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct" in accordance with the amendments of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" announced and amended by the competent authority in May 2019 and they were passed in the meeting of the Board of Directors on November 12, 2019. The head of corporate governance				

Evaluation Item	Operation Situation (Note 1)			Discrepancies between its implementation and the "Ethical Corporate Management Best Practice Principles for TWSE or TPEx Listed Companies" and reasons for such discrepancies
	Yes	No	Abstract Illustration	
shall report to the board of directors at least once a year on matters relating to ethical management. The Corporate Governance Officer reported to the Board of Directors on matters related to ethical corporate management on November 3, 2021.				

Note: Regardless of whether "Yes" or "No" is selected, provide a brief description in the Summary column.

[Description of Revision]

In line with the amendments to the Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies, the items that the Company shall disclose when implementing ethical corporate management have been revised.

(7) Methods of inquiry on the Corporate Governance Best Practice Principles and related regulations established by the Company:

1. The Company has established the following operating procedures:

(1) Articles of Incorporation
(2) Regulations Governing the Acquisition and Disposal of Assets
(3) Regulations Governing the Making of Endorsements/Guarantees
(4) Regulations Governing the Loaning of Funds to Others
(5) Rules of Procedure for Board of Directors' Meetings
(6) Regulations Governing the Evaluation of the Performance of the Board of Directors
7) Codes of Ethical Conduct for Directors and Managerial Officers
(8) Regulations Governing the Election of Directors
(9) Employee Work Rules
(10) Procedures for Handling Material Inside Information
(11) Procedures for Ethical Management and Guidelines for Conduct
(12) Ethical Corporate Management Best Practice Principles
(13) Rules of Procedure for Shareholders' Meetings
(14) Rules Governing the Scope of Powers of Independent Directors
(15) Remuneration Committee Charter
(16) Audit Committee Charter
(17) Corporate Social Responsibility Best Practice Principles
(18) CSR Committee Charter
(19) Corporate Governance Best Practice Principles
(20) Procedures for Handling Cases of Illegal and Unethical or Dishonest Conduct
(21) Management Guidelines for Employee Complaint and Feedback Mailboxes
(22) Standard Operating Procedures for Requests Filed by Directors
(23) Human Rights Policy and Management Plan
(24) Corporate Governance Self-Evaluation Report
(25) Risk management policies and procedures
(26) Intellectual property Management plan

2. As of the publication date of this annual report, refer to the following for the Company's Corporate Governance Best Practice Principles and other relevant regulations:

(1) Corporate Governance section of the Market Observation Post System (http://mops.twse.com.tw/mops/web/index).
(2) Corporate Governance section under Investor Relations on the Company's official website (https://www.apc.com.tw)

(VIII) Other Important Information on Corporate Governance

The Company regularly performs audits of its subsidiaries, as well as analyzing and reviewing the financial and business information of its subsidiaries in accordance with the requirements for supervision and monitoring of subsidiaries stipulated in the Regulations Governing Establishment of Internal Control Systems by Public Companies.

(IX) Status of Internal Control System

1. Statement on Internal Control

Asia Polymer Corporation
Statement on Internal Control System

March 9, 2022

The Company makes the following statement according to the self-evaluation conducted of the internal control system in 2021：

I. The Company acknowledges that it is the responsibility of the Board of Directors and managerial officers to establish, implement, and maintain the established internal control system. Its purpose is to reasonably ensure that operational effectiveness and efficiency (including income, performance, and asset safety) and reporting are reliable, timely, and transparent, as well as to ensure compliance with relevant regulations and laws.

II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its 3 stated objectives above. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond control. Nevertheless, the internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.

III. The Company evaluates the design and operating effectiveness of the internal control system based on the criteria provided in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (herein below, the "Regulations"). The items for the determination of internal control systems adopted in the Regulations has identified five key components based on management control processes: (1) control environment, (2) risk assessment, (3) control operations, (4) information and communication, and (5) monitoring operations. Each component includes a number of items. For more information on the above-mentioned items, please refer to the Regulations.

IV. The Company has evaluated the design and operating effectiveness of the internal control system according to the Regulations.

V. In accordance with the aforementioned evaluation, the Company has found that the design and implementation of the internal control system (including the assessment and management of subsidiaries), as of December 31, 2021, including the efficacy of understanding operations, the efficiency of achievement of objectives, reliability in reporting, timeliness, and compliance with the relevant guidelines and laws, are effective and can reasonably provide assurance of the aforesaid goals.

VI. This statement is an integral part of the Company's annual report and prospectus and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII This statement has been approved on March 9, 2022, by the Board of Directors, and out of the 9 Board members in attendance, none has objected to this statement and all consented to the content expressed herein.

Asia Polymer Corporation

Chairman of the Board: Quintin Wu

General Manager: Wu, Pei-Chi

2. If a CPA has been hired to carry out a special audit of the internal control system, the CPA audit report shall be disclosed: N/A.

(X) Any penalties imposed upon the Company or internal personnel by laws, or punishment imposed by the Company on internal personnel for violation of the Company's internal control system regulations, details on the punishment if it might have significant impact on the shareholders' equity or securities prices, major defects and corrective action thereof in the most recent fiscal year and as of the date of this annual report: None.

(XI) Major Resolutions of Shareholders’ Meeting and Board Meetings during the Most Recent Fiscal Year and during the Current Fiscal Year Up to the Date of Publication of the Annual Report

1. Shareholders' Meeting

Year of Meeting	Date of Meeting	Key Resolutions and their implementation:
2021	July 26, 2021	The minutes of shareholders' meeting were posted on the Open Information Observatory on August 12, 2021. Key Resolutions and their implementation are as follows: 1. Recognition of the 2020 annual accounting book. Implementation status: Resolution passed 2. Recognition of the 2020 annual accounting book. Implementation status: Resolution passed A total of NT$698,522,258 were distributed to the shareholders as cash dividends, and the record date was September 10, 2021. All the cash dividends were completely distributed on October 7, 2021. NT$116,420,370 was distributed to the shareholders as stock dividends and 11,642,037 new shares were issued. And on October 22, 2021, the capital increase shares will be issued and listed.

Year of Meeting	Date of Meeting	Key Resolutions and their implementation:
		3. Discussed the issuance of new shares for capital increase from surplus. Implementation status: Resolution passed The resolution was passed. The resolution was declared effective by the Securities and Futures Bureau under the Financial Supervisory Commission on August 5, 2021 and was approved as stated in the approved Letter Jing-Shou-Shang-Zi No. 11001176720 dated October 13, 2021. The Company issued 11,642,037 new shares, where 20 new shares were distributed for each thousand shares held. By the resolution of the board of directors, September 10, 2021 is set as the base date of capital increase. The capital increase record date approved by the Board of Directors was October 7, 2021, and the additional shares will be issued and listed on October 22, 2021, after which the certificate of rights of the new shares will be terminated. 4.Discussed amendments to Rules of Procedure for Shareholders' Meetings Implementation status: The resolution was passed and has been implemented according to the resolution passed by the Shareholders' Meeting. 5. Discussed directors' non-compete license. Implementation status: Resolution passed

2. Board of Directors

Year of Meeting	Date of Meeting	Key Resolutions
2021 1st	March 5, 2021	1. Ratify the three-year medium-term comprehensive credit line signed with Far Eastern International Bank. 2. Approved the 2020 Account Book. 3. Agree on the distribution of remuneration to directors and employees for the year 2020. 4. Approved the 2020 earnings distribution plan 5. Approved the issuance of new shares for capital increase from surplus. 6. Approve the amendment of certain articles in the Rules of Procedure for Shareholders' Meetings. 7. Reviewed the proposal to lift the restriction of non-competition for directors. 8. Approved matters related to the convening of the 2021 general shareholders' meeting. 9. Accept shareholders' proposals from April 4, 2021 to April 14, 2021. 10. Approved the independent evaluation of appointed accountant in 2021. 11. Approved the appointment of CPAs. 12. Approved the issuance of the internal control system statement in 2020. 13. Authorize the Chairman to sign and deliver shot-term credit loan contracts and related documents to financial institutions. 14. Approve donations to the USI Education Foundation.
2021 2nd	May 05, 2021	1. Passed the amendments to the Company's internal control system. 2. Authorized the Chairman to change the venue of the 2021 Regular Meeting of Shareholders as required by COVID-19.
2021 3rd	July 09, 2021	1. Ratify the three-year medium-term loan limit signed with Entie Commercial Bank 2. Reviewed changes to the date and venue of the 2021 Ordinary Shareholders meeting.
2021 4th	August 04, 2021	1. Ratify the renewal of the three-year medium-term loan limit signed with Bank SinoPac 2. Ratify the renewal of the three-year medium-term loan limit signed with Taishin International Bank 3. Ratify the renewal of the three-year medium-term loan limit signed with Hua Nan Bank 4. Ratify the renewal of the three-year medium-term loan limit signed with Chang Hwa Bank 5. Issue new shares.
2021 5th	November 03, 2021	1. Ratify the three-year medium-term comprehensive credit line signed with Yuanta Commercial Bank 2. Ratify the 5-year medium-term loan limit signed with Cathay United Bank 3. Approved the annual audit budget in 2022.

Year of Meeting	Date of Meeting	Key Resolutions
		4. Approved CPAs' remuneration for 2021 5. Approved the annual audit plan in 2022. 6. Authorize the Chairman to sign and deliver shot-term credit loan contracts and related documents to financial institutions.
2022 1st	March 09, 2022	1. Ratify the renewal of the three-year medium-term loan limit signed with Bank of China, Taipei Branch 2. Ratify the three-year medium-term loan limit signed with the Japanese company Mizuho Bank 3. Ratify the three-year medium-term loan limit signed with the Japanese company Mitsubishi UFJ Securities 4. Approved the 2021 Account Book. 5. Approved the 2021 compensation distribution plan for Directors and employees 6. Approved the 2021 earnings distribution plan 7. Reviewed the amendments to part of the "procedures for handling acquisition or Disposal of assets". 8. Reviewed the reelection of directors at the annual general meeting. 9. Reviewed the proposal to lift the restriction of non-competition for new directors. 10. Approved matters related to the convening of the 2022 general shareholders' meeting. 11. Accept shareholders' proposals from March 20, 2022 to March 30 2022. 12. Approved the independent evaluation of appointed accountant in 2022 13. Approved the appointment of the accountant of 2022. 14. Approved the issuance of unsecured ordinary corporate bonds 15. Approved the issuance of the internal control system statement in 2021. 16. Approved the amendment to certain articles of the Corporate Social Responsibility Best Practice Principles and Corporate Social Responsibility Committee Organization Rules. 17. Authorize the Chairman to sign and deliver shot-term credit loan contracts and related documents to financial institutions. 18. Approve donations to the USI Education Foundation.

(XII) Dissenting opinions or qualified opinions on resolutions passed by the Board of Directors that are made by directors or supervisors, and are documented or issued through written statements, in the most recent fiscal year up to the publication date of this annual report:

No such situation at the Company in the most recent fiscal year up to the publication date of the Annual Report.

(XIII) Summary of the resignation and dismissal of the Company's Chairman, General Manager, Accounting Manager, Finance Manager, Head of Internal Audit, Head of Corporate Governance, and Head of Research and Development in the most recent fiscal year up to the publication date of this annual report:

No such situation at the Company in the most recent fiscal year up to the publication date of the Annual Report.

V. Information on CPA Professional Fees

Unit: NT$ 1,000

Name of CPA Firm	Name of CPAs	Audit Period	Audit Fees	Non-Audit Fees	Total	Note
Deloitte & Touche	CPA Chiu, Cheng-Chun	2021	2,310	374	2,684	
	CPA Chuang, Pi-Yu	2021				

Please state the non-audit services: (e.g., tax compliance, assurance or other financial consulting services)

* Non-audit fees include tax handling fees of NT$ 310,000 and optimization fees of consolidated financial reporting system of NT$64,000.

Note: Where this Company replaces the CPA or accounting firm, the auditing periods of the former and successor CPA or firm shall be annotated separately. The reason for the replacement shall be provided in the Notes section accordingly. And disclose the audit and non-audit fees paid in order. Non-audit fees shall be accompanied by a note stating the content of their services..

(I) If the non-audit fees paid to the CPAs, accounting firm and its affiliated companies exceeds one-fourth of the audit fees, the amount of audit and non-audit fees and the content of non-audit services shall be disclosed:

The non-audit fees paid by the Company did not exceed one-fourth of the audit fees.

(II) Where the CPA firm was replaced, and the audit fees in the fiscal year, when the replacement was made, were less than that in the previous fiscal year before replacement, the amount of audit fees paid before/after replacement and reasons for paying this amount shall be disclosed:

The Company did not replace the CPA firm in 2021. Therefore, this section is not applicable.

(III) Where accounting fee paid for the year was 10% (or more) less than that of the previous year, the sum, proportion, and cause of the reduction shall be disclosed:

The audit fee of the Company in 2021 decreased by NT$310,000 compared with that in 2020, reaching 12%. It is caused by the company's non-audit public expense tax visa public expense of 310,000 in 2020.

VI. Information on Replacement of CPA

(I) Regarding the former CPA N/A

<table>
<tr><td>Replacement Date</td><td colspan="4"></td></tr>
<tr><td>Replacement Reasons and Explanations</td><td colspan="4"></td></tr>
<tr><td rowspan="3">Describe whether the Company terminated or the CPA did not accept the appointment</td><td colspan="2">Contracting Party
Status</td><td>CPA</td><td>Appointer</td></tr>
<tr><td colspan="2">Terminate the appointment</td><td colspan="2" rowspan="2">N/A</td></tr>
<tr><td colspan="2">CPA declined to accept (continue with) the appointment</td></tr>
<tr><td>Opinion and reason for the issuance of audit reports containing opinions other than unqualified opinions in the most recent two fiscal years</td><td colspan="4">N/A</td></tr>
<tr><td rowspan="7">Deviation form the Issuer</td><td rowspan="5">Yes</td><td></td><td colspan="2">Accounting principles or practices</td></tr>
<tr><td></td><td colspan="2">Disclosure of financial report</td></tr>
<tr><td></td><td colspan="2">Audit scope or procedures</td></tr>
<tr><td></td><td colspan="2">Others</td></tr>
<tr><td></td><td colspan="2"></td></tr>
<tr><td>None</td><td colspan="3"></td></tr>
<tr><td colspan="4">Description: None.</td></tr>
<tr><td>Other items for disclosure (where Item 1-4 to Item 1-7, Subparagraph 6, Article 10 of the Regulation should be disclosed)</td><td colspan="4">None.</td></tr>
</table>

(II) Information on the succeeding CPA: N/A

Name of CPA Firm	
Name of CPAs	
Date of Appointment	
Written opinions from successor CPAs with regards to matters with which former CPAs disagreed	None
Succeeding CPA's written opinion of disagreement toward the former CPA	None

(III) Former CPAs' reply to Item 1 and 2-3, Subparagraph 6, Article 10 of the Annual Accounting Standards: Not applicable

VII. Where the Company's directors, general manager, managerial officer in charge of finance or accounting who has served in a CPA's accounting firm or its affiliated companies in the most recent fiscal year, the name, job title, and the accounting firm, or the affiliated company shall be disclosed: Not applicable.

VIII. Equity transfer or changes in equity pledged by the Company's directors, supervisors, managerial officers or shareholders with shareholding percentage exceeding ten percent in the most recent fiscal year up to the publication date of this Annual Report:

(I) Changes in shareholdings of directors, supervisors, managers and major shareholders

Title	Name	2021		For the year ended March 31,2022	
		Shares Held Increase (decrease) in number	Shares Pledged Increase (decrease) in number	Shares Held Increase (decrease) in number	Shares Pledged Increase (decrease) in number
Major Shareholder	Union Polymer Int'l Investment Corp.	4,200,898	0	0	0
Directors	Quintin Wu (representative of Union Polymer Int'l Investment Corp.)	0	0	0	0
	Li, Kuo-Hung (representative of Union Polymer Int'l Investment Corp.)	0	0	0	0
	Wu Pei-Ci (Representative of Union Polymer International Investment Corp.)	0	0	0	0
	Liu, Han-Tai (representative of Union Polymer International Investment Corp.)				
	Wu, Hung-Chu (Representative of Union Polymer International Investment Corp.)	0	0	0	0
Shareholder	Taiwan Union International Investment Corporation	231,588 (10,400,000)	0	0	0
Directors	Ko, I-Shao (representative of Taiwan Union International Investment Corp.)	0	0	0	0

Title	Name	2021		For the year ended March 31,2022	
		Shares Held Increase (decrease) in number	Shares Pledged Increase (decrease) in number	Shares Held Increase (decrease) in number	Shares Pledged Increase (decrease) in number
Independent Director	Shen Shang-Hung	0	0	0	0
	Chen Ta-Hsiung	0	0	0	0
	Cheng Tun-Chien	0	0	0	0
Chief Executive Officer	Quintin Wu	0	0	0	0
General Manager	Wu Pei-Chi	0	0	0	0
Deputy General Manager of Sales Department	Wu Ming-Tsung	0	0	0	0
Corporate Governance Officer	Chen, Yung-Chih	0	0	0	0
Director of Linyuan Plant	Chen, Chun-Hung	0	0	0	0
Accounting Manager	Cheng-Shun Chen	0	0	0	0
Finance Manager	Shih, Ju-Hsuan	0	0	0	0
Sales Manager	Huang, Ko-Ming	0	0	0	0

Note 1: Shareholders who hold more than ten (10) percent of the Company's shares should be noted as substantial shareholders, and listed separately.

Note 2: Counter parties involved in equity transfer or pledging of shares to related parties should be shown in the following table.

(II) Transfer of equity: Not applicable.

(III) Equity pledge information: Not applicable.

IX. Information Regarding the Top 10 Shareholders in Terms of Number of Shares Held, Who Are Related Parties or Each Other's Spouses and Relatives within the Second Degree of Kinship:

March 29,2022

Name (Note 1)	Current Shareholding		Shares Held by Spouse and Minors		Shareholding by Nominee Arrangement		Title or name and relationship of top 10 shareholders who are related parties or each other's spouses and relatives within the second degree of kinship (Note 3)		Remark
	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding holding %	Number of Shares	Percentage of Shareholding holding %	Name (Or Name)	Relationship	
Union Polymer International Investment Corp.	214,245,822	36.08%	-	-	0	0%	China General Terminal & Distribution	Have the same ultimate parent company	
Representative: Quintin Wu	0	0%	-	-	0	0%	None	None	
Chunghwa Post Co., Ltd	15,315,820	2.58%	-	-	0	0%	None	None	
Legal representative: Hong-Mo Wu	0	0%	0	0%	0	0%	None	None	
Chang Hwa Commercial Bank, Ltd. as custodian of Yuanta Taiwan High-yield Leading Company Securities Investment Trust Account	12,123,000	2.04%	-	-	0	0%	None	None	
Taiwan Union International Investment Corporation	11,811,014	1.99%	-	-	0	0%	None	None	
Representative: Ko, I-Shao	0	0%	0	0%	0	0%	China General Terminal & Distribution	Directors	
Citibank Taiwan as custodian of UBS Europe SE Investment Account	7,424,812	1.25%	-	-	0	0%	None	None	
JP Morgan Chase Bank Taipei Branch as custodian of Vanguard Group's Vanguard Emerging Markets Stock Index Fund Investment Account	5,519,340	0.93%	-	-	0	0%	None	None	
Prudential Life Insurance Company of Taiwan Inc.	5,314,000	0.89%	-	-	0	0%	None	None	
China General Terminal & Distribution Corporation	5,290,482	0.89%	-	-	0	0%	Union Polymer International	Have the same ultimate parent company	

Representative: Chang, Hung-Chiang							Ko I-Shao	Director of China General Terminal & Distribution Co.	
	0	0%	0	0%	0	0%	None	None	
JP Morgan Chase Bank Taipei Branch as custodian of Vanguard Total International Stock Index Fund Investment Account, a series of Vanguard Star Funds	5,142,624	0.87%	-	-	0	0%	None	None	
Taiwan Life Insurance Co., Ltd. Legal representative: Huang Si-Kuo	2,500,000	0.42%	-	-	0	0%	None	None	
	0	0%	0	0%	0	0%	None	None	

Note 1: All the top 10 shareholders should be listed. For institutional shareholders, their names and the name of their representatives should be listed separately.

Note 2: Shareholding percentage is calculated separately based on the number of shares held in the name of the person, his/her spouse and minors, and others.

Note 3: Relationships between the aforementioned shareholders, including juristic person shareholders and natural person shareholders shall be disclosed based on the financial reporting standards used by the issuer.

X. Total Number of Shares and Total Equity Stake Held in any Single Enterprise by the Company, Its Directors and Supervisors, Managerial Officers, and Any Companies Controlled Either Directly or Indirectly by the Company

Unit: shares; %;December 31, 2021

Reinvestment Entities (Note)	Ownership by the Company		Investments by Directors Supervisors, manageria officers and directly or indirectly controlled enterprises		Combined Investment	
	Shares	Shareholding ratio	Number of Shares	Percentage of Shareholding	Number of Shares	Percentage of Shareholding
APC (BVI) Holding Co., Ltd.	11,342,594	100.00%	0	0.00%	11,342,594	100.00%
USI International Corp.	2,100,000	70.00%	900,000	30.00%	3,000,000	100.00%
APC Investment Co., Ltd.	20,000,000	100.00%	0	0.00%	20,000,000	100.00%
China General Plastics Corporation	46,886,185	8.07%	140,609,929	24.20%	187,496,114	32.27%
China General Terminal & Distribution Corporation	22,009,593	33.33%	0	0.00%	22,009,593	33.33%
Acme Electronics Corporation	6,056,623	3.31%	3,148,492	1.72%	9,205,115	5.03%
Taiwan United Venture Capital Corp.	3,080,866	8.33%	0	0.00%	3,080,866	8.33%
Swanson Plastics Corporation	12,266,779	7.95%	146,884	0.10%	12,413,663	8.05%
USI Optronics Corporationd	5,972,464	9.20%	61,745	0.10%	6,034,209	9.30%
Ever Conquest Global Ltd.	170,475,000	40.87%	0	0.00%	170,475,000	40.87%

Note: Invested by the Company using the equity method

Chapter 4 Funding Status

I. Capital and Shares

(I) Source of Capital

Year Month	Par Value	Authorized Capital		Paid-in Stock Capital		Note		
		Number of Shares	Amount	Number of Shares	Amount	Share Capital Source of Capital	Capital Increase by Assets Other than Cash	Others
2021.10	10	620,000,000 shares	NT$ 6,200,000,000	593,743,919 shares	NT$ 5,937,439,190	–	–	–

(Note): Approved by Letter Jing-Shou-Shang-Zi No.11001176720 dated October 13, 2021

Note 1: The annual data shall be updated as of the publication date of this annual report.

Note 2: The effective (approval) date together with the doc. No. should be added for any capital increase.

Note 3: Shares traded below par value shall be indicated in a clear manner.

Note 4: Capital increase by currency debts or technology should be stated, and the type and amount of assets involved in such capital increase should be noted.

Note 5: Shares traded via private placement shall be indicated in a clear manner.

Stocks Category	Authorized stock			Note
	Issued Shares	Unissued Shares	Total	
Registered Common stock	593,743,919 shares	26,256,081 shares	620,000,000 shares	Listed

Note: Please indicate whether the shares are issued by a company listed on the Taiwan Stock Exchange (TWSE) or the Taipei Exchange (TPEx) (Shares of which trading is restricted on the TWSE or those which are traded on the TPEx should be noted).

Information on the shelf registration system: N/A

(II) Shareholder Structure

March 29, 2022

Shareholder Structure / Number	Government institutions	Financial institutions	Other Juristic Persons	Individual	Foreign Institutions and Natural Persons	Total
Number	1	9	274	70,951	148	71,383
Shares Held	870,000	10,067,252	277,235,937	258,386,369	47,184,361	593,743,919
Shareholding Ratio	0.15%	1.70%	46.69%	43.51%	7.95%	100.00%

Note: Companies primarily-listed on TWSE and Taipei Exchange shall disclose the proportion of its shares held by investors from Mainland China. Investors from Mainland China refers to natural persons, legal persons, organizations, institutions or companies in areas other than Taiwan and Mainland China invested by persons of such identity as defined in Article 3 of the Regulations Governing Investment of Mainland Chinese in Taiwan.

(III) Shareholding Distribution Status

Common stock:

March 29, 2022

Range of Shares	Number of Shareholders	Shares Held	Shareholding Ratio
1-999	34,453	4,948,472	0.83%
1,000-5,000	27,186	56,560,066	9.53%
5,001-10,000	4,810	35,506,437	5.98%
10,001-15,000	1,705	20,777,004	3.50%
15,001-20,000	988	17,662,950	2.97%
20,001-30,000	895	22,111,805	3.72%
30,001-40,000	362	12,749,034	2.15%
40,001-50,000	224	10,327,002	1.74%
50,001-100,000	434	29,957,277	5.05%
100,001-200,000	180	24,714,849	4.16%
200,001-400,000	76	21,443,105	3.61%
400,001-600,000	25	12,161,838	2.05%
600,001-800,000	10	7,239,668	1.22%
800,001-1,000,000	7	6,589,000	1.11%
1,000,001 and above (This range can be further classified where necessary)	28	310,995,412	52.38%
Total	71,383	593,743,919	100.00%

Preferred stock: None

(IV) List of Major Shareholders

March 29, 2022

Stocks / Names of Substantial Shareholders	Shares Held	Percentage of Shareholding
Union Polymer International Investment Corp.	214,245,822	36.08%
Chunghwa Post Co., Ltd.	15,315,820	2.58%
Chang Hwa Commercial Bank, Ltd. as custodian of Yuanta Taiwan High-yield Leading Company Securities Investment Trust Account	12,123,000	2.04%
Taiwan Union International Investment Corporation	11,811,014	1.99%
Citibank Taiwan as custodian of UBS Europe SE Investment Account	7,424,812	1.25%
JP Morgan Chase Bank Taipei Branch as custodian of Vanguard Group's Vanguard Emerging Markets Stock Index Fund Investment Account	5,519,340	0.93%
Prudential Life Insurance Company of Taiwan Inc.	5,314,000	0.89%
China General Terminal & Distribution Corporation	5,290,482	0.89%
JP Morgan Chase Bank Taipei Branch as custodian of Vanguard Total International Stock Index Fund Investment Account, a series of Vanguard Star Funds	5,142,624	0.87%
Taiwan Life Insurance Co., Ltd.	2,500,000	0.42%

(V) Market price, net value, earnings, and dividends per share in the Most Recent two years

Item \ Year			2021	2020	For the year ended March 31, 2022 (Note 8)
Market Price Per Share (Note 1)	Highest		52.60	22.00	40.45
	Lowest		18.50	12.25	34.20
	Average		37.90	18.68	37.56
Net Worth per Share (Note 2)	Before distribution		26.04	20.80	26.61
	After distribution		23.04	19.60	-※
Earnings per Share (Note 3)	Weighted Average Shares		593,743,919	582,101,882	593,743,919
	Earnings per share before retrospective adjustment		5.22	1.90	0.39
	Earnings per share after retrospective adjustment		5.22	1.86	-
Earnings Per Share	Cash dividends		3.0※	1.20	-
	Stock dividends	Dividends from surplus earnings	-※	0.20	-
		Stock dividends appropriated from capital surplus	-※	-	-
	Accumulated unpaid dividends (Note 4)		0	0	-
Return on Investment	Price-to-earnings ratio (Note 5)		6.30	9.18	-
	Price-to-dividend ratio (Note 6)		10.96	14.54	-
	Cash dividend yield (Note 7)		9.13%	6.88%	-

※Based on the profit distribution plan which has been approved by the Board of Directors but is et to be acknowledged by the Shareholders' Meeting.

※Based on the profit distribution plan which has been approved by the Board of Directors but is et to be acknowledged by the Shareholders' Meeting.

＊ If retained earnings or capital reserves were used for capital increase, market prices and cash ividends that were retroactively adjusted based on the number of shares after distribution shall e disclosed.

Note 1: List the highest and lowest market price of the common shares for each year and refer to the transaction value and transaction volume to calculate the average market price for each year.

Note 2: Please fill in data based on the shares issued by year-end and share allocation resolution of the Board of directors or next annual shareholders' meeting for the subsequent year.

Note 3: If there is any retrospective adjustment required due to stock dividends, earnings per share before and after such adjustment shall be listed.

Note 4: If there is any condition in issuing equity securities that allows for an undistributed dividend for the year to be accumulated to subsequent years in which there is a profit, the Company shall separately disclose accumulated undistributed dividends up to that year.

Note 5: Price/earnings ratio = Average closing price per share for the current fiscal year/Earnings Per Share

Note 6: Price/dividend ratio = Average closing price per share for the current fiscal year/cash dividend per share

Note 7: Cash dividend yield = Cash dividend per share/average closing price per share for the current fiscal year

Note 8: Net worth per share and earnings per share for the latest quarter up to the date of publication of the Annual Report as audited (reviewed) by CPAs shall be filled in. For all other columns, the Company shall fill information for the year up to the date of publication of the Annual Report.

(VI) Dividend policy of the company and its implementation

1. Dividend policy stipulated in the Company's Articles of Incorporation

If the Company records a net income after taxes (NIAT) as indicated in its final annual accounts for the current fiscal year, the Company shall use its NIAT to cover cumulative loss in the previous fiscal year. If there is remaining balance, ten (10) percent of this balance has to be set aside as statutory reserves, while the rest shall be regarded as distributable profit. This distributable profit shall then be combined with undistributed earnings that has been accumulated in previous fiscal years. Part of this combined amount shall be recognized as or transferred to special reserves as required by the law or the competent authority, while the remaining balance shall be regarded as cumulative distributable profit. The Board of Directors shall propose a profit distribution plan which is then submitted to the Shareholders' Meetings for approval. The Shareholders' Meeting shall retain all or part of the Company’s profit based on its business performance.

In regards to the resolution on profit distribution, it has been decided that, due to the fact that the industry to which the Company belongs is in the maturity stage, and taking in account R&D needs and business diversification, dividends paid to shareholders shall not be less that ten (10) percent of distributable profit in the current fiscal year, where cash dividends shall not be less than ten (10) percent of the total dividends. However, no dividend shall be distributed if the distributable profit per share in the current fiscal year is less than NT$0.1.

2. Dividend distribution to be proposed to the shareholders' meeting:

(2) Cash dividends: The allocation of NT$1,781,231,757 from retained earnings in 2021for the distribution of cash dividends, where a dividend of NT$3 will be paid for every share, has been proposed. The proposal is still pending approval at the Annual General Meeting before the Chairman of the Board is given the authority to set the date for the distribution of cash dividends.

3. Any expected material changes to the dividend policy shall be further explained: Not applicable.

(VII) Effect on the Operating Performance and Earnings per Share of Distribution of Stock Dividends Proposed or Adopted in the Most Recent Shareholders' Meeting:

No financial forecast was prepared for year 2022. Therefore, there is no need to disclose forecast information.

<table>
<tr><td colspan="3">Year
Item</td><td>2022
(Estimated)</td></tr>
<tr><td colspan="3">Beginning paid-in capital</td><td>NT$ 5,937,439,190</td></tr>
<tr><td rowspan="3">Distribution of stock and cash dividends in the current fiscal year</td><td colspan="2">Cash dividends per share</td><td>NT$ 3</td></tr>
<tr><td colspan="2">Number of shares distributed per share held due to capital increase from surplus earnings</td><td>-</td></tr>
<tr><td colspan="2">Number of shares distributed per share held due to capital increase by capital reserves</td><td>-</td></tr>
<tr><td rowspan="7">Changes in Operating Performance Changes Situation</td><td colspan="2">Operating Income</td><td rowspan="13">N/A</td></tr>
<tr><td colspan="2">Percentage of increase (decrease) in operating profit over the same period in the previous fiscal year</td></tr>
<tr><td colspan="2">Net income after taxes (NIAT)</td></tr>
<tr><td colspan="2">Percentage of increase (decrease) in NIAT over the same period in the previous fiscal year</td></tr>
<tr><td colspan="2">Earnings per share</td></tr>
<tr><td colspan="2">Percentage of increase (decrease) in EPS over the same period in the previous fiscal year</td></tr>
<tr><td colspan="2">Annual average return on investment (reciprocal of average annual price/earnings ratio)</td></tr>
<tr><td rowspan="6">Pro forma earnings per share and price/earnings ratio</td><td rowspan="2">If capital increase from surplus earnings is entirely replaced by distribution of cash dividends</td><td>Pro forma earnings per share</td></tr>
<tr><td>Pro forma average annual return on investment</td></tr>
<tr><td rowspan="2">If capital reserves are not used for capital increase</td><td>Pro forma earnings per share</td></tr>
<tr><td>Pro forma average annual return on investment</td></tr>
<tr><td rowspan="2">If capital reserves are not used for capital increase and capital increase by retained earnings is replaced by cash dividend distribution</td><td>Pro forma earnings per share</td></tr>
<tr><td>Pro forma average annual return on investment</td></tr>
</table>

Note:Distributions of dividendsin 2021 is based on the earnings distribution plan approved by the Board of Directors on March 9, 2022.

1. The Company shall explain the basic assumptions for estimates and planned information.
2. Proforma earnings per share if capital increase by retained earnings is entirely replaced by cash dividend distribution

=〔Net profit after taxes - interest expense arising from cash dividends*×(1-tax rate)〕/〔Total number of shares issued at the end of the current year-number of shares allocated from earnings**〕

Interest expense arising from cash dividends* = Amount of capital increase from surplus earnings × one-year general loan interest rate

Number of shares in earnings appropriation**: The number of increased shares from the earnings appropriation in the previous year

3. Annual average price-to-earnings ratio = Annual average market price per share/Earnings Per Share reported in the annual financial statements

(VIII) Remuneration of employees,Directors and Supervisors:

1. Percentage or range of the remuneration of employees and directors as set forth in the Articles of Incorporation:

   (1) Employee rewards: Employee rewards shall not be less than one (1) percent of the Company's profit in the current fiscal year. The above mentioned employee compensation can be distributed in the form of shares or cash. Compensation could be distributed to employees of the Company's subordinate companies when they meet certain conditions. Such conditions shall be set by the Board of Directors.

   (2) Director rewards: Director rewards shall not exceed one (1) percent of the Company's profit in the current fiscal year.

2. The basis for estimating the amount of employee and director remunerations, for calculating the number of shares to be distributed as employee remuneration, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

   (1) Basis for estimating employee rewards: To be calculated based on the condition that employee rewards shall not be less than one (1) percent of the Company's profit in the current fiscal year.

   (2) Basis for calculating the number of shares to be distributed as employee rewards: N/A

   (3) Accounting treatment for discrepancies between the actual and estimated distribution amount: Handled according to changes in accounting estimates.

3. Distribution of rewards approved by the Board of Directors:

   (1) Rewards for employees and directors shall be distributed in the form of cash or shares. If there is any discrepancy between the above mentioned amount and estimated amount of recognized expenses for the current fiscal year, the amount, causes and treatment of such discrepancy shall be disclosed:

   Employee rewards: A total of NT$ 37,698,731 was distributed in the form of cash.

   Directors' remuneration: None.

   There was no discrepancy between the amount of rewards to be distributed as approved by the Board of Directors and the recognized amount of rewards for employees and directors.

   (2) The amount of any employee remuneration distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial statements or individual financial statements for the current period and the total employee remuneration:

   Not applicable as employee rewards were not distributed in the form of shares.

4. If there is any discrepancy between the actual amount of rewards distributed to employees and directors (including number and dollar amount of shares distributed, as well as share price) and the recognized amount of rewards for employees and directors in the previous fiscal year, the amount, causes and

treatment of such discrepancies shall be stated:

(1) Employee rewards: The shareholders' meeting resolved to distribute a total of NT$ 12,936,909 in employee rewards in cash.

(2) Directors' remuneration: None

(3) If there is any discrepancy between the actual amount and the recognized amount of rewards for employees and directors in the previous fiscal year, the amount, causes and treatment of such discrepancy shall be noted:

There was no discrepancy between the actual amount and recognized amount of rewards distributed to employees and directors.

(IX) Repurchase of the Company's Own Shares: None

II. Issuance of Corporate Bonds: None

III. Preferred Shares: None.

IV. Overseas Depository Receipt: None

V. Issuance of Employee Stock Options: None

VI. New Restricted Employee Shares: None

VII. Status of New Share Issuance in Connection with Mergers and Acquisitions: None

VIII. Capital Utilization Plan and Its Implementation: None

Chapter 5 Operations Overview

I. Business Activities

(I) Scope of Business

1. Main content and proportion of businesses

(1) Manufacture, processing and sale of low-density polyethylene (LDPE).
(2) Manufacture, processing and sale of medium-density polyethylene (MDPE).
(3) Sale of high-density polyethylene (HDPE).
(4) Sale of linear low-density polyethylene (LLDPE).
(5) Manufacture, processing and sale of ethylene vinyl acetate (EVA) copolymer resins.Ethylene vinyl acetate copolymer.
(6) Manufacture and sale of degradable plastic materials.
(7) Machinery wholesaling.
(8) Investment industry.
(9) Trading of plastic raw materials.

In 2021, the Company's sales of low-density polyethylene resins accounted for 22% of its overall turnover while its sales of ethylene vinyl acetate resins accounted for approximately 78%.

The main business of its subsidiary, USI Trading (Shanghai) Co., Ltd is plastic raw material trading, and the revenue of this subsidiary is included in the operating income reported in the consolidated financial statements.;On the other hand, its other subsidiaries including APC (BVI) Holding Co., APC Investment Corporation and USI International Corp. engage mainly in investments, and their revenues are included in the non-operating income reported in the consolidated financial statements.

2. Current products:

Low-density polyethylene resins:film-grade, injection molding-grade and laminating film-grade products, as well as products for other uses(low crystallization point, microfiber or foaming).

Ethylene vinyl acetate resins: film-grade, foaming-grade, laminating film-grade, electric cable-grade and photovoltaic-grade products.

3. Plans for new product development:

High-speed laminating film-grade, high-viscosity pre-coating film-grade, and other special-grade ethylene vinyl acetate resins products.

(II) Industry Overview

1. Current state and development of the industry:

APC's LDPE/EVA production volume in 2021 was 136,128 MT which was a decrease of 6,456 MT from the 129,672 MT in 2020. The total sales volume was 135,695 MT which was a decrease of 1,319 MT from the 137,014 MT in 2020.

Based on the overall operating conditions in 2021, the average selling price of LDPE increase by around 45% compared with last year. Ethylene’s feedstock costs are up about 35% compared with last year, allowing the amount price margin to widen significantly. The EVA market before September 2021 fluctuated between US$2,000~ US$2,500/ton. EVA price trend can be divided into two stages after September. From SeptembertoOctober, due to the rapidly rise in the bidding price of Yulin Energy Chemical and Quanzhou Petrochemical in mainland China, the overall low inventory of traders and the support of the peak season of photovoltaic, the EVA market price broke through US$4000/ton, and it’s a record high. But, from November to December, due to the excessive rise of EVA price in downstream processing plants, including solar energy, coating, foaming and other manufacturers were unable to pass on the cost, so they had to reduce production to weaken EVA's desire. In addition, under the situation of traders' mentality is empty and market favorable is lacking, making EVA price fell sharply. However, the averageannual amount price of EVA rose about 77% from the following year, and the rise is still much higher than the upstream ethylene.

The sales volume of LDPE in 2021 was 36,293 MT, down 8,741MT compared with the previous year, both internal and external sales declined,the mainly reason was the first production line of LDPE off control shutdown at the beginning of the year.In addition, EVA profit was better and was bound to increase the proportion of EVA total production and sales; In terms of EVA, the sales volume reached 98,782 MT, an increase of 7,855 MT compared with the previous year. The sales volume of coating material was much lower than that of foaming material due to the mass production of Mainland Yanshan Petrochemical, which resulted in a decrease of about 14%. High-end foam and photovoltaic materials sales increased 11% due to market demand and high unit profits.

2. Relationship between upstream, mid-stream and downstream companies:

At present, the Company mainly sources its ethylene and vinyl acetate from CPC Corporation and Dairen Chemical Corp. Hence, the Company not only continues to maintain good relationships with these companies but also continuously develops overseas supply channels in order to ensure stable supply of ethylene and reasonable cost control for the Company. In terms of sales, we shall maintain parity with two domestic competitors and improve the sales and marketing of niche product to satisfy the demand of domestic and foreign customers. We shall also expand niche and high-value products to continue the expansion of operations and company profits.

3. Product development trends and competition:

The competition for general purpose LDPE raw materials remains fierce, as the Company is moving toward product differentiation to widen the profit margin and to stabilize LDPE sales, which are mainly for domestic sales. With the robust demand for solar packaging films, the Company's supply of high-quality solar-grade EVA products was tight. In order to increase the operating niche, the Company continued to advance the coating-grade EVA production technology and improve the quality volume. With the efforts of the business and development teams, the market expansion has achieved remarkable results. In addition, the Company actively engaged in the R&D and sales of cable-grade and high-end foaming-grade EVA to meet the scale of production and sales.

In the past two years, new EVA production capacity will be put into production in Mainland China. In addition to closely observing the impact of this pandemic on the EVA market, the Company will actively expand the non-China market to diversify risks, and continue to attach importance to the development of high-value differentiated products while actively seeking low-cost raw material sources, to maintain the competitiveness in cost. Thus, the Company can adjust its production and sales arrangement flexibly in response to changes in market supply and demand, to give full play to the advantages of small but strong production lines, to reduce the impact of low-price competition in the industry, and strive to break through the status quo and open up new opportunities.

(III) Overview of Technologies and R&D Work

1. Research and development (R&D) expenses in the most recent year up to the date of publication of the Annual Report

2021: NT$ 6,154 thousand.

As of March2022: NT$ 1,616 thousand.

2. Successfully developed technologies or products in the most recent fiscal year up to the publication date of this annual report

- Development of batch production technologies for low crystallization point coating-grade EVA product V 18161
- Developmentof batch production technologies for low crystallization point coating-grade high-speed laminating film-grade EVA product V18251.

3. R&D projects in the most recent fiscal year

(1) Item: Development of production technologies for low crystallization point coating-grade/high-speed laminating film EVA.

(2) Current progress of uncompleted R&D projects:

- Development of production technologies for low crystallization point coating-grade/high-speed laminating film EVA. The progress is currently 95% complete.

(3) Additional R&D expenses required: approximately NT$13,650 thousand.

(4) Estimated time for the completion of mass production:fourth quarter of 2022.

(5) Main factors affecting the success of R&D in the future:

* Cultivation of R&D talents and technological inheritance.
* Ample market intelligence (such as quality requirements, product usage and price acceptance).
* Additional necessary equipment.

(IV) Long-term and short-term business development plans

Short-term plans:

1. As for LDPE, because USI Corporation and Formosa Plastics have not

produced LDPE for a long time, the Company is the only domestic supplier of LDPE and it is mainly sold domestically. Due to the low ratio of supply to total domestic demand and the reputable domestic market for various products, we are able to satisfy our customers' demand for materials with reasonable profit margin. In addition, we will continue to develop various value-added industrial markets for domestic and overseas sales.

2. In terms of EVA, the company will continue to expand the sales volume of differentiated high-end foaming EVA products in the future, and will actively expand the market in other regions outside mainland China to diversify risks. In addition, developing high unit price hot melt EVA material to improve the technical level of products, while the existing production capacity to the best.

Long-term plans:

1. The Company will stabilize and continuously enhance the quality and specificity of itsLDPE/EVA products so as to solidify and expand the market for such products, as well as increase its sales and profitability.
2. The Company will continue to seek opportunities for integration with upstream and downstream sectors and establish a strategic alliance with USI to gain more control over upstream materials and costs and expand the integrated upstream and downstream sales strategy.

II. Analysis of Market and Production and Marketing Situation

(I) Market Analysis

1. Sales regions for major products:

Among the domestic manufacturers of polyethylene (PE) plastic raw materials, the Company and USI Corporation, as well as Formosa Plastics Corporation mainly manufacture low-density polyethylene (LDPE) and ethylene vinyl acetate (EVA) resins. On the other hand, USI Corporation and Formosa Plastics Corporation also manufacture high-density polyethylene (HDPE) and linear low-density polyethylene (LDPE) raw materials.

At present, domestic sales still dominate the sales of LDPE raw materials manufactured by the Company (accounting for approximately 78% of the overall LDPE sales this year), whereas the Company's EVA raw materials are mainly exported (accounting for approximately 94% of the overall EVA sales this year).

In 2021 the proportion of domestic sales to export sales was 23% to 77%, and the product were exported across China/Hong Kong, Vietnam, India, Indonesia, and Bangladesh.

In terms of export volume, LDPE accounted for approximately 7% of its export volume, whereas EVA constituted 92%. For domestic sales, LDPE and EVA sales made up 82% and 18% of its overall domestic sales volume, respectively.

2. Market share:

Formosa Plastics Corporation and USI Corporation do not produce LDPE, and domestic LDPE demand depends on the Company and supply from sources of imports. LDPE domestic market of the company accounted for 14%, USI Corporation accounted for 3%, and by the company's OEM, Formosa Plastics company accounted for 0%, import materials accounted for 83%; The domestic market of EVA is 17% for our company, 34% for USI Corporation 25% for Formosa Plastics, and 24% for imported materials. Since the total production volume of EVA and EVA among three domestic manufacturers have exceeded domestic demand, the Company not only continues its efforts to enhance its domestic market share, but also needs to enhance its expansion into the export market to achieve a balance between production and sales.

3. Supply and Demand in the Market and Possible Future Growth:

In recent years, the domestic demand for LDPE and EVA has been close to saturation. The overall domestic demand for LDPE and EVA has not changed much except for short-term factors such as the epidemic situation. In foreign markets, LDPE is still mainly used for general products such as packaging and daily necessities, and the demand growth mainly changes with the global GDP growth rate. In contrast, due to the increase in the demand for solar energy in recent years, the global average annual compound growth rate of EVA has reached 6-8%, and it is estimated that the global demand in 2021 should reach 4.5 to 5 million tons. In terms of EVA capacity, since the beginning of last year to now, a total of 1.2 million tons of new capacity have been put into production in Asia. It is expected that by the end of this year, there will still be more than 500,000 tons of new capacity to be put into production. Fortunately, in terms of demand, the solar energy market outlook is optimistic in the next few years, and demand is expected to increase significantly. The company will pay close attention to future supply and demand changes and adjust the product mix accordingly.

4. Competitive Niches

As the Company's business philosophy is "Solid Operation, Professional Management, Seeking Excellence and Serving the Society," our quality management focuses on non-stop improvement of product quality and continuous enhancement of service quality in order to provide customers with satisfactory operational quality. At present, the Company's specific strategies are to not only obtain stable supply of ethylene from the Middle East, China, and even the United States over the long term in order to compensate for inadequate supply of ethylene from CPC Corporation, but also continuously maintain the strategic alliance with USI Corporation in order to provide product support to each other, as well as actively develop high-value LDPE/EVA products in order to achieve the goal of sustainable development.

5. Favorable and unfavorable factors affecting the Company's development prospects and corresponding countermeasures:

Favorable factors:

(1) Long-term deep cultivation of domestic, mainland and Southeast Asian markets, good relationship with customers, high customer loyalty and brand awareness.

(2) The Company's production lines involve autoclave-type processes, and are able to produce high-end LDPE/EVA products to meet customized requirements for a small quantity of diverse products in the market.

(3)The Company has accumulated excellent experience in new product development.

(4) The Company has formed a strategic alliance with USI to provide mutual support for insufficient products so as to maximize the benefits of its production capacity.

(5) The Company's EVAproduction equipment upgrade is almost complete.

(6) The Company focuses on its own main business and R&D of new productsto expand the market.

Unfavorable factors:

(1) Insufficient supply of ethylene requires the Company to make purchase from foreign sources. The price of ethylene is fluctuated in line with the international market, thus are difficult to manage.

(2) The low production capacity of the production lineincreases unit production costs.

(3) Low import tariffs for LDPE/EVA products in Taiwan have resulted in competition from low-priced imported materials from new production capacities in foreign countries. Not only has the market been divided, the sales price of LDPE/EVA products will also be indirectly affected and cannot be increased.

(4) For LDPE/EVA, Taiwan has not joined the ASEAN free trade zone, and countries have signed the RCEP agreement with each other. The resulting trade barriers and unfair competition in the export market will severely affect sales volume and prices.

Response strategy:

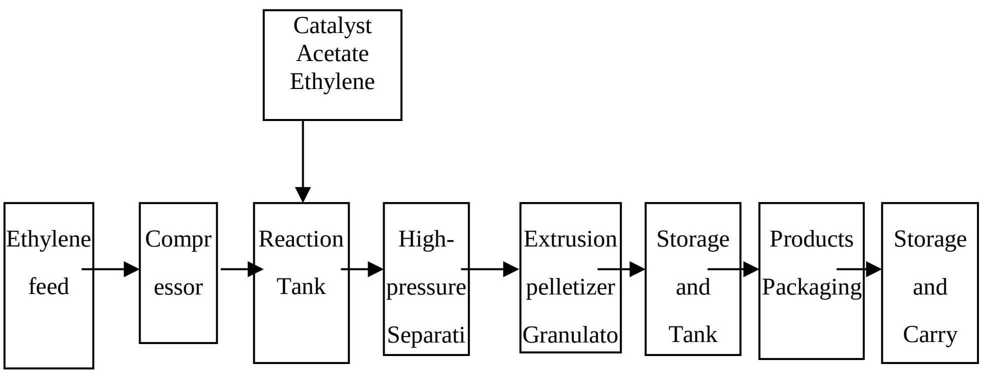
In order to keep abreast of the stable and low-cost sources of ethylene and he ethylene transportation and inventory turnover, the Company will invest in Gulei Petrochemical's project and the supporting facilities for ethylene storage tanks and underground pipelines of the Port of Kaohsiung Intercontinental Container Terminal Phase II Petrochemical Oil Center. In addition, the Company will continue to improve the stability and operation rate of the existing production equipment to improve product production and quality to reduce production costs, to win over the market. Furthermore, it is committed to the reasonableness of product prices and customer services, while developing high value-added products in line with market trends and expanding the export markets of new developing countries, with a view to gaining a stable long-term client base, thereby increasing operating benefits.

(II) Usage and Manufacturing Processes for Main Products

1. Important uses of major products

The Company's low-density polyethylene (LDPE) plastic pellets can be divided into the following categories according to their applications - film-grade, injection molding-grade and laminating film-grade. Film-grade LDPE plastic pellets are mainly used for processing various packaging films, whereas injection molding-grade LDPE plastic pellets are mainly used for processing and manufacturing artificial flowers, various types of household plastic products and electronic components and parts.On the other hand, laminating film-grade LDPE plastic pellets are mainly used as a laminating film for various types of packaging films, as well as various types of protective films. Another product, ethylene vinyl acetate (EVA) copolymer resin, is mainly used in the production of foam shoes, sports equipment, various types of films, solar cell packaging films, hot-melt adhesives, protective films, as well as wire and cable insulation shields due to its high toughness and flexibility.

2. Production processes for major products LDPE and EVA



(III) Supply Situation for Major Raw Materials

1. Ethylene
   The Company has signed an ethylene purchase contract with CPC Corporation. However, CPC Corporation's supply of ethylene is inadequate as the contract is not able to meet the Company's demand for ethylene. USI Corporation has been commissioned to import ethylene in order to compensate for the shortfall in the ethylene supply.

2. Vinyl Acetate Monomer (VAM)
   As the Company produces ethylene vinyl acetate copolymer resins, the Company purchases vinyl acetate monomers (VAM) from Dairen Chemical Corp. on a regular basis while importing some from abroad

(IV) Name of customers who account for more than ten (10) percent of the total purchases (or sales) of goods and their amount and proportion of purchases (or sales) of goods in any one of the most recent two fiscal years, and reasons for the increase or decrease in purchases or sales of goods

1. List of suppliers with purchase amount exceeding 10% of total purchase, the purchase amount and proportion, and reasons for increase or decrease

List of Major Suppliers in the Most Recent 2 Years

Unit: NT $ thousands

	2021				2020				2022 up to the end of the first quarter (Note 2)			
Item	Name	Amount	Proportion to Net Purchase for the Year〔%〕	Relationship with the Issuer Relationship	Name	Amount	Proportion to Net Purchase for the Year〔%〕	Relationship with the Issuer Relationship	Name	Amount	Percentage to net purchase in the year up to the first quarter (%)	Relationship with the Issuer
1	CPC Corporation	2,277,581	48.31	None	CPC Corporation	1,588,092	51.11	None	CPC Corporation	482,411	43.94	None
2	Mitsubishi	935,703	19.85	None	Mitsubishi	436,636	14.05	None	Dairen Chemical Corporation	276,096	25.14	None
3	Dairen Chemical Corporation	529,021	11.22	None	Dairen Chemical Corporation	412,006	13.26	None	Mitsubishi	111,280	10.13	None
4	Others	971,931	20.62	-	Others	670,759	21.58	-	Others	228,278	20.79	-
	Net purchase	4,714,236	100.00	-	Net purchase	3,107,493	100.00	-	Net purchase	1,098,065	100.00	-

Note 1: List the name of suppliers who account for more than ten (10) percent of the total purchases of goods and their amount and proportion of purchase of goods in the most recent two fiscal years. However, if the name of suppliers or counter parties who are individuals or non-related persons cannot be revealed due to contractual agreements, their codes shall be indicated.

Note 2: If, before the date of publication of the annual report, there is any financial data for the most recent period of a company whose shares are listed on a stock exchange ("listed company") or whose shares have been approved for trading on an over-the-counter market and attested or reviewed by a CPA, the financial data shall also be disclosed therewith.

Reasons for increase or decrease: Purchases from CPC Corporation decreased in 2021 mainly due to the decrease in supply and price
Purchases from Dairen Chemical Corporation decreased in 2021 mainly due to the decrease in price

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2. List of customers with sales amount exceeding 10% of total sales, the sales amount and proportion, and reasons for increase or decrease:

List of Sales Customers in the Most Recent 2 Years

Unit: NT$ thousands

	2021				2020				2022 up to the end of the first quarter (Note 2)			
Item	Name	Amount	Proportion to Net Sale for the Year〔%〕	Relationship with the Issuer	Name	Amount	Proportion to Net Sale for the Year〔%〕	Relationship with the Issuer	Name	Amount	Percentage to net Sale in the year up to the first quarter〔%〕	Relationship with the Issuer
1	Customer A	1,674,163	17.50	Note 3	Customer A	663,182	11.63	Note 3	Customer A	317,065	14.80	Note 3
	Others	7,891,650	82.50	-	Others	5,040,364	88.37	-	Others	1,824,551	85.20	-
	Net sales	9,565,813	100.00	-	Net sales	5,703,546	100.00	-	Net sales	2,141,616	100.00	-

Note 1: Listed the name of the customers and the gross sales amount and ratio for those that take up more than 10% of the total sales amount in the most recent two years. However, for customers whose name are not permitted to be disclosed due to contract or the counterparts is an individual who is not an interested party, a code may be used.

Note 2: If, before the date of publication of the annual report, there is any financial data for the most recent period of a company whose shares are listed on a stock exchange ("listed company") or whose shares have been approved for trading on an over-the-counter market and attested or reviewed by a CPA, the financial data shall also be disclosed therewith.

Note 3: Client A is the parent company of a main shareholder and an affiliate with the same chairman. The sales amount to Client A increased in 2021 because of the increase in the client's demand.

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(V) Table of Production Volume and Value for the Recent 2 Years

Unit: mt/ NT$ thousands

Year / Production Volume and Value	2021			2020		
Main Products	Production Capacity	Production Volume	Production Value	Production Capacity	Production Volume	Production Value
Low-density polyethylene plastic pellets	150,000	37,249	1,450,332	150,000	43,735	1,344,034
Ethylene-vinyl acetate resin		98,879	4,501,180		85,937	2,928,196
Total	150,000	136,128	5,951,512	150,000	129,672	4,272,230

Note: Part of the Company's production lines can alternately produce low-density polyethylene plastic pellets and ethylene vinyl acetate resins.

(VI)Sales Volume and Value for the Recent 2 Years

Unit: mt/ NT$ thousands

Year / Sales volume and value	2021				2020			
	Domestic Sales		Exports		Domestic sales		Exports	
Main Products	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Low-density polyethylene plastic pellets	28,790	1,690,671	7,503	418,892	33,882	1,387,642	11,152	416,559
Ethylene-vinyl acetate resin	6,371	483,071	92,411	6,941,190	5,335	249,232	85,591	3,603,296
Others	0	0	619	31,989	0	0	1,053	46,818
Total	35,162	2,173,742	100,533	7,392,071	39,217	1,636,874	97,796	4,066,673

III. Employees Information for the Recent Two Years Up to the Date Of Annual Report Publication

Year		2021	2020	For the year ended March 31, 2022
Number of Employees	Indirect Labor	74	81	78
	Operator	148	149	147
	Total	222	230	225
Average Age		45.17	46.44	44.74
Average Service Year		15.02	16.97	14.44
Education Distribution	Doctor/ Master	16.22%	14.35%	16.90%
	University	47.30%	44.79%	48.44%
	Junior College	15.32%	16.52%	15.11%
	Senior high school/higher vocational school	19.36%	22.17%	18.22%
	Below high school	1.80%	2.17%	1.33%

IV. Disbursements for Environmental Protection

(I) Total amount of losses (including compensation and violations of environmental protection regulations in the results of environmental protection audits, the date of the penalty, penalty document number, articles in regulations violated, contents of violation, and contents of penalties) and penalties incurred due to environmental pollution in the most recent fiscal year up to the publication date of this annual report, and disclose the estimated amount arising both at present and in the future and the corresponding countermeasures:

Date of Disposal	Unit of Disposal	No. of Disposals	Date of Violation	Laws violated	Disposals Amount	Facts of Violation
January 8, 2021	Kaohsiung City EPA	Arbitral Awards of Kaohsiung City Environmental Protection Bureau Official Letter No. Kong-Chu. 20-110-010007	November 10, 2020	Article 20(1) of the Air Pollution Control Act	675,000	On November 10, 2020, the net leakage value of two equipment components in the M03 process of the third production line exceeded the control standard.
January 8, 2021	Kaohsiung City EPA	Arbitral Awards of Kaohsiung City Environmental Protection Bureau Official Letter No. Kong-Chu 20-110-010008	November 10, 2020	Article 23(1) of the Air Pollution Control Act	225,000	On November 10, 2020, the waste gas was not effectively collected to the regenerative incinerator of the control equipment in the M01 process separation tower pipeline of the first production line.
March 5, 2021	Kaohsiung City EPA	Arbitral Awards of Kaohsiung City Environmental Protection Bureau Official Letter No. Kong-Chu 20-110-030001	January 22, 2021	Item 1, Paragraph 1, Article 32 of the Air Pollution Control Act	1.53 million	When the first production line (M01) was started up, the temperature of the reactor R-1101 was abnormal during the heating process, which caused the pressure of the reactor to rise suddenly, the rupture disk of the safety device was activated, and the obvious granular pollutants were scattered in the air.

(II) Corresponding countermeasures (including improvement measures) and possible expenditures

1. Improvement plan for preventing reactor rupture:
   (1) Drivers should change to double shift system to avoid personnel operation mistakes.
   (2) Comprehensively strengthen operation personnel opening/parking education and training.
   (3) Receive response condition card, adopt Color Management and double shift personnel identification, implement double signature.
   Signature record confirmation mechanism
   (4) Reaction chain DCS protective layer temperature setting anti-freeze mechanism, the implementation of double signature record confirmation.

   Acknowledgement scheme.

2. Major environmental expenditure in the most recent year and as of the publication of the annual report:

Unit: NT$ thousands

Pollution Prevention Equipment Installed or Expenditure Content	2021
Purchase of spare parts for reactors at no. 1, 2, 3 lines	6,838
Line1 V-1147 to V-1105 ethylene pipeline corrosion severe replacement	1
Replacement of waste gas combustion tower monitoring computer system	759
Intelligent pigging inspection project for underground pipelines in 2021	515
2021 CUI inspections and insulation project	5,399
2021 Underground Pipeline Risk Assessment of New Version Model Import and Data Integration Service	2
2021 non-destructive inspection of elevated key pipelines	1,472
Total	14,986

3. The Company's expected environmental protection expenditures in 2022 are as follows:

Unit: NT$ thousands

Proposed Pollution Prevention Equipment or Expenditure	2022
L3 wastewater system drainage pipeline blockage replanning preparation project	800
P-5204a /B Propylene Transfer Pump VOC improvement works	1,620
RTO DP-12/DP-13 Throttle Replacement project	2,500
RTO-6601 A/B Tank heat storage material replacement project	6,000
2022 CUI inspections and insulation project	7,000
Purchase volatile organic compounds (VOC) detector	600
Add compound fuel steam boiler	50,000
VOC improvement in blowing bag room	800
Total	69,320

(III) The Company's response to the implementation of Restriction of Hazardous Substances Directive (RoHS) in European Union:

The Company's products are tested according to the FDA inspection standards in the U.S., and the Company performs other food safety inspections according to customer requirements. In other words, the Company applies stricter requirements to its products than RoHS. However, in order to comply with European Union's requirements, the Company sent its products to undergo such testing, and has successfully obtained RoHS compliance and certification.

V. Labor Relations

(I) Employee Benefit Plans, Continuing Education, Training, and Retirement Systems and the Status of Their Implementation, and the Status of Labor-management Agreements and Measures for Preserving Employees' Rights and Interests:

1. Employee benefits

(1) In addition to labor insurance and health insurance, the Company also purchases group insurance for employees including their families, as well as travel insurance for employees who often engage in business travels, so as to adequately meet employees' needs for various types of insurance.

(2) The Company organizes regular health checkups for its employees and pays close attention to their health

(3) An employee welfare committee has also been established to set up and promote various welfare measures including annual staff trips, marriage and funeral allowances, lunar new year benefits, birthday gifts, club activities, and other welfare measures. The Employee Welfare Committee is responsible for the custody and use of the employee welfare fund

(4) According to the Company's Articles of Incorporation, if the Company posts a net profit in the current year, employee rewards shall not be less than one (1) percent of the Company's net profit for the current year, while performance bonus and year-end bonus shall also be distributed based on the Company's operating performance and individual performance.

2. Employee education and training

(1) The Company has always paid serious attention to employee education and training. Thus, the Company has formulated a set of standards for employee training procedures, as well as implemented various learning methods, including pre-employment training, on the-job training, work instructions, classroom lectures, educational CDs, or online learning based on the training needs of individual employees and departments in order to enhance employees' qualities and skills.

(2) For new employee training, in addition to work instructions at various departments, the Company has planned new employee certification courses and organized reading sharing sessions so that new employees can quickly adapt to the new work environment.

(3) In order to combine both employee training and promotion, the Company has specifically established general education courses for promotion in order to motivate employees to learn and study actively. Employees must complete the prescribed courses before they can be officially promoted.

(4) The Company organizes training for the low-, middle-, and senior level management personnel to strengthen the management function of the management and enhance their managerial skills. In addition, an in-house EMBA program is launched to strengthen the problem-solving and decision-making abilities of the middle-, and senior-level management and to train successors.

(5) For employees who demonstrate a strong willingness to learn and develop their potential, the Company provides grants for further education in domestic universities, which are supplemented with career adjustments in their respective positions in order to cultivate leaders required by enterprises.

(6) Employee training is well documented and each employee shall attend at least eight hours of training a year, which is taken into account in the performance appraisal.

(7) At the end of each course, the Company conducts employee opinion surveys and prepares review reports. Satisfaction surveys will also be conducted at the end of each year to collect employees’ opinions

and recommendations on employee training as a reference for improving training.

(8) The Company's employee training expenditure in the most recent fiscal year:

The training items for 2021 are listed in the Appendix section, and the Company's annual employee training expenditure was NT$1,028 thousand.

Training Name	Training Participant	Training Name	Training Participant
Mechanical and Electrical Equipment Sensing Calibration and Computer Aided Simulation Sealing Practice Training (STC)	Yuan-Hung Huang	International trend of net zero carbon emission and green transformation of chemical industry	Employees at the Linyuan Plant
2021 Digital Transformation Workshop Pre-departure Briefing Session	Chun-Hung Chen/Wen-Shih Liao	Type 1 Pressure Vessel Operation Training	Synthesis Section / Manufacturing Section
EMBA team guidance training	Wang-Chuan Hsieh/Chun-Hung Chen	Real Fire technical training for Petrochemical Plant of the Group	Employees at the Linyuan Plant
PSM Commencement Meeting Briefing Report	Employees at the Linyuan Plant	Group promoted digital transformation project training	Wen-Shih Liao
PSM process safety guidance training	Employees at the Linyuan Plant	Process Safety Assessment Personnel Training	Ting-Hsiang Hsu
How Internal Auditors Can Address Common Deficiencies in IFRS Financial Reporting	Chia-Fang Chuang	On-site practical operation training of fire-fighting equipment for new recruits	Employees at the Linyuan Plant
Digital Lecture: Transforming DNA: Amazon's Culture of Innovation	All staff	[Ethics Lecture] Trade Secrets Act Introduction and Case Analysis	All staff
PSM Guidance - Introduction to Equipment Integrity (MI)	Employees at the Linyuan Plant	Intergenerational Leadership and Communication Skills	All staff
SPC Statistical Process Control Class	Manufacturing Methods Section / Experiment Section	Team Management and Team Decision Making	Chun-Hung Chen/Wang-Chuan Hsieh
Acetylene operator training	Electrical Section / Repair Section	Polyolefin Seminar	Chun-Li Wang/ Chung-I Lu
Training on labor law for human resources personnel	Wen-Hsien Chou/ Wen-Ching Hsu	Manufacturing Climate Change Adaptation Promotion Report	Jung-Hsiung Chen
Operation training of 3-ton and above fixed crane	I-fan Liu	PSM Guidance - Introduction to Safety Management	Employees at the Linyuan Plant
On-site observation of factory intelligent energy management demonstration and guidance	Chen-Ti Hu/ Yung-ling He	Process Safety Assessment and Process Modification Practice Reference Manual Amendment Instructions	Hao-Sheng Kuo/Wen-Shih Liao
Reactor simulation program and teaching of reaction mechanism	Employees at the Linyuan Plant	Process safety management collective coaching	Hao-Sheng Kuo/Tzu-wen Chien
Legal knowledge of supervisors and HR personnel	Employees at the Linyuan Plant	2021 Labor Education and Training	Employees at the Linyuan Plant
FPG Mailiao Industrial Zone Factory General Inspection Results Presentation Conference	Employees at the Linyuan Plant	Introduction of hot melt adhesive specification EVA	Employees at the Linyuan Plant

Somatosensory Training for Disassembly and Assembly of Petrochemical Equipment Parts	Electrical Section / Repair Section	Radiation Protection Training	Electrical Section
Health and Safety Education and Training, Fire Drill	Employees at the Linyuan Plant	Occupational Safety and Health Management Personnel Training	Wen-Shih Liao
Underground Industrial Pipeline Training - Emergency Response	Lin Cheng-Hsiung / Yang Wen-wei	Boiler Operation Training	Manufacturing Section
Accident investigation seminar	Employees at the Linyuan Plant	The value of information security in the post-epidemic era and the Sino-US trade war	Cheng-Shun Chen
Training Name	**Training Participant**	**Training Name**	**Training Participant**
Synthesis Emergency Response and Evacuation Drills	Synthesis Section	Re-Training of Air Pollution Prevention Specialists	Tien-Chieh Kuo
Training of emergency personnel for underground pipelines	Employees at the Linyuan Plant	On-the-job training for occupational safety personnel (business supervisor)	Ting-Hsiang Hsu
Organic Solvent Operations Supervisors	Synthesis Section/Experiment Section	Transformational Leadership and Team Development/Team Motivation	Chun-Hung Chen/Wang-Chuan Hsieh
Failure to Analyze (FTA) Technique of Petrochemical Plant	Manufacturing Technique Section / Synthesis Section	Performance Management and Talent Development	Chun-Hung Chen/Wang-Chuan Hsieh
International trend of net zero carbon emission and green transformation of chemical industry	All employees in Taipei	Continuing Training Class for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	Cheng-Shun Chen
Training of security supervisors	Ting-Hsiang Hsu	Insider Trading Case Study	Cheng-Shun Chen
First Aid Personnel Training	Kuo-Tang Liu	Business contract management and audit services	Chia-Huei Lin
Fire Practice Drill	Employees at the Linyuan Plant	Cross-strait tax audit and regulation analysis practice	Chia-Huei Lin
Supervisor training on dust operations	Synthesis Section	2021 Accounting Manager Continuing Education Courses	Mei-Lan han
Training for Supervisor of Oxygen-Deficient Operations	Wen-Shih Liao	Supervisor's Compulsory Course in Labor Regulations	All employees in Taipei
Energy Management Personnel Training Course	Chen-Ti Hu	Intergenerational Leadership and Communication Skills	All employees in Taipei
Training of high-pressure gas operations supervisors	Synthesis Section	Introduction to the Trade Secrets Act and Case Analysis	All employees in Taipei
High-pressure gas-specific equipment operation	Synthesis Section	Accident Investigation Practice Seminar	All employees in Taipei
Health Lecture "Prevention and Treatment of Liver Diseases"	Employees at the Linyuan Plant	How digital transformation is disrupting industries: a case study of Tesla	All employees in Taipei
Forklift Operations Training	Manufacturing Section / Machine Repair Section	Construction Safety Management Practice Seminar	All employees in Taipei
Training for operators of fixed cranes	Electrical Section / Repair Section	A compulsory course for digital freshmen	All employees in Taipei
Digital Transformation of the Three Lines of Defense: On the Development and Digital Trends of Internal Control, Internal Audit and Legal Compliance	Chia-Fang Chuang	Problem Analysis and Solving Practice	All employees in Taipei

3. Pension system and its implementation

The retirement of employees of the company shall be handled in accordance with regulations of labor standards Law. The retirement reserve shall be deposited into a special account of the Bank of Taiwan at a monthly rate of 10% of the total payroll expense, and a labor retirement reserve supervision committee shall be set up to manage and supervise. In addition, according to the Provisions of the Workers' Pensions Ordinance, the company will contribute 6% of the total salary of employees under the new system to individual pension accounts every month.

4. Labor-management agreements and measures for preserving employees' rights and interests

In order to maintain good labor relations, the company is ready to communicate with industrial union cadres, and set a suggestion box, so that employees can fully reflect their opinions.

5. Financial information transparency related personnel, who have obtained relevant licenses specified by the authority:

<table>
<tr><th>Department</th><th>Name</th><th>Related Certification</th></tr>
<tr><td rowspan="2">Accounting Division</td><td rowspan="2">Cheng-Shun Chen</td><td>Passed the Accountant Examination in the 2008 Advanced Examination for Professional and Technical Personnel held by the Ministry of Examination
Certificate No.: (97) Chuan Kao Hui Tzu No. 000012</td></tr>
<tr><td>Continuous Studies registration seal for Accounting Supervisor of Securities Issuers, Accounting Research and Development Foundation registration seal (September 9, 2021 - September 10, 2021)</td></tr>
<tr><td rowspan="3">Auditing Division</td><td rowspan="3">Chia-Huei Lin</td><td>Certified Internal Auditor (CIA)
Certificate No.: Chi Hsieh Cheng Tzu No. 1060022</td></tr>
<tr><td>Internal Audit Association of the Republic of China
Certificate No.: Chi Hsieh Bei Cheng Fa Tzu No. 1092979</td></tr>
<tr><td>Computer Audit Association
Certificate No.: Tien Hsieh Cheng Tzu No. 1090869</td></tr>
</table>

6. Employees' code of conduct or ethics

In accordance with the Labor Standards Act and relevant laws, employees' work rules and various management systems (described below) have been established in order to maintain workplace discipline and order among employees.

(1) Every employee is given an Employee Work Rules Handbook which specifies the behavior or work ethic of employees, including employment, dismissal, working hours, vacation, leave, rewards and punishments, performance appraisal, retirement and welfare.

(2) Pre-employment training for new employees covers basic education on ethics, environmental protection, occupational safety and health management.

(3) Signing of Letter of Undertaking by employees: This document establishes employees' commitment towards maintaining the

confidentiality of information regarding the Company's tangible and intangible operating assets, and prevents employees from infringing on the interests of the Company.

(4) The Codes of Ethical Conduct for Directors and Managerial Officers are disclosed on the Company's website.
Please refer to the Company's website for the Employee Work Rules under the Corporate Governance section under Investor Services on the Company's websitehttp://www.apc.com.tw

7. Protective measures for the work environment and the personal safety of employees

(1) The Company upholds the spirit of continuous improvement and the pursuit of perfection. Apart from continuously investing in hardware facilities to enhance pollution prevention and fire safety equipment so as to directly reduce pollutant emissions and increase production safety, the Company has also incorporated an environmental management system (ISO 14001) and an occupational health and safety management system (ISO 45001) to set up an excellent management system through Plan, Do, Check and Act (PDCA), thereby providing employees with a safe and healthy work environment. With regard to the legal environment, the Company has actively initiated the certification procedures for the new Occupational Safety and Health Management System to strengthen occupational safety and health management, enhance corporate image, pay attention to and comply with international development trends, and respond to increasingly rigorous legal requirements. We have implemented actions for improving occupational safety and health management performance and reducing risks.

(2) With regard to employees' personal safety protection, the Company not only provides employees with personal protective equipment such as goggles, earplugs and earmuffs, as well as vertical fall arresters, but also continuously offers training related to employee safety, with hopes that manufacturing equipment can run safely in plants, thereby achieving production goals in a smooth manner

(II) List the losses suffered due to labor disputes in the most recent fiscal year up to the publication date of this annual report, and disclose the estimated amount for current and possible future occurrences, and response measures. If the amount cannot be reasonably estimated, clarify the reason:

Labor relations in the Company are harmonious. As of the publication date of this annual report, there has been no labor disputes and losses arising. Such incidents are not expected to happen in the future as well.

VI. Cyber Security Management:

(I) Cyber security management strategy and architecture:

It specifies the cyber security risk management framework, cyber security policy, specific management plan and cyber security policy

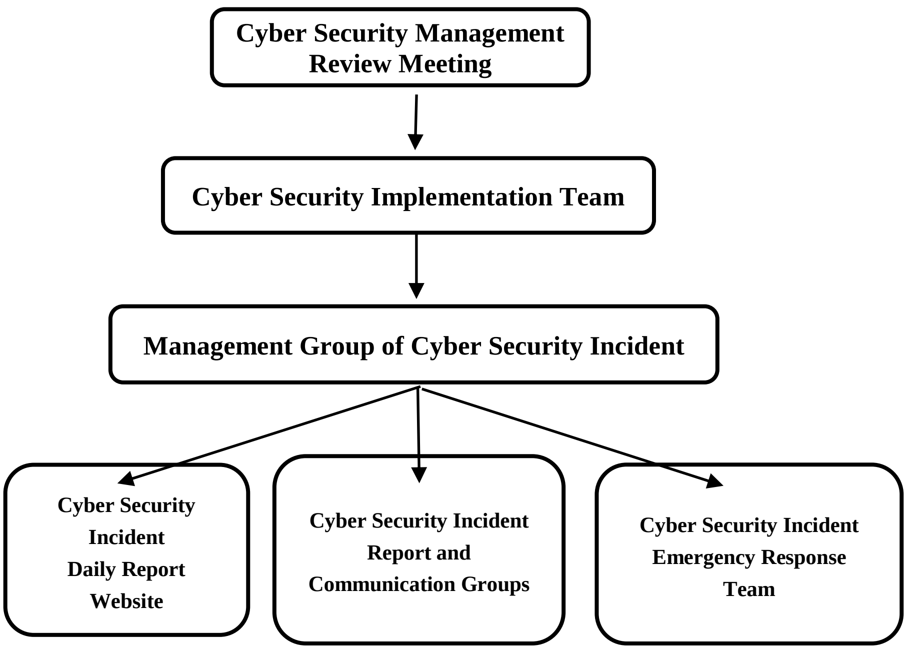
Invest resources in cyber security management, etc.

1. Cyber security and risk management framework

(1) Cyber security governance organization

The Company holds an annual" cyber security management review meeting” at fixed date, make a judgment on the six input projects (resolution status of past management reviews, changes to internal and external issues related to the cyber security management system, feedback on cyber security performance, feedback from related parties, status of risk assessment results and risk management plans, opportunities for continuous improvement) of the cyber security system management, and make a conclusion on the two output projects of the cyber security management system (including decisions related to continuous improvement opportunities and any need for changes to the cyber security management system), to achieve the objectives of the cyber security management system.

[Figure 1. Organization Chart of Cyber Security Management Review Committee]

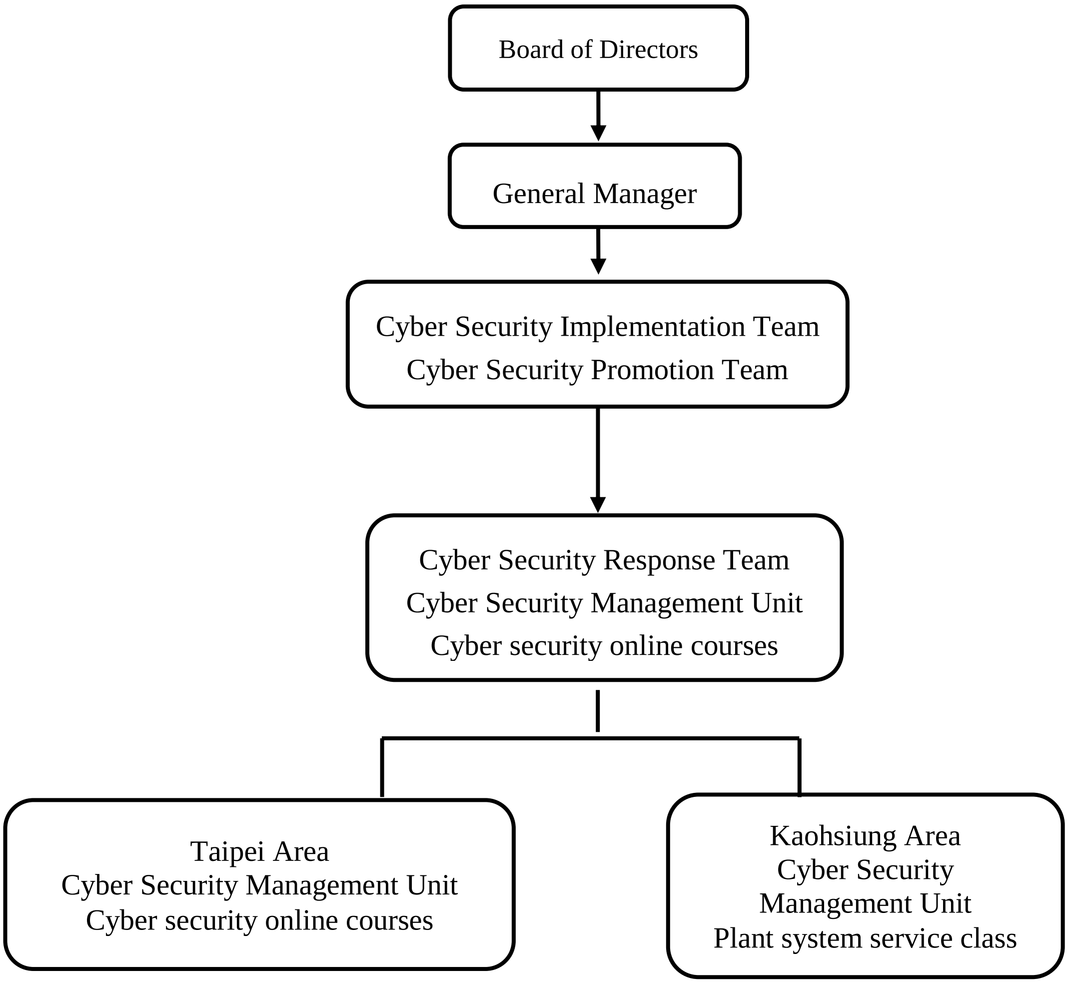


(2) Cyber Security Organizational Structure:

According to the provisions in the standard operating procedure (SOP) of the Company "Setting Standards of Cyber security Promotion Organization", an "Cyber security promotion team" has been set up to supervise the operation of Cyber security management within the group and define the roles and responsibilities of each promotion organization. The meeting is held once a year. If there is a major Cyber security incident, it can be held immediately. The Director of the Information Technology Department serves as the convener of the Team and takes charge of the meetings of the Cyber security Implementation Team as well as decisions and arbitration of opinions in the meetings. The supervisors of units under the jurisdiction of the Information Technology Department are members of the Team. In the event of a material Cyber security incident, the Director of the Information Technology Department shall report to the General Manager or heads of related departments.

[Figure 2. Organization Chart of The Cyber security Initiative Group]

Organization chart of the cyber security Initiative Group



Responsibilities of Cyber security Promotion Team:

- Develop Cyber security management strategy and framework
- Cyber security Risk Assessment and Measures to Be Taken in Response
- Cyber security maintenance and implementation
- Confirm the validity of safe operation execution

(3) Establishment of the specialist Units:

The company has completed the establishment of a specialized unit of cyber security before the end of 2023 in accordance with the provisions of Article 9, Amendment of the Rules for handling the Establishment of internal Control System by Public Offering Companies issued by the Financial Supervisory Commission

2. Cyber security policy

(1) Cyber security management strategy and framework

- ISO 27001 Cyber security system:

  ISO 27001 established since 2013: In 2014, the cyber security management system will continue to operate and promote, and the British Standards Institution Taiwan Branch (BSI), an external professional cyber security inspection and certification company, will be engaged to carry out the review every year. The validity period is from July 4, 2020 to July 3, 2023. So far, it has been certified for 7 consecutive years.
- NIST CSF Cyber Security Management Framework:

  Incorporated into the cyber security Framework (CSF) developed by the National Institute of Standards and Technology (NIST).

(2) Cyber security and risk management framework

Based on the ISO 27001 Cyber security management system, supplemented by the NIST CSF Cyber security management framework, it strengthens risk management and control, improves Cyber security resilience, and has the ability to withstand, contain and quickly recover from Cyber security incidents, so as to continue to provide key operational services.

3. Specific management plan:

(1)Vulnerability scan detection: Perform server operating system vulnerability scan detection regularly to identify potential risks for system correction or propose compensatory measures to improve information security. It has been carried out for 6 consecutive years.

(2)Information asset management and control: Establish an information asset management platform, log in information assets, note asset items, usage status and maintenance records, and regularly inspect and maintain them.

(3)Firewall and Industrial Control Equipment (OT) : Adopt Palo Alto Networks 3220, with the new 7-layer firewall system, improve the efficiency of filtering incoming and outgoing packets, effectively reduce the risk of system vulnerability exposure.

(4)Critical Server (SEVER): deploy Crowd Strike, use artificial intelligence (AI) and machine learning (ML) modes of non-feature comparison, to analyze attack behaviors in real time, and block known and unknown potential threats.

(5)Email (Mail): Adopt the Microsoft Office 365 solution, plus Advanced Threat Protection (ATP) to defend against unknown malicious code and viruses. Through the cloud operation through email, gradually reduce the number of AD and DC (Domain Controller) is gradually reduced, thereby reducing the attack scope.

(6)Office equipment (IT): Use Trend Micro anti-virus software to detect abnormal network behaviors, such as monitoring the behavior of users' computers to log in to AD (Active Directory) hosts, and find abnormalities in real time.

(7)Personnel cyber security management: Prevent hacking or data leakage; information personnel receive at least four hours of cyber security education and training every year.

(8)Social engineering exercises: at least twice a year, we will entrust external professional information security consultants to conduct social engineering exercises to enhance staff's awareness of information security and protect data security from external intrusion and tampering.

4.Input the resources of information security management：

(1)Standard books: formulate 16 standard books.

(2)Cyber security standards: Passed ISO27001 certification for 7 consecutive years.

(3)Number of cloud mail users: April 28, 2021-December 30, 2021, the total number of cloud users: 109.

(4)Cyber security investment funds: about NT$ 437,000

(5)Cyber security notices: 9 notices were issued.

(6)Social engineering exercise: 2 exercises were held in total, with a total of 220 people.

(II) List the losses suffered due to significant information security incidents in the most recent fiscal year up to the publication date of this annual report, and disclose the estimated amount for current and possible future occurrences, and response measures. If the amount cannot be reasonably estimated, clarify the reason:

Loss Resulting from significant information security incidents in the Most Recent Fiscal Year and in the Current Fiscal Year Up to the Date of Publication of the Annual Report: None.

Important Contracts

Type of Contract	Contracting Party	Contract Start/End Date Date	Contract Content	Restrictive provisions
Material Purchase Contract	CPC Corporation	January 1, 2022-December 31, 2022	Annual contract volume and pricing for ethylene and propylene supply.	None
Material Purchase Contract	Mitsubishi Corporation	January 1, 2022-December 31, 2022	Annual contract volume and pricing for ethylene supply.	None
Material Purchase Contract	Mitsui	January 1, 2022-December 31, 2022	Annual contract volume and pricing for ethylene supply.	None
Material Purchase Contract	BASF	January 01, 2022-December 31, 2022	Annual contract volume and pricing for ethylene supply.	None
Material Purchase Contract	Dairen Chemical Corporation	January 01, 2022-December 31, 2022	Annual contract volume and pricing for nikasol supply.	None
Joint Venture Contract	Joint venture with companies including Ho Tung Chemical Corporation, LCY Group, USI, Hsintay Petroleum Co., Ltd., ChenergyGlobal Co., Ltd., Lien Hwa International Corporation and CTCI Corporation	September 30, 2016	The Company and seven other companies jointly invested in the Gulei Industrial Park located in Zhangzhou, Fujian Province, China, to produce petrochemicalrelated products.	Yes
Medium-term Loan Lending Limit Contract	Taipei Fubon Bank Co., Ltd.	December 19, 2019 ~ 3/12/2023	APC and Taipei Fubon Bank signed a three-year medium-term lending limit contract worth NT$500 million, which is a revolving loan facility	Based on the consolidated semi-annual/annual financial statements of APC, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Loan Lending Limit Contract	First Bank	October 12, 2020 ~ October 12, 2023	APC and First Bank signed a three-year medium-term lending limit contract worth NT$500 million, which is a revolving loan facility.	None

Type of Contract	Contracting Party	Contract Start/End Date Date	Contract Content	Restrictive provisions
Medium-term Lending Credit Limit Contract Secured Fully by Commercial Papers	Shin Kong Bank	November 12, 2020 ~ November 12, 2023	APC and Shin Kong Bank signed a three-year medium-term lending and commercial paper guarantee comprehensive limit contract worth NT$450 million, which is a revolving loan facility.	Based on the consolidated semi-annual/annual financial statements of APC, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Lending Credit Limit Contract Secured Fully by Commercial Papers	Far Easter International Bank	February 03, 2021 ~ February 03, 2024	APC and Far Easter International Bank signed a three-year medium-term lending and commercial paper guarantee comprehensive limit contract worth NT$500 million, which is a revolving loan facility.APC and First Bank signed a three-year medium-term lending limit contract worth NT$500 million, which is a revolving loan facility.	Based on the consolidated annual financial statements of APC, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Loan Lending Limit Contract	Hua Nan Commercial Bank	May 28, 2021 ~ May 28, 2024	APC and Hua Nan Bank signed a three-year medium-term lending limit contract worth NT$500 million, which is a revolving loan facility.	None
Medium-term Loan Lending Limit Contract	Entie Commercial Bank	July 28, 2021 ~ 7/28/2024	APC and Entie Bank signed a three-year medium-term lending limit contract worth NT$500 million, which is a revolving loan facility.	None
Medium-term Loan Lending Limit Contract	Bank SinoPac	June 30, 2021 ~ 6/30/2024	APC and Bank SinoPecsigned a three-year medium-term secured lending limit contract worth NT$ 500 million, where it can be used cyclically.	Based on the consolidated semi-annual/annual financial statements of APC, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Loan Lending Limit Contract	Taishin International Bank	July 09, 2021 ~ July 09, 2024	APC and TaishinInternational Bank signed a three-year medium-term lending limit contract worth NT$500 million, which is a revolving loan facility.	Based on the consolidated semi-annual/annual financial statements of APC, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.

Type of Contract	Contracting Party	Contract Start/End Date Date	Contract Content	Restrictive provisions
Medium-term Loan Lending Limit Contract	Chang Hwa Bank	July 12, 2021 ~ July 12, 2024	APC and Chang Hwa Bank signed a three-year medium-term lending limit contract worth NT$500 million, which is a revolving loan facility.	None
Medium-term Lending Credit Limit Contract Secured Fully by Commercial Papers	Yuanta Bank	Oct. 01, 2021 ~ October 01, 2024	APC and YuantaBank signed a three-year medium-term lending limit contract worth NT$500 million, which is a revolving loan facility.	Based on the consolidated annual financial statements of APC, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Loan Lending Limit Contract	Cathay United Bank	Oct. 15, 2021 ~ 10/15/2026	APC and Cathay Pacific Bank signed a five-year medium-term lending limit contract worth NT$1.49 billion.	None
Medium-term Loan Lending Limit Contract	Bank of China, Taipei Branch	Oct. 28, 2021 ~ October 27, 2024	APC and Bank of China, Taipei Branch, signed a three-year medium-term lending limit contract worth NT$300 million, which is a revolving loan facility.	Based on the consolidated semi-annual/annual financial statements of APC, its current ratio shall not be less than 100%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Loan Lending Limit Contract	Bank of Tokyo-Mitsubishi UFJ	December 20, 2021 ~ December 20, 2024	APC and Bank of Tokyo-Mitsubishi UFJ signed a three-year medium-term lending limit contract worth NT$500 million, NT$300 among which is a revolving loan facility.	Based on the consolidated semi-annual/annual financial statements of APC, its current ratio shall not be less than 150%, and its debt ratio (debt/net value) shall not be greater than 150%.
Medium-term Loan Lending Limit Contract	Mizuho Bank	December 31, 2021 ~ December 31, 2024	APC and MizuhoBank signed a three-year medium-term lending limit contract worth NT$ 300 million, which is a revolving loan facility.	None

Chapter 6 Financial Summary

I. Condensed financial report for the last five years

(I) Condensed balance sheet and statement of comprehensive income

1. Condensed Consolidated Balance Sheets - International Financial Reporting Standards (IFRS)

Unit: NT$ thousands

ITEM \ Year		Financial Information in the Most Recent Five Years					Up to March 31, 2022 Financial data (Reviewed)
		2021	2020	2019	2018	2017	
CURRENT ASSETS		4,098,928	2,964,269	4,940,438	4,606,590	5,136,436	3,803,852
Property, Plant, and Equipment		3,376,590	3,257,676	3,277,233	3,502,692	3,630,950	3,381,079
Intangible Assets		0	18	53	88	318	0
Other Assets		11,503,028	10,661,540	8,705,367	7,488,373	6,108,297	11,422,279
Total Assets		18,978,546	16,883,503	16,923,091	15,597,743	14,876,001	18,607,210
Current Liabilities	Before Distribution	1,942,077	1,479,196	2,469,828	2,603,655	2,338,563	1,444,158
	After distribution(Note 6)	3,723,309	2,177,718	2,802,458	2,769,970	2,442,186	-
Non-current Liabilities		1,574,420	3,294,762	4,223,443	3,389,652	2,720,968	1,366,463
Total Liabilities	Before Distribution	3,516,497	4,773,958	6,693,271	5,993,307	5,059,531	2,810,621
	After distribution(Note 6)	5,297,729	5,472,480	7,025,901	6,159,622	5,163,154	-
Equity Attributable to Owners of the Parent							
Share capital		5,937,438	5,821,018	5,543,827	5,543,827	5,181,147	5,937,438
Capital Surplus		35,319	33,272	24,400	19,619	16,434	35,319
Retained Earnings	Before Distribution	7,610,746	5,253,769	4,785,613	4,101,347	4,254,352	7,841,566
	After distribution (Note 6)	5,829,514	4,438,826	4,175,792	3,935,032	3,788,049	-
Other Equity		1,878,546	1,001,486	(124,020)	(60,357)	364,537	1,982,266
Treasury Stock		-	-	-	-	-	-
Under common control Equity of prior parties		-	-	-	-	-	-
Total Equity	Before Distribution	15,462,049	12,109,545	10,229,820	9,604,436	9,816,470	15,796,589
	After distribution (Note 6)	13,680,817	11,411,023	9,897,190	9,438,121	9,712,847	-

If the Company has prepared a parent company only financial report, the Company shall prepare parent company only condensed balance sheet and statement of comprehensive income for the last five years.

* If the financial information under international financial reporting standards is less than 5 years, the financial information under ROC GAAP should be prepared in table (2) below.

Note 1: Financial statements not audited by CPAs should be noted.

Note 2: When the asset revaluation was conducted in the year, the date and revaluation increment should be listed.

Note 3: As of the publication date of the annual report, companies that have been listed or have been traded at TPEx should disclose the financial information of the most recent period audited or reviewed by CPAs.

Note 4: For the "after distribution" figures, please fill in accordance withresolutions of the shareholders'meeting in the following year.

Note 5: Where the financial data are notified by the competent authority to be corrected or restated, the corrected or restated figures shall be included and the circumstances and reasons shall be indicated.

Note 6: The 2021 earnings distribution proposal is pending approval of the shareholders' meeting.

2. Condensed Consolidated Statement of Comprehensive Income - IFRS

Unit: NT$ thousands

ITEM \ Year	Financial Information in the Most Recent Five Years					For the year ended March 31, 2022 Financial data (Reviewed)
	2021	2020	2019	2018	2017	
Operating Revenue	9,565,813	5,703,546	6,791,157	6,375,134	6,404,467	2,141,616
Gross Profit	3,597,668	1,129,152	1,035,448	284,466	697,076	556,706
Operating Income and Loss	3,319,255	922,303	798,407	71,982	470,890	466,496
Total non-operating revenue and expenses	418,951	363,108	186,434	244,881	184,863	(193,003)
Income before Tax	3,738,206	1,285,411	984,841	316,863	655,753	273,493
Continuing Business Unit Net Income	3,101,127	1,103,587	821,021	286,826	565,354	230,820
Loss from Discontinued Operations	0	0	0	0	0	0
Net Income (Loss)	3,101,127	1,103,587	821,021	286,826	565,354	230,820
Other Comprehensive Income (after Tax)	947,852	1,099,896	(30,290)	(445,775)	53,337	103,720
Total Comprehensive Income	4,048,979	2,203,483	790,731	(158,949)	618,691	334,540
Net income attributable to parent entity	3,101,127	1,103,587	821,021	286,826	565,354	230,820
Net income attributable to equity of prior parties under common control	0	0	0	0	0	0
Comprehensive Income Attributable to Owners of the Parent	4,048,979	2,203,483	790,731	(158,949)	618,691	334,540
Total comprehensive income attributable to equity of prior parties under joint control	0	0	0	0	0	0
Earnings per share: Unit: NT$	5.22	1.86	1.38	0.49	0.95	0.39

If the Company has prepared a parent company only financial report, the Company shall prepare parent company only condensed balance sheet and statement of comprehensive income for the last five years.
* Where financial information is prepared for less than five years using IFRS, financial information in Table 2 below shall also be prepared using the Financial Accounting Standards of the Republic of China.
Note 1: Financial statements not audited by CPAs should be noted.
Note 2: As of the publication date of the annual report, companies that have been listed or have been traded at TPEx should disclose the financial information of the most recent period audited or reviewed by CPAs.
Note 3: The loss of discontinued business unit should be presented as the net amount after the deduction of income tax.
Note 4: Where the financial data are notified by the competent authority to be corrected or restated, the corrected or restated figures shall be included and the circumstances and reasons shall be indicated.

3. Condensed parent company only balance sheets - IFRS

Unit: NT$ thousands

ITEM \ Year		Financial Information in the Most Recent Five Years				
		2021	2020	2019	2018	2017
CURRENT ASSETS		3,636,493	2,546,721	4,513,983	4,224,762	4,790,574
Property, Plant, and Equipment		3,376,208	3,257,029	3,276,337	3,502,460	3,630,715
Intangible Assets		0	18	53	88	318
Other Assets		11,901,454	11,013,329	9,065,795	7,787,269	6,398,467
Total Assets		18,914,155	16,817,097	16,856,168	15,514,579	14,820,074
Current Liabilities	Before Distribution	1,878,779	1,430,238	2,419,838	2,535,193	2,294,782
	After distribution	3,660,011 (Note 1)	2,128,760	2,752,468	2,701,508	2,398,405
Non-current Liabilities		1,573,327	3,277,314	4,206,510	3,374,950	2,708,822
Total Liabilities	Before Distribution	3,452,106	4,707,552	6,626,348	5,910,143	5,003,604
	After distribution	5,233,338 (Note 1)	5,406,074	6,958,978	6,076,458	5,107,227
Equity Attributable to Owners of the Parent						
Share capital		5,937,438	5,821,018	5,543,827	5,543,827	5,181,147
Capital Surplus		35,319	33,272	24,400	19,619	16,434
Retained Earnings	Before Distribution	7,610,746	5,253,769	4,785,613	4,101,347	4,254,352
	After distribution	5,829,514 (Note 1)	4,438,826	4,175,792	3,935,032	3,788,049
Other Equity		1,878,546	1,001,486	(124,020)	(60,357)	364,537
Treasury Stock		-	-	-	-	-
Under common control Equity of prior parties		-	-	-	-	-
Total Equity	Before Distribution	15,462,049	12,109,545	10,229,820	9,604,436	9,816,470
	After distribution	13,680,817 (Note 1)	11,411,023	9,897,190	9,438,121	9,712,847

If the Company has prepared a parent company only financial report, the Company shall prepare parent company only condensed balance sheet and statement of comprehensive income for the last five years.

* If the financial information under international financial reporting standards is less than 5 years, the financial information under ROC GAAP should be prepared in table（2） below.

Note 1: The 2021 earnings distribution proposal is pending approval of the shareholders' meeting.

Note 2: If the financial information is notified by the competent authority that it should be corrected or restated, it should be presented with the corrected or restated figures, and indicates the circumstances and reasons.

4. Condensed parent company only Statement of Comprehensive Income - IFRS

Unit: NT$ thousands

Year / ITEM	Financial Information in the Most Recent Five Years				
	2021	2020	2019	2018	2017
Operating Revenue	9,291,720	5,514,958	6,578,064	6,099,879	6,241,496
Gross Profit	3,571,359	1,109,078	1,017,768	269,864	684,769
Operating Income and Loss	3,300,219	909,643	788,914	65,096	466,972
Total non-operating revenue and expenses	431,954	371,112	194,025	249,768	185,707
Income before Tax	3,732,173	1,280,755	982,939	314,864	652,679
Continuing Business Unit Net Income	3,101,127	1,103,587	821,021	286,826	565,354
Loss from Discontinued Operations	0	0	0	0	0
Net Income (Loss)	3,101,127	1,103,587	821,021	286,826	565,354
Other Comprehensive Income (after Tax)	947,852	1,099,896	(30,290)	(445,775)	53,337
Total Comprehensive Income	4,048,979	2,203,483	790,731	(158,949)	618,691
Earnings per share: Unit: NT$	5.22	1.86	1.38	0.49	0.95

* If the Company has prepared a parent company only financial report, the Company shall prepare parent company only condensed balance sheet and statement of comprehensive income for the last five years.
* If the financial information under international financial reporting standards is less than 5 years, the financial information under ROC GAAP should be prepared in table (2) below

Note: If the financial information is notified by the competent authority that it should be corrected or restated, it should be presented with the corrected or restated figures, and indicates the circumstances and reasons.

(II) Names of auditing CPAs of the last five years and their audit opinions

Year	Name of CPAs	Auditor Opinion
2017	Huang, Hsiu-Chun, Wu, Shih-Tsung	Unmodified opinion
2018	Huang, Hsiu-Chun, Wu, Shih-Tsung	Unmodified opinion
2019	Chiu, Cheng-Chun , Huang, Hsiu-Chun	Unmodified opinion
2020	Chiu, Cheng-Chun , Huang, Hsiu-Chun	Unmodified opinion
2021	Chiu, Cheng-Chun , Chuang, Pi-Yu	Unmodified opinion

Financial Analyses of the Most Five Fiscal Years

(I) Financial analysis - IFRS

APC and Subsidiaries

Item		Year: Financial Information in the Most Recent Five Years					For the year ended March 31, 2022 financial data (reviewed)
		2021	2020	2019	2018	2017	
Financial Structure (%)	Debt ratio	18.53	28.28	39.55	38.42	34.01	15.11
	Ratio of long-term capital to property, plant, and equipment	504.55	472.86	441.02	370.97	345.29	507.62
Solvency Profitability (%)	Current ratio	211.06	200.40	200.03	176.93	219.64	263.40
	Quick ratio	173.33	170.86	178.63	142.04	181.81	220.84
	Interest coverage ratio:	165.37	31.22	18.54	8.89	16.70	88.35
Business Capacity	Accounts receivable turnover rate (times)	8.84	7.65	8.34	8.59	8.40	7.12
	Average days for cash receipts	41	48	44	43	43	51
	Inventory turnover rate (times)	13.32	13.09	9.87	7.90	7.95	12.18
	Accounts payable turnover rate (times)	20.37	19.28	21.79	23.47	23.19	21.07
	Average days for sale of goods	27	28	37	46	46	30
	Property, plant, and equipment turnover rate (times)	2.88	1.75	2.00	1.79	1.72	2.54
	Total assets turnover rate (times)	0.53	0.34	0.42	0.42	0.43	0.46
profiability	Return on total assets (%)	17.40	6.73	5.33	2.09	4.06	4.97
	Return on equity (%)	22.50	9.88	8.28	2.95	5.85	5.91
	Ratio of net profit before tax to paid-in capital (%) (Note 7)	62.96	22.08	17.76	5.72	12.66	18.43
	Net profit margin (%)	32.42	19.35	12.09	4.50	8.83	10.78
	Basic earnings (loss) per share (NT$) (Note 3)	5.22	1.90	1.48	0.52	1.09	0.39
	Earnings per Share ()(NT$)(Note 4)	5.22	1.86	1.38	0.49	0.95	0.39
Cash flows	Cash flow ratio (%)	141.42	194.59	20.19	-4.16	41.21	221.68
	Cash flow adequacy ratio (%)	230.79	155.17	40.30	50.18	51.59	-
	Cash reinvestment ratio (%)	9.39	12.78	1.78	-1.25	4.04	14.54
Leverage	Operating leverage	1.24	2.15	2.71	14.17	2.46	1.96
	Financial leverage	1.01	1.05	1.08	2.26	1.10	1.01

Reasons for any changes in financial ratios up to in the past two years：
1. Debt-to-assets ratio: Due to partial repayment of bank borrowings during the year.
2. Interest coverage ratio, return on assets, ratio of net income before income tax to paid-in capital, net profit margin and basic earnings per share: Due to the increase in net income before (after) tax this year.
3. Real estate, plant and Equipment turnover, total Assets turnover: due to the increase in net sales.
4. Cash flow ratio: Due to the increase in current liabilities.
5. Cash flow adequacy ratio: increased net cash flow from operating activities.
6. Cash reinvestment ratio: Due to the increase in net cash inflow from operating activities
7. Leverage: Due to the increase in operating income

*If the Company has prepared a parent company only financial report, it shall prepare a parent company only financial analysis

* Where financial information is prepared for less than five years using IFRS, financial information in Table 2 below shall also be prepared using the Financial Accounting Standards of the Republic of China.

Note 1: Financial statements not audited by CPAs should be noted.

Note 2: As of the publication date of the annual report, companies that have been listed or have been traded at TPEx should analyze the financial information of the most recent period audited or reviewed by CPAs.

(II) Financial Analysis - IFRS

APC

Item		Year: Financial Information in the Most Recent Five Years				
		2021	2020	2019	2018	2017
Financial Structure (%)	Debt ratio	18.25	27.99	39.31	38.09	33.76
	Ratio of long-term capital to property, plant, and equipment	504.57	472.42	440.62	370.58	344.98
Solvency Profitability(%)	Current ratio	193.56	178.06	186.54	166.64	208.76
	Quick ratio	155.53	148.76	166.41	131.97	170.96
	Interest coverage ratio:	165.10	31.11	18.50	8.84	16.63
Business Capacity	Accounts receivable turnover rate (times)	8.49	7.20	7.91	8.01	8.00
	Average days for cash receipts	43	51	46	46	46
	Inventory turnover rate (times)	13.24	13.68	10.10	7.79	7.89
	Accounts payable turnover rate (times)	22.66	21.81	25.81	27.85	26.83
	Average days for sale of goods	28	27	36	47	46
	Property, plant, and equipment turnover rate (times)	2.80	1.69	1.94	1.71	1.68
	Total assets turnover rate (times)	0.52	0.33	0.41	0.40	0.42
profiability	Return on total assets (%)	17.46	6.76	5.35	2.10	4.08
	Return on equity (%)	22.50	9.88	8.28	2.95	5.85
	Ratio of net profit before tax to paid-in capital (%) (Note 7)	62.86	22.00	17.73	5.68	12.60
	Net profit margin (%)	33.38	20.01	12.48	4.70	9.06
	Basic earnings (loss) per share (NT$) (Note 3)	5.22	1.90	1.48	0.52	1.09
	Earnings per Share ()(NT$)(Note 4)	5.22	1.86	1.38	0.49	0.95
Cash flows	Cash flow ratio (%)	142.87	198.29	19.85	-4.05	40.27
	Cash flow adequacy ratio (%)	226.73	150.84	32.23	47.15	48.53
	Cash reinvestment ratio (%)	9.1	12.58	1.68	-1.21	3.81
Lever ratio	Operating leverage	1.16	1.97	2.47	11.44	2.13
	Financial leverage	1.01	1.05	1.08	2.61	1.10

Reasons for any changes in financial ratios up to in the past two years：

1. Debt-to-assets ratio: Due to partial repayment of bank borrowings during the year.
2. Interest coverage ratio, return on assets, ratio of net income before income tax to paid-in capital, net profit margin and basic earnings per share: Due to the increase in net income before (after) tax this year.
3. Real estate, plant and Equipment turnover, total Assets turnover: due to the increase in net sales.
4. Cash flow ratio: Due to the increase in current liabilities.
5. Cash flow adequacy ratio: increased net cash flow from operating activities.
6. Cash reinvestment ratio: Due to the increase in net cash inflow from operating activities
7. Leverage: Due to the increase in operating income

*If the Company has prepared a parent company only financial report, it shall prepare a parent company only financial analysis

*If the financial information under international financial reporting standards is less than 5 years, the financial information under ROC GAAP shall be prepared in table (2) below.

Note 1: Financial statements not audited by CPAs should be noted.

Note 2: As of the publication date of the annual report, companies that have been listed or have been traded at TPEx should analyze the financial information of the most recent period audited or reviewed by CPAs.

Note 3: At the end of the annual report, the following formula should be presented:

1. Financial structure

(1)Liabilities-to-asset ratio = Total liabilities/Total assets.

(2) Ratio of long-term capital to property, plant, and equipment =（ Total equity + Non-current liabilities）/Net value of property, plant, and equipment.

2. Solvency

(1) Current ratio = Current assets/Current liabilities.
(2) Quick ratio = （Current assets - inventory - prepaid expenses)/Current liabilities.
(3) Interest coverage ratio = Income before tax and interest expenses/Interest expenses.

3. Operating performance
(1) Receivable (including accounts receivable and business-related notes receivable) turnover ratio = net sale/average balance of receivable of the period (including accounts receivable and business-related notes receivable).
(2) Average collection days = 365/Receivables turnover
(3) Inventory turnover = cost of sales/average inventories.
(4) Payable (including accounts payable and business-related notes payable) turnover ratio = net sales revenue/average balance of payable of the period (including accounts payable and business-related notes payable).
(5) Average days for sale of goods = 365/Inventory turnover rate.
(6) Property, plant, and equipment turnover rate = Net sales/Average net property, plant, and equipment.
(7) Total assets turnover rate = Net sales/Average total assets.

4. Profitability
(1) Return on assets = [Income after tax + Interest expenses x （ 1 - Tax rate ）]/Average total assets.
(2) Return on equity = Income after tax/Average total equity.
(3) Net profit margin = Income after tax/Net sales.
(4) Earnings per share = （ Income attributable to owners of the parent - Preferred stock dividends）/Weighted average number of shares issued. (Note 4)

5. Cash flows
(1) Cash flow ratio = Net cash flows generated from operating activities/Current liabilities.
2 Cash flow adequacy ratio = Five-year sum of net cash flows generated from operating activities/Five-year sum of capital expenditure, inventory additions and cash dividends).
(3) Cash reinvestment ratio = (Net cash flows from operating - cash dividends)/(Gross amount of property, plant, and equipment + Long term investment + Other non-current assets + Working capital). (Note 5)

6. Leverage
(1) Degree of operating leverage (DOL) = (net operating revenue - variable operating cost and expenses)/operating income (Note 6)
2 Financial leverage = Operating income/(Operating income - Interest expenses).

Note 4: The following items should be noted for the calculation of earnings per share using the above mentioned formula:
1. Use the weighted average number of common shares, not the number of shares outstanding at the end of year.
2. Capital increase for cash or treasury stock transactions shall be considered when the weighted average number of shares is calculated.
3. Capital increase from surplus earnings or capital reserve shall be retrospectively adjusted by the proportion of capital increase when earnings per share for previous annual and semi-annual periods are calculated. The issue period for capital increase does not have to be considered.
4. For preferred shares that are non-convertible accumulated preferred shares, dividends (regardless of whether they are distributed) shall be deducted from net income after tax or included as net loss after tax. If the preferred shares are non-cumulative in nature, where net income after taxes is available, preferred share dividends should be deducted from it. No adjustment is required if the company generates loss after taxes.

Note 5: The following items should be noted for the analysis of cash flow:
1. Net cash flow from operating activities refers to net cash flow generated from operating activities in the statement of cash flows.
2. Capital expenditures refer to the annual cash flow used in capital investment.
3. The increase in inventory is included only if the balance at the end of the year
4. Cash dividends include the cash dividends of common stocks and preferred stocks.
5. Gross property, plant and equipment refers to the property, plant and equipment before depreciation

Note 6: The issuer should classify the operating costs and operating expenses as fixed or variable depending on their nature. If the process involves estimates or subjective judgments, reasonableness and consistency should be maintained.

Note 7: If the company’s shares do not have a face value or the face value is not NT$10, the above-mentioned calculation involving as a percentage to paid-in capital should be replaced by as a percentage to equity attributable to the owners of the parent company on the balance sheet.

III.Supervisor's or Audit Committee's Review Report for the Most Recent Financial Statements

(I) Supervisors' review report: Not applicable

() Audit Committee's Review Report：

Asia Polymer Corporation

Audit Report

The Board of Directors has prepared the Company’s 2021 Business Report, financial statements (including parent company only and consolidated financial statements) which were audited by CPAs Chiu, Cheng-Chun and Zhuang, Bì-Yu of Deloitte, Taiwan, as well as an earnings distribution proposal. The above mentioned reports and financial statements have been reviewed and determined to be accurate by the Audit Committee. According to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report. Please proceed to review it.

To:
The Company 2022 Annual Shareholders' Meeting

Audit Committee of Asia Polymer Corporation

Independent Director: Shen, Shang-Hung 沈尚弘

Independent Director: Chen, Ta-Hsiung 陳達雄

Independent Director: Cheng, Duen-Chian 鄭敦謙

March 9, 2022

IV.Financial Statements for the Most Recent Fiscal Year(Please refer to pages201)

V. Parent Company Only Financial Statements Audited and

Attested by CPAs for the Most Recent Fiscal Years: (Please refer to pages274)

VI. If the Company or its Affiliates Have Experienced Financial Difficulties in the Most Recent Fiscal Year or During the Current Fiscal Year up to the Date of Publication of the Annual Report, the Annual Report Shall Explain How Said Difficulties Affect the Company's Financial Situation The term "affiliates" as used in above refers to entities meeting the requirements set forth under Article 309-1 of the Company Act: None

Chapter 7 Review and Analysis of Financial Conditions and Performance and Risk Items risks

I. Financial Position

Comparative Analysis of Financial Position

Unit: NT$ thousands

Year / Item	End of 2021	End of 2020	Diffierence	
			Amount	%
Current Assets	$4,098,928	$2,964,269	1,134,659	38.28
Long-term investment	10,863,303	10,033,878	829,425	8.27
Property (with the investment), Plant, and Equipment	3,895,991	3,781,039	114,952	3.04
Other Assets	120,324	104,317	16,007	15.34
Total Assets	18,978,546	16,883,503	2,095,043	12.41
Current Liabilities	1,942,077	1,479,196	462,881	31.29
Other Liabilities	1,574,420	3,294,762	(1,720,342)	(52.21)
Total Liabilities	3,516,497	4,773,958	(1,257,461)	(26.34)
Share Capital	5,937,438	5,821,018	116,420	2.00
Capital Surplus	35,319	33,272	2,047	6.15
Retained Earnings	7,610,746	5,253,769	2,356,977	44.86
Other Equity	1,878,546	1,001,486	877,060	(87.58)
Total Equity	15,462,049	12,109,545	3,352,504	27.68

(I) The main reasons for major changes in assets, liabilities and equity in the most recent two years (variance of 20% and exceeding NT$ 1,000 between periods):

1. Current assets: mainly due to operating profit.
2. Current liabilities: Mainly due to the increase in income tax liabilities during the current period due to the increase in profits.
3. Other liabilities: mainly due to repayment of long-term loans.
4. Retained earnings: mainly due to operating profit.
5. Other equities: mainly due to the increase of unrealized gains of financial assets.

(II) Impact:

No major impact

(III) Future response plan

N/A

II. Financial Performance

(I) Comparison and analysis of financial performance

Unit: NT$ thousands

Item \ Year	2021	2020	Increases (decreases)	Percentage of change (%)
Net Revenue	$9,565,813	$5,703,546	3,862,267	67.72
Operating Costs	5,968,145	4,574,394	1,393,751	30.47
Gross Profit	3,597,668	1,129,152	2,468,516	218.62
Operating Expenses	278,413	206,849	71,564	34.60
Operating margin	3,319,255	922,303	2,396,952	259.89
Total non-operating revenue and expenses	418,951	363,108	55,843	15.38
Income before Tax	3,738,206	1,285,411	2,452,795	190.82
Taxation	637,079	181,824	455,255	250.38
Net Income	$3,101,127	$1,103,587	1,997,540	181.00
Other Comprehensive Income (Loss) for the Year	$947,852	$1,099,896	(152,044)	13.82
Total Comprehensive Income (Loss) for the Year	$4,048,979	$2,203,483	1,845,496	83.75

(1) The main reasons for significant percentage of changes in the most recent two years:

1. Operating income, operating cost and Operating margin: refer to the operating margin change analysis table.
2. Non-operating income: increased dividend income.
3. Net profit before tax and this year: mainly due to the increase of gross profit and non-operating income
4. Other comprehensive income for the year: Mainly caused by the unrealized gains on financial assets measured at fair value through other comprehensive gains and losses due to the increase in market prices.
5. Total comprehensive income for the year: Mainly caused by the increase in net profit and other comprehensive income for the year.

(II) Projected sales volume in the following year and its basis:

The sales target for 2022 is approximately 136,000 tons and sales of niche products shall be prioritized.

(III) Impact on the Company’s future financial business: No significant impact.

(IV) Future response plan: Not applicable.

(II) Analysis of changes in gross profit:

Unit: NT$ thousands

	in the preceding and following periods Increase (Decrease)	Reasons for the discrepancy		
		Difference in selling price	Difference in cost	Difference in quantity
Gross profit	2,468,516	3,794,746	(1,312,108)	(14,122)
Description	Although the quantity sold decreased by approximately 1% from the previous year, the average selling price increased by 69%, more than offset the increase in raw material costs, resulting in an increase in gross profit on sales			

III. Cash flows

Unit: NT$ thousands

Year	Initial cash balance	From Operating activities Net Cash flows	From Investing activities Net Cash flows	From Financing activities Net Cash flows	Exchange Rate Effect	Cash Surplus (Inadequacy) Cash surplus	Estimated balance of cash surplus (shortage) Remedial Measures for Cash Inadequacy
2021	605,644	2,746,534	(5,161)	(2,579,254)	(3,827)	763,936	N/A

1. Analysis of changes in cash flow during the year
   (1) Operating activities: The net cash inflow from operating activities is NT$ 2,746,534, mainly consisting of annual profit plus depreciation expense and other adjustments.
   (2) Investment activities: The net cash outflow of investment activities is NT$5,161, which was mainly caused by the purchase of equipment, payment of dividends and sale of financial assets.
   (3) Financing activities: the net cash outflow to financing activities was NT$2,579,254 thousand, mainly due to the repayment of bank loans.And dividend payment.
2. Remedy for cash shortage and liquidity analysis: Not applicable
3. Liquidity analysis for the following year

Unit: NT$ thousands

Initial cash balance	Estimated net cash flow from operating activities in the entire year Self-operated activity Net cash flow	Estimated other cash inflows (outflows) during the year	Estimated balance of cash surplus (shortage)	Remedial measures for cash inadequacy Remedial Measures for Cash Inadequacy
763,936	1,275,000	(1,315,000)	723,936	N/A

IV. Impact of major capital expenditures on financial operations in the most recent year:

To ensure adequate supply of ethylene raw material, an estimated NT $1.02 billion will be spent on the construction of ethylene storage tanks and underground pipelines.

Capital expenditure shall be paid in advance with its own funds, and at the same time, capital market financing costs shall be assessed at any time for timely adjustment.

V. Investment policy in the most recent year, main reasons for its profit or loss, improvement plans and investment plan for the coming year:

(I) Investments whose amounts exceed five (5) percent of paid-in capital at the end of 2021:

Reason for Discrepancy / ITEM	Amount (NT$ thousands)	Policy	Major reasons for profit or loss	Improvement plan	Other investment plans in the future
USI Corporation	3,197,772	Stable Cash Dividends	Stable performance	None	-
CTCI Corporation	537,395	Investment diversification	Steady growth in overall performance, and hence continuously profitable	None	-
Ever Conqueat Global Ltd	4,851,207	Petrochemical Investments	Construction period	None	-
China General Plastics Corporation	900,764	Investment diversification	Steady growth in overall performance, and hence continuously profitable	None	-
China General Terminal & Distribution Co.	373,731	Investment diversification	Steady growth in overall performance, and hence continuously profitable	None	-

(II) Investment plans for the following year:

By the resolution of the board of directors, the company has established a joint venture sales company in Mainland China through its subsidiary APC(BVI) and Swanlake Traders. Ltd., a subsidiary of USI Corporation . Its capital is expected to be RMB$300 million , and the company's shareholding proportion is expected to be 30%. After the approval of relevant competent authorities, funds will be invested year by year according to the progress.

VI. Risk Analysis and Evaluation

Risk management organizational structure

Major risk evaluation item	Implementation and responsible units	Supervision unit
(I) Effect on the Profit (Loss) of Interest and Exchange Rate Fluctuations and Changes in the Inflation Rate, and Response Measures to Be Taken in the Future	Finance Division	Auditing Division
(II) Impact of interest rates and exchange rate fluctuations, as well as inflation on the Company’s profit and loss, as well as future response measures	Finance Division	
(III) Research and development work to be carried out in the future, and further expenditures expected for research and development work.	R&D Department of Linyuan Plant	
(IV) Impact of changes of the important domestic and foreign policies and laws on the Company’s finance and business,and countermeasures	Finance Division/Legal Division/Business Department	
(V) Impact of Changes in Technology and Industry on the Company’s Financial Operations, and Response Measures	Sales and Marketing Division	
(VI) Impact of Changes in Corporate Image on the Company’s Risk Management, and Response Measures	Human Resource Division	
(VII) Expected benefits and possible risks of mergers and response measures	Finance Division	
(VIII) Expected benefits and possible risks to expand the plants and the countermeasures	Linyuan Plant	
(IX) Risks resulting from consolidation of purchasing or sales operations and response measures	Procurement and Logistics Division/Business Department	
(X) Impact and risks resulted from major equity transfer or replacement of Directors, Supervisors, or shareholders holding more than 10% of the Company's shares, and related response measures	Finance Division	
(XI) Impact, risk, and response measures related to any change in governance rights in the Company	Board of Directors	
(XII) Litigious and non-litigious matters. List major litigious, non-litigious or administrative disputes that: involve the Company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the Company; and have been concluded by means of a final and unappealable judgment,or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the Company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report.	Legal Division	
(XIII) Other important risks, and mitigation measures being or to be taken	General Manager Office	

Risk management policy

(I) Effects of interest rates, exchange rate fluctuation and inflation on the Company's profit and loss, as well as future response measures:

1. Interest rate: the idle funds will be placed in bank deposit, money market fund beneficiary certificate, bond (bills) with repurchase transaction and REITs (domestic real estate investment trust fund) to reduce the risk of interest rate fluctuations.

   Reserve Sufficient short-term funds for operational needs; For medium and long-term capital demand, when the interest rate rises, choose the appropriate time to issue ordinary corporate bonds, or obtain medium and long-term credit from financial institutions, lock in the capital cost with fixed interest rate, avoid the risk of future interest rate rise, and cope with the long-term capital stability.
2. Exchange rate: hedging is carried out according to the net foreign currency position generated by the company's business. In addition to closely observing the trend of the international foreign exchange market, we also timely hedge the risks through spot selling and undertaking forward foreign exchange contracts.
3. Inflation: No significant impact on the Company.

   3.1 Some countries (including Taiwan) have not experienced significant inflation. The current inflation level is moderate.

   3.2 The main cost of the Company is the cost of raw materials. Product price move in the same direction as the raw material cost.

(II) Policies regarding high-risk investments, highly leveraged investments,loans to other parties, endorsements, guarantees, and derivativestransactions; the main reasons for the profits/losses generated thereby; and future countermeasures to be taken:

1. Engaging in high-risk, highly-leveraged investment and lending funds to other parties:

   The Company's "Procedures for Acquisition and Disposition of Assets" stipulates that it does not engage in high-risk, highly-leveraged investments. There is also the "Procedures for Lending Funds to Others". However, this operation has not yet been carried out.

2. Endorsements/guarantees:

In accordance with the Company’s "Endorsement and Guarantee Procedures". However, this operation has not yet been carried out.

3. Derivatives transactions:

The purpose of the Company's derivatives trading is to hedge the risks arising from the Company's business operation. The trading products are mainly forward exchange, and no engagement is made in speculative operations. The counter parties for hedging transactions are reputable financial institutions to avoid credit risks. In addition, the trading object needs to choose the financial institution with better conditions to deal in order to avoid credit risk.

(III) Future R&D projects and estimated R&D expenditure:

1. Future R&D Plan: The Linyuan Research and Development Division is in charge of planning and execution.

   ·Renewal Kunghsing film blowing.

   Process equipment renewal.

2. Estimated R&D expenses: A total of approximately NT$13,650 thousand.

(IV) Impacts of changes in local and overseas policies and laws on the Company's financial operations, and related response measures:

1. Impacts of changes in major domestic and overseas policies and regulations on Company’s finance and business within the most recent year up to the publication date of this report are not significant.

2. Response measures:

   The Company has established the Legal Division to assess legal risks and formulate countermeasures, review important contracts in advance and provide legal advance to handle legal affairs where necessary. In addition, the accounting department evaluates the impacts of changes in accounting and tax-related laws and regulations on the financial operations of the Company at all times and come up with action plans. It would discuss with CPAs to make prior planning for the relevant changes.

(V) Impacts of changes in technology and industry on the Company's financial operations, and related response measures:

1. Risks of information technology security:

The core of the manufacturing industry is the maintenance and management of the factory. The production process or process of the factory is mainly controlled by Operation Technology (OT) management. Based on the stability of production and other requirements, it has not been upgraded and updated for many years. Its security protection degree is obviously insufficient compared with general Information Technology (IT).

2. Information technology security management measures:

2.1 Internal audit shall be conducted regularly by the company's audit department and external professional information and security consultants. For external audit, British Standards Institution Taiwan branch (BSI), an internationally renowned certification company, is invited to conduct ISO 27001 certification audit every year. In addition to the audit of cyber security risk management framework, the Company also carries out the prevention coaching and cyber security risk assessment analysis for the internal and external issues.

2.2 Industrial Control Equipment (OT) : Adopt Palo Alto Networks 3220, with the new 7-layer firewall system, improve the efficiency of filtering incoming and outgoing packets, effectively reduce the risk of system vulnerability exposure.

2.3 Implement OT management, build “plant equipment (OT) management platform”, and conduct asset management operations for plant OT equipment comprehensively.

2.4 For the operating system of server host and other equipment, an external professional information security consultant shall be commissioned to scan the weaknesses every year to find out the potential risks and make system corrections or propose compensatory measures.

2.5 Strengthen personnel cyber security management, prevent hacking or data leakage; information personnel receive at least four hours of cyber security education and training every year.

(VI) Impact of Changes in Corporate Image on the Company’s Risk Management, and Response Measures：

The Company has always uphold the professional and integrity of the operating principles, paid attention to corporate governance, corporate social responsibility, therefore, there is no foreseeable risk associated with changes in corporate image.

(VII) Expected benefits and possible risks of mergers and response measures：

The Company does not carry out mergers and acquisitions.

(VIII) Expected benefits and possible risks to expand the plants and the countermeasures：

Construction of ethylene storage tanks and underground pipelines

Expected benefits: Ensuring sufficient ethylene raw material supply to maintain stable production and to enhance the connection with existing customers.

Possible risks: Increase in supply, thereby leading to the product’s price to drop.

Response measures: Develop products of high quality and niche products to avoid price competition

(IX) Risks resulting from consolidation of purchasing or sales operations and response measures：

Purchases: The Company purchases more than 50% of the Company’s overall ethylene from CPC Corporation, Taiwan. However, we signed a contract with CPC to ensure the supply of ethylene. Shortages may be supplemented by imports of CPC or the Company.

Sales: Most of our customers are SMEs, so there is no concentration risk.

(X) Impact and risks resulted from major equity transfer or replacement of Directors, Supervisors, or shareholders holding more than 10% of the Company's shares, and related response measures：

There was no major exchange or transfer of shares by directors,supervisors or shareholders with over 10% of shares in the Company as at the date of publication of the report. Thus, there was no impact on the Company's operation.

(XI) Impact, risk, and response measures related to any change in governance rights in the Company：

There has been no changes in management control at the Company in the most recent fiscal year up to the publication date of this annual report.

(XII) Litigious and non-litigious matters. List major litigious,non-litigious or administrative disputes that: involve the Company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the Company; and have been concluded by means of a final and unappealable judgment,or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the Company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report:

Concluded or pending major litigious, non-litigious or administrative disputes in the most recent year and as of the date of report:

(1) The Company: None.

(2) Directors, Supervisors, General Managers, persons with actual responsibility in the Company, and major shareholders holding more than 10% of the Company's shares: None.

(3) Investee companies using equity method:

With regard to the gas explosions in the evening on July 31, 2014, where the Company's investee company accounted for using the equity method China General Terminal & Distribution Corporation (CGTD) was contracted by LCY Chemical Corp. (LCY) to operate the propene pipelines, the criminal part of the gas explosion case was also dismissed on appeal by the Supreme Court on September 15, 2021, and all three of CGTD's employees were acquitted.

CGTD arrived at an agreement with the Kaohsiung City Government on February 12, 2015, pledging certificates of bank deposits of $227,540 thousand, interests included, to the Kaohsiung City Government as collateral for the loss caused by the gas explosion. The Kaohsiung City Government also filed civil procedure requests in succession against LCY Chemical Corp., CGTD and CPC Corporation, Taiwan ("CPC"). In addition, on August 27 and November 26, 2015, Taiwan Power Company applied to the court for the execution of false seizure of the property of CGTD. CGTD has deposited $99,207 thousand. in cash with the court, which is exempt from false seizure; On February 3 and March 2, 2017 Taiwan water Corporation. also applied to the court for false seizure of the property of CGTD . At the end of March 31, 2022, the provisionally attached property was worth $13,230 thousand.

As for the victims, CGTD, LCY Chemical Corp. and the Kaohsiung City Government signed a tripartite agreement for the compensation of the 32 victims' families on July 17, 2015. Each victim's family received $12,000 thousand, and the compensation was $384,000 thousand in total, which was paid in four annual payments by LCY Chemical Corp. LCY paid the compensation first and also represented the three parties in the settlement negotiation and the signing of settlement agreements with the family of the deceased.

As for the seriously injured, CGTD, LCY Chemical Corp. and the Kaohsiung City Government signed a tripartite agreement for the compensation of the 65 seriously injured victims' families on October 25, 2017. Compensation was paid by CGTD and the Kaohsiung City Government, and CGTD was in charge of negotiating the compensation with the seriously injured victims' families and signing the settlement agreement on behalf of the three parties with the 64 seriously injured victims' families.

As of March 31, 2022, the victims and victims' families had written letters or filed civil procedures (and criminal procedures) against CGTD, LCY Chemical Corp. and CPC for compensation. To reduce the lawsuit costs, CGTD had reached a settlement on the original claim for $46,677 thousand, and the amount of the settlement was $4,519 thousand. Along with the case still in litigation and the above-mentioned compensation, the accumulated amount of compensation is $3,856,447 thousand. The first-instance judgments of some of the above mentioned civil cases (with a total amount of compensation of approximately $1,341,128 thousand) have been gradually announced, starting from June 22, 2018. The proportion of fault liability of the Kaohsiung City Government, LCY Chemical Corp. and CGTD is 4:3:3 in most judgments. The total amount of compensation that CGTD, LCY Chemical Corp. and the other defendants should pay is about $401,979 thousand, of which CGTD was exempted for $6,194 thousand. Now CGTD has appealed in those civil cases which were announced but not yet settled and entered into the second-instance trials; the remaining cases are still pending in the Court of First Instance (about $2,012,493 in damages claimed). CGTD has signed a claim settlement agreement with the insurance company in accordance with the proportion of fault liability determined in the first-instance judgment to estimate the amount of settlement for victims and seriously injured and the civil litigation compensation amount (including settled cases). The maximum amount of the insurance compensation was deducted to calculate the amount payable by CGTD and the

NT$136,375 thousand has been included in the estimate on the account. However, the actual settlement and compensation amount described above can only be verified after the proportion of fault liability is determined in the civil judgments.

(XIII) Other significant risks and response measures:

1.Risk management policy:

The Audit Committee and the Board of Directors adopted risk management policies and procedures in December 2020 in order to strengthen corporate governance, reduce risks that may be faced by operations and ensure sound operation and sustainable development of the Company. The measures mainly include risk management policy, risk management organization, risk management process, risk management categories and mechanisms, etc. Effectively control risks arising from business activities according to this method, and report to the Audit Committee and the Board of Directors at least once a year on the current year's risk management operation.

2. Continue to focus on global climate change

Assessment items on climate change risk identification and corresponding measures, with reference to the situation of CSR performance and differences with the code of Practice on CORPORATE social Responsibility of listed companies and reasons

VII. Other Important Matters: the company's key performance indicators

(I) Disaster-free working hours: The company's Linyuan factory is in high temperature and high pressure production environment, and pays special attention to work safety and environmental protection. As of December 31, 2021, the total number of disaster-free hours is 457,735.

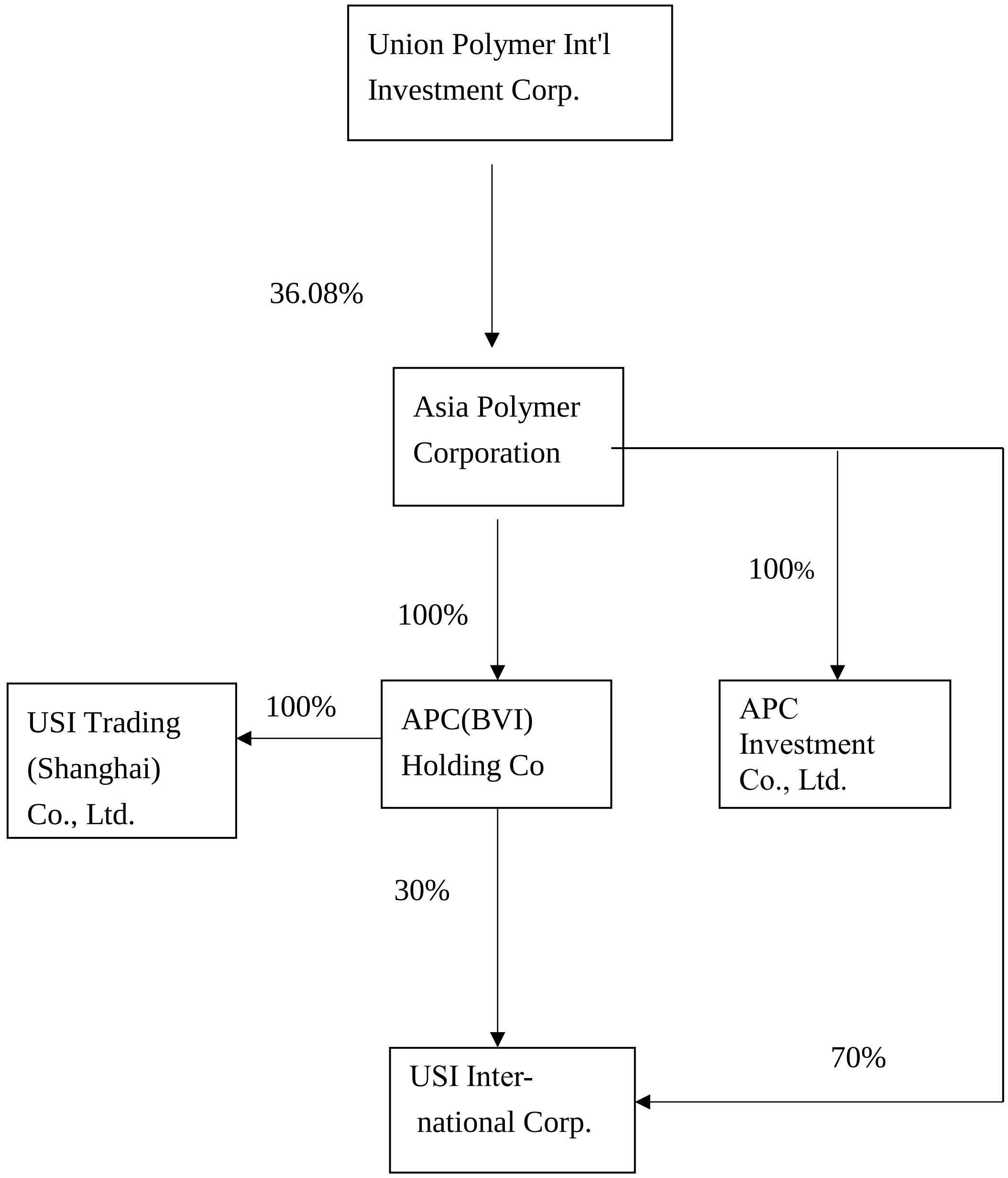
(II) Equipment operation rate: The equipment operation rate of the company in 2021 reaches 94.14%.

Chapter 8 Special Notes

I. Information on Affiliates

(I) Consolidated Business Report of Affiliated Enterprises

1. Organizational Structure of Affiliated Companies



2.Basic information of affiliates

Unit: NT$ thousands

Name of Affiliate	Date of Founding	Address	Paid-in Capital Capital	Major Lines of Business or Products Assets
APC (BVI) Holding Co., Ltd.	April 10, 1997	Citco Building,Wickham Cay, P.O.Box 662,Road Town, Tortola,British Virgin Islands	313,963	Reinvestment
USI International Corporation	September 20, 2002	TrustNet Chambers, P.O.Box3444,Road Town,Tortola, British Virgin Islands	83,040	Investment
APC Investment Co., Ltd.	December 20, 2007	10F, No. 39, Jihu Road, Neihu District, Taipei City	200,000	Investment
USI Trading (Shanghai) Co., Ltd.	March 13, 2006	Room 6A, No. 1358, Yan'an West Road, Shanghai City	71,200	Sale of chemical products and equipment

3. Information of shareholders with corporate governance power while working in the company: None.

4. Business of affiliates and their relationships

Industry code	Name of Affiliates	Business relationship with other affiliated companies
Holding Company	APC (BVI) Holding Co., Ltd.	None
Investment	USI International Corporation	None
Investment	APC Investment Co., Ltd.	None
Trading	USI Trading (Shanghai) Co., Ltd.	Purchases from APC

5. Information regarding the directors, supervisors and general managers of affiliated companies

Unit: NT$ thousands; shares; %

Name of Affiliate	Job title	Name or Representative	Number of shares held by the person /Shareholding Ratio	Number of shares held by juristic persons represented / Shareholding percentage
APC (BVI) Holding Co., Ltd.	Directors	Quintin Wu	0/0%	—
	Directors	Pei-Chi Wu	0/0%	
	Directors	Ko I-Shao	0/0%	
	Directors	Ke-Shun Wang	0/0%	
USI International Corp.	Directors	Quintin Wu	0/0%	—
	Directors	Pei-Chi Wu	0/0%	
	Directors	Wen-Li Yang	0/0%	
	Directors	Ya-I Huang	0/0%	
APC Investment Co., Ltd.	Chairman	Quintin Wu (appointed by Asia Polymer Corporation)	0/0%	20,000,000/100
	Directors	Pei-Chi Wu (appointed by Asia Polymer Corporation)	0/0%	
	Directors	Ya-I Huang (appointed by Asia Polymer Corporation)	0/0%	
	Supervisor	Yung-Chih Chen(appointed by Asia Polymer Corporation))	0/0%	
	General Manager	Ya-I Huang	0/0%	—
USI Trading (Shanghai) Co., Ltd.	Chairman	Pei-Chi Wu (appointed by APC (BVI) Holding Co., Ltd.)	0/0%	USD2,500,000/100
	Vice Chairman	Chiao-Feng Wu (appointed by APC (BVI) Holding Co., Ltd.)	0/0%	
	Directors	Ke-Shun Wang (appointed by APC (BVI) Holding Co., Ltd.)	0/0%	
	Directors	Ming-Tsung Wu (appointed by APC (BVI) Holding Co., Ltd.)	0/0%	
	Supervisor	Wen-Li Yang (appointed by APC (BVI) Holding Co., Ltd.)	0/0%	
	General Manager	Pei-Chi Wu	0/0%	—

6. Operating status of affiliates

Unit: NT$ thousands

Name of Affiliate	Capital Contribution	Total Assets	Total liabilities	Net value	Operating Revenue	Operating Income (Loss)	Profit or loss for the current period (after taxes)	Earnings per share (NT$) (after tax)
APC (BVI) Holding Co., Ltd.	313,963	545,802	0	545,802	0	(76)	27,305	2.41
USI International Corp.	83,040	90,564	1,450	89,114	0	(1,784)	1,047	0.35
APC Investment Co., Ltd.	200,000	168,211	121	168,090	0	(418)	35,822	1.79
USI Trading (Shanghai) Co., Ltd.	71,200	217,216	81,120	136,096	401,205	19,936	16,419	-

(II) Consolidated financial statements of affiliated enterprises

Declaration of Consolidated Financial Statements of Affiliates

In 2021 (from January 1 to December 31, 2021), pursuant to "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises," the Company's entities that shall be included in preparing the Consolidated Financial Statements of Affiliates and the Parent-Subsidiary Consolidated Financial Statements for International Financial Reporting Standards (IFRS) 10 are the same. Moreover, the disclosure information required for the Consolidated Financial Statements of Affiliates has been fully disclosed in the aforementioned Parent-Subsidiary Consolidated Financial Statements; hence, a separate Consolidated Financial Statements of Affiliates will not be prepared.

Sincerely

Company Name: Asia Polymer Corporation

Person in charge: Wu I-Kuei

March 09, 2022

(III) Affiliations Report

1. Declaration of affiliation report

The 2021 Affiliation Report (from January 1 to December 31, 2021) prepared by your Company, in accordance with the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises. No material inconsistency has been found between the information disclosed and the relevant information disclosed in the notes to the financial statements for the aforementioned period. The statement is attached in this letter.

Sincerely

Company Name: Asia Polymer Corporation

Person in charge: Wu I-Kuei

March 09, 2022

2. Independent auditor's opinion on affiliation report

Chin Shen 11102335 dated March 21, 2022

Attn: Asia Polymer Corporation

Subject: We express our opinions on the Company's 2021 affiliation report that it does not contain any material inconsistency

Explanation:

I. Your Company has issued a statement on the 2021 Affiliation Report (from January 1 to December 31, 2021) prepared by your Company, on March 9, 2022 in accordance with the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises. No material inconsistency has been found between the information disclosed and the relevant information disclosed in the notes to the financial statements for the aforementioned period. The statement is attached in this letter.

II. We have compared the Notes to Financial Statements in the Company's 2021 Financial Statements with the Company's Related Company Report based on the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises", and have not found any material discrepancies in the aforementioned statements.

Deloitte, Taiwan

CPA Chiu, Cheng-Chun

CPA Chuang Pi Yu

3. Overview on the relationship between affiliates and holding company

Unit： Share; %

Controlling Company Name	Reasons for the Control	Shares Held by the Holding Company and Status of Pledged Shares			Directors, Supervisors or Managers Appointed by the Holding Company	
		Shares Held	Shareholding Ratio	The Number of Pledged Shares	Title	Name
Shing Lee Enterprise (Hong Kong) Limited	The major shareholder and representative of USI was elected as the Chairman	0	0	0	None	
USI Corporation	The parent company of the major shareholder (Union Polymer Int'l Investment Corp.) and the same chairman	0	0	0	None	
Union Polymer Int'l Investment Corp.	Major shareholder with more than half of the director seats	214,245,822	36.08%	0	Chairman Directors Directors Directors Directors	Wu I-Kuei Li Kuo-Hung Wu Pei-Chi Liu Han-Tai Wu Hung-Chu

4. Purchase and sales transactions

Unit： NT$ thousands；%

Controlling Company Name	Transaction Details between Control Companies				Transaction terms with the holding company		General transaction Terms		Reason for the difference	Accounts Receivable (Payable) Notes Receivable (Payable)		Overdue Accounts Receivable			Remark
	Purchase(Sale)	Amount	Percentage to total purchases (sales)	Sales Margin	Unit Price (NTD)	Loan tenor	Unit Price (NTD)	Loan tenor		Cash balance	Percentage to total accounts/notes receivables	Amount	Actions Taken	Allowance for Doubtful Accounts	
USI Corporation	Sales Margin	1,673,192	18.01%	662,649	52-81	60 days	47-99	30-90 Days	None	399,887	27.92%	0	None	0	−
	Purchases	213,752	4.78%	−	23-66	30 days	28-65	30 days	None	28,177	11.23%	−	−	−	−

5. Property transactions: None

6. Status of financing: None.

7. Lease of assets

Unit: NT$ thousands

Name of the Controlling Company	Type of Transaction	Subject		Leases Term	Leases Nature	Determination Basis of Leasing Price	collection Terms	Comparison with Normal Transactions	Total rent for this period	Collection status for the current period	Other Stipulations
		Name	Location								
USI Corporation	Lessor	Office and parking spaces	9th and 10th Floor, No. 37, Jihu Road, Taipei City	January 1, 2021 to December 31, 2021	Operating Leases	Market price	Monthly collection	Quite	3,792	Normal	None
	Lessee	Office and parking spaces	12th Floor, No. 37, Jihu Road, Taipei City,	January 1, 2021 to December 31, 2021	Operating Leases	Market price	Monthly collection	Quite	2,225	Normal	None
Union Polymer Int'l Investment Corp.	Lessor	Office	10F., No. 37, Jihu Rd., Neihu Dist., Taipei City	January 1, 2021 to December 31, 2021	Operating Leases	Market price	Monthly collection	Quite	20	Normal	None

8. Endorsements and guarantees: None.

II. Private placement of securities within the most recent year up to the publication date of this report: None

III. Holding or disposal of Company shares within the most recent year up to the publication date of this report: None

IV. Other necessary supplementary notes to be included: None

V. Any Event which has a Material Impact on Shareholders' Rights and Interests or the Company's Securities as Prescribed in Subparagraph 2, Paragraph 3, Article 36 of the Securities and Exchange Act, that Have Occurred in the Most Recent Fiscal Year up to the Publication Date of this Annual Report Shall be Indicated Individually: None

Financial Statements for the Most Recent Fiscal Year

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders Asia Polymer Corporation

Opinion

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

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

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 consolidated financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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

Recognition of Sales Revenue from Specific Customers

The amount of sales revenue of the Company and its subsidiaries for the year ended December 31, 2021 was NT$9,565,813 thousand, which was approximately 67.72% higher than the sales revenue for the year ended December 31, 2020 of NT$5,703,546 thousand. Nevertheless, the sales revenue from specific customers has grown significantly compared to the average growth of total sales revenue. Therefore, recognition of revenue from these specific customers has been identified as a key audit matter.

The audit procedures that we performed in response to the risk were as follows:

1. We obtained an understanding of the design and implementation of internal controls about these specific customers and tested if these controls were performed effectively. Such controls include credit assessments of customers, revenue recognition and receivables collection.

2. We sampled and inspected purchase orders from these specific customers, shipping confirmations and receivables collection receipts in order to verify the accuracy of sales revenue.
3. We reviewed sales returns and discounts recognized and the amounts received in subsequent periods to assess for any abnormalities.

Other Matter

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the FSC of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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 control 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 Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events

or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 statements 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 those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2021 and are therefore the key audit matters. 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.

The engagement partners on the audit resulting in this independent auditors' report are
Cheng-Chun Chiu. (Fiancial Supervisory Commission, Approval No. 0930160267) and
Pi-Yu Chuang (Fiancial Supervisory Commission, Approval No. 1070323246)

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 9, 2022

Notice to Readers:
The consolidated financial statement (Chinese version) of our company is audited by the CPA Cheng-Chun Chiu and CPA Pi-Yu Chuang 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.

ASIA POLYMER CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
December 31, 2021 and 2020
(In Thousands of New Taiwan Dollars)

		December 31, 2021		December 31, 2020	
Code	ASSETS	Amount	%	Amount	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 763,936	4	$ 605,644	4
1110	Financial assets at fair value through profit and loss - current (Notes 4 and 7)	1,118,714	6	1,085,851	6
1120	Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	44,346	-	86,368	1
1170	Accounts receivable from unrelated parties (Notes 4, 10 and 23)	990,914	5	545,372	3
1180	Accounts receivable from related parties (Notes 4, 10, 23 and 29)	428,395	3	197,413	1
1200	Other receivables from unrelated parties (Note 4)	17,867	-	4,603	-
1210	Other receivables from related parties (Notes 4 and 29)	1,829	-	2,025	-
1310	Inventories (Notes 4 and 11)	584,086	3	312,124	2
1410	Prepayments	148,731	1	124,759	1
1470	Other current assets	110	-	110	-
11XX	Total current assets	4,098,928	22	2,964,269	18
	NON-CURRENT ASSETS				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	4,206,995	22	3,327,544	20
1535	Financial assets at amortized cost - non-current (Notes 4 and 9)	21,786	-	42,648	-
1550	Investments accounted for using the equity method (Notes 4, 5, 13 and 30)	6,634,522	35	6,663,686	39
1600	Property, plant and equipment (Notes 4 and 14)	3,376,590	18	3,257,676	19
1755	Right-of-use assets (Notes 4 and 15)	8,143	-	424	-
1760	Investment properties (Notes 4 and 16)	511,258	3	522,939	3
1840	Deferred tax assets (Notes 4 and 25)	104,798	-	82,118	1
1990	Other non-current assets (Note 4)	15,526	-	22,199	-
15XX	Total non-current assets	14,879,618	78	13,919,234	82
1XXX	TOTAL ASSETS	$ 18,978,546	100	$ 16,883,503	100
Code	LIABILITIES AND EQUITY				
	CURRENT LIABILITIES				
2100	Short-term borrowings (Note 17)	$ 500,000	3	$ 700,000	4
2120	Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	860	-	3,912	-
2170	Accounts payable to unrelated parties (Note 18)	218,770	1	238,923	2
2180	Accounts payable to related parties (Notes 18 and 29)	79,397	-	48,833	-
2200	Other payables to unrelated parties (Note 19)	230,736	1	194,948	1
2220	Other payables to related parties (Note 29)	207,259	1	49,886	1
2230	Current tax liabilities (Notes 4 and 25)	665,205	4	189,737	1
2280	Lease liabilities - current (Notes 4 and 15)	5,765	-	5,981	-
2365	Refund liabilities - current (Note 20)	5,899	-	5,899	-
2399	Other current liabilities (Note 23)	28,186	-	41,077	-
21XX	Total current liabilities	1,942,077	10	1,479,196	9
	NON-CURRENT LIABILITIES				
2540	Long-term borrowings (Note 17)	1,369,746	8	3,050,000	18
2570	Deferred tax liabilities (Notes 4 and 25)	30,601	-	42,108	-
2580	Lease liabilities - non-current (Notes 4 and 15)	21,530	-	18,946	-
2640	Net defined benefit liabilities - non-current (Notes 4 and 21)	135,005	1	155,057	1
2650	Credit balance of investments accounted for using the equity method (Note 13)	-	-	16,165	-
2670	Other non-current liabilities	17,538	-	12,486	-
25XX	Total non-current liabilities	1,574,420	9	3,294,762	19
2XXX	Total liabilities	3,516,497	19	4,773,958	28
	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4, 8, 22 and 25)				
	Share capital				
3110	Ordinary shares	5,937,438	31	5,821,018	35
3200	Capital surplus	35,319	-	33,272	-
	Retained earnings				
3310	Legal reserve	1,906,008	10	1,798,210	11
3320	Special reserve	565,379	3	565,379	3
3350	Unappropriated earnings	5,139,359	27	2,890,180	17
3300	Total retained earnings	7,610,746	40	5,253,769	31
3400	Other equity	1,878,546	10	1,001,486	6
3XXX	Total equity	15,462,049	81	12,109,545	72
	TOTAL LIABILITIES AND EQUITY	$ 18,978,546	100	$ 16,883,503	100

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

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ASIA POLYMER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

		2021		2020	
Code		Amount	%	Amount	%
4100	NET REVENUE (Notes 4, 23 and 29)	$ 9,565,813	100	$ 5,703,546	100
5110	OPERATING COSTS (Notes 4, 11, 21, 24 and 29)	5,968,145	62	4,574,394	80
5900	GROSS PROFIT	3,597,668	38	1,129,152	20
	OPERATING EXPENSES (Notes 21, 24 and 29)				
6100	Selling and marketing expenses	151,241	2	89,753	2
6200	General and administrative expenses	121,018	1	111,673	2
6300	Research and development expenses	6,154	-	5,423	-
6000	Total operating expenses	278,413	3	206,849	4
6900	PROFIT FROM OPERATIONS	3,319,255	35	922,303	16
	NON-OPERATING INCOME AND EXPENSES (Notes 4, 13, 24 and 29)				
7100	Interest income	4,381	-	7,682	-
7010	Other income	268,292	3	167,155	3
7020	Other gains and losses	105,050	1	105,370	2
7510	Interest expense	(22,743)	-	(42,537)	-
7060	Share of profit or loss of associates	63,971	-	125,438	2
7000	Total non-operating income and expenses	418,951	4	363,108	7
7900	PROFIT BEFORE INCOME TAX	3,738,206	39	1,285,411	23
7950	INCOME TAX EXPENSE (Notes 4 and 25)	637,079	7	181,824	3
8200	NET PROFIT FOR THE YEAR	3,101,127	32	1,103,587	20

(Continued)

(Continued)

Code		2021 Amount	2021 %	2020 Amount	2020 %
	OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 13, 21, 22 and 25)				
	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	($ 1,434)	-	($ 608)	-
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	959,622	10	1,032,335	18
8330	Share of the other comprehensive income (loss) of associates accounted for using the equity method	37,768	-	43,970	1
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	(2,572)	-	(3,332)	-
8310		993,384	10	1,072,365	19
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	(49,087)	-	41,058	-
8370	Share of the other comprehensive income (loss) of associates accounted for using the equity method	(6,262)	-	(5,315)	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	9,817	-	(8,212)	-
8360		(45,532)	-	27,531	-
8300	Other comprehensive income for the year, net of income tax	947,852	10	1,099,896	19
8500	TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	$ 4,048,979	42	$ 2,203,483	39
	EARNINGS PER SHARE (Note 26)				
9710	Basic	$ 5.22		$ 1.86	
9810	Diluted	$ 5.21		$ 1.86	

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ASIA POLYMER CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

		Equity Attributable to Owners of the Company (Notes 4, 8, 22 and 23)								
		Share Capital			Retained Earnings			Other Equity		
Code		Shares (In Thousands)	Ordinary Shares	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity
A1	BALANCE AT JANUARY 1, 2020	554,382	$ 5,543,827	$ 24,400	$ 1,713,152	$ 565,379	$ 2,507,082	($ 221,959)	$ 97,939	$ 10,229,820
	Appropriation of the 2019 earnings									
B1	Legal reserve	-	-	-	85,058	-	(85,058)	-	-	-
B5	Cash dividends distributed	-	-	-	-	-	(332,630)	-	-	(332,630)
B9	Share dividends distributed	27,719	277,191	-	-	-	(277,191)	-	-	-
C3	Reclassification of past dividends to capital surplus	-	-	901	-	-	-	-	-	901
C7	Changes in capital surplus from investments in associates accounted for using the equity method	-	-	7,971	-	-	(7,522)	-	7,522	7,971
D1	Net profit for the year ended December 31, 2020	-	-	-	-	-	1,103,587	-	-	1,103,587
D3	Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	1,263	27,531	1,071,102	1,099,896
D5	Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	1,104,850	27,531	1,071,102	2,203,483
Q1	Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	(19,351)	-	19,351	-
Z1	BALANCE AT DECEMBER 31, 2020	582,101	5,821,018	33,272	1,798,210	565,379	2,890,180	(194,428)	1,195,914	12,109,545
	Appropriation of the 2020 earnings									
B1	Legal reserve	-	-	-	107,798	-	(107,798)	-	-	-
B5	Cash dividends distributed	-	-	-	-	-	(698,522)	-	-	(698,522)
B9	Share dividends of ordinary shares	11,642	116,420	-	-	-	(116,420)	-	-	-
C3	Reclassification of past dividends to capital surplus	-	-	1,913	-	-	-	-	-	1,913
C7	Changes in capital surplus from investments in associates accounted for using the equity method	-	-	134	-	-	-	-	-	134
D1	Net profit for the year ended December 31, 2021	-	-	-	-	-	3,101,127	-	-	3,101,127
D3	Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	(1,390)	(45,532)	994,774	947,852
D5	Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	3,099,737	(45,532)	994,774	4,048,979
Q1	Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	72,182	-	(72,182)	-
Z1	BALANCE AT DECEMBER 31, 2021	593,743	$ 5,937,438	$ 35,319	$ 1,906,008	$ 565,379	$ 5,139,359	($ 239,960)	$ 2,118,506	$ 15,462,049

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ASIA POLYMER CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

Code		2021	2020
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	$ 3,738,206	$ 1,285,411
A20010	Adjustments for:		
A20100	Depreciation expenses	312,426	314,601
A20200	Amortization expenses	18	35
A20400	Net loss (gain) on fair value change of financial assets at fair value through profit or loss	3,385	(25,388)
A20900	Interest expense	22,743	42,537
A21200	Interest income	(4,381)	(7,682)
A21300	Dividend income	(204,242)	(104,544)
A22300	Share of profit of associates	(63,971)	(125,438)
A23200	Loss on disposal of investments accounted for using the equity method	-	527
A23700	Loss on (gain on reversal of) write-down of inventories	757	(408)
A24100	Net loss (gain) on foreign currency exchange	4,640	(2,813)
A30000	Changes in operating assets and liabilities		
A31115	Financial assets mandatorily classified as at fair value through profit or loss	(39,300)	1,589,827
A31150	Accounts receivable from unrelated parties	(444,791)	48,844
A31160	Accounts receivable from related parties	(231,036)	(40,524)
A31180	Other receivables from unrelated parties	(13,369)	(2,387)
A31190	Other receivables from related parties	196	1,990
A31200	Inventories	(272,719)	74,954
A31230	Prepayments	(23,972)	17,035
A31240	Other current assets	-	(797)
A32150	Accounts payable from unrelated parties	(20,153)	104,151
A32160	Accounts payable from related parties	30,700	(3,109)
A32180	Other payables from unrelated parties	38,300	13,092
A32190	Other payables from related parties	156,577	(116,748)
A32230	Other current liabilities	(14,000)	12,519
A32240	Net defined benefit liabilities - non-current	(21,486)	(11,420)
A33000	Cash generated from operations	2,954,528	3,064,265
A33100	Interest received	4,486	7,459
A33300	Interest paid	(23,927)	(43,096)
A33500	Income tax paid	(188,553)	(150,282)
AAAA	Net cash generated from operating activities	2,746,534	2,878,346

(Continued)

(Continued)

Code		2021	2020
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00020	Proceeds from sale of financial assets at fair value through other comprehensive income	$ 100,201	$ 12,277
B00030	Capital reduction of financial assets at fair value through other comprehensive income	20,897	34,135
B00040	Acquisition of financial assets at amortized cost	-	(42,648)
B00300	Purchase of financial assets at fair value through other comprehensive income - current	(1,234)	-
B01800	Acquisition of associates	(22,500)	(783,964)
B02400	Liquidation of investments accounted for using the equity method	-	3,876
B02700	Payments for property, plant and equipment	(403,612)	(284,827)
B03700	Increase in refundable deposits	-	(1)
B07600	Dividends received	294,432	131,573
B09900	Decrease in other non-current assets	6,655	13,314
BBBB	Net cash used in investing activities	(5,161)	(916,265)
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Repayments of short-term borrowings	(200,000)	(400,000)
C00600	Repayments of short-term bills payable	-	(650,000)
C01600	Proceeds from long-term borrowings	9,475,000	5,400,000
C01700	Repayments of long-term borrowings	(11,150,000)	(6,300,000)
C03100	Decrease in refundable deposits	1,109	3,200
C04020	Repayment of the principal portion of lease liabilities	(6,263)	(5,917)
C04300	Decrease in other non-current liabilities	(503)	(3,819)
C04500	Dividends paid to owners of the Company	(698,597)	(332,685)
CCCC	Net cash used in financing activities	(2,579,254)	(2,289,221)
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(3,827)	(5,832)
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	158,292	(332,972)
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	605,644	938,616
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 763,936	$ 605,644

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ASIA POLYMER CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Asia Polymer Corporation (the "Company") was established in January 1977. The Company designs, develops, manufactures and sells low-density polyethylene (LDPE), and ethylene vinyl acetate copolymer (EVA).

The ordinary shares of the Company have been listed on the Taiwan Stock Exchange. As of December 31, 2021, the ultimate parent company, USI Corporation, held 36.08% of ordinary shares of the Company.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements issued after it had approved by the Company's board of directors on March 9, 2022.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

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

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

b. The IFRSs endorsed by the FSC for application starting from 2022

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

Note 1. The amendments to IFRS 9 apply to the exchange of financial liabilities or the modification of the terms that occurs during the annual reporting period

commencing on January 1, 2022. The amendments to IAS 41 "Agriculture" apply to the measurement of fair value during the annual reporting period commencing on January 1, 2022. The amendments to IFRS 1 "First-time Adoption of IFRSs" apply retroactively to the annual reporting period commencing on January 1, 2022.

Note 2. This amendment applies to business combinations with the acquisition date falling within the annual reporting period commencing on January 1, 2022.

Note 3. This amendment applies to plant, property and equipment in the location and conditions necessary to achieve management's intended mode of operation after January 1, 2021.

Note 4. This amendment applies to contracts for which all obligations have not been fulfilled as of January 1, 2022.

As of the date the financial statements were authorized for issue, the Group assessed that the adoption of other standards and amendments has no material impacts on the Group's financial position and financial performance.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	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"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"	January 1, 2023 (Note 4)

Note 1. Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2. The Company shall apply these amendments prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3. This amendment applies to changes in accounting estimates and changes in accounting policies that occur during the annual reporting period commencing on January 1, 2023.

Note 4. The amendment applies to the transactions taking place after January 1, 2022, except for the recognition of deferred income taxes on temporary differences in leases and decommissioning obligations as at January 1, 2022.

1) Amendments to IAS 1 "Disclosure of Accounting Policies"

The amendment specifies that the Group shall determine the material accounting policy information to be disclosed according to the definition of materiality. Accounting policy information shall be deemed material if it can reasonably be expected to influence the decisions made by the primary users of general-purpose financial statements according to the information provided in the financial statements. This amendment clarifies:

· Accounting policy information in relation to non-material transactions, other matters or circumstances shall be deemed as non-material and the Group is not required to disclose such information.

· The Group may judge the relevant accounting policy information to be material based on the nature of transactions, other matters or circumstances, even if the amount is not substantial.

· Not all accounting policy information relating to significant transactions, other matters or circumstance is considered material.

In addition, the amendment also provides examples to illustrate that accounting policy information may be material if it relates to significant transactions, other matters or circumstances along with the following conditions:

a) The Group changes its accounting policies during the reporting period that results in a material change in the financial statements;

b) The Group selects its applicable accounting policies from the options permitted by the standard;

c) Due to the absence of specific standards, the Group establishes the accounting policies in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors";

d) The Group discloses the relevant accounting policies determined by the Group that require to use material judgments or assumptions; or

e) Complex accounting rules are involved and users of financial statements rely on such information to understand these significant transactions, other matters or circumstances.

2) Amendments to IAS 8 "Definition of Accounting Estimates"

The amendment specifies that accounting estimates represent monetary amounts in the financial statements subject to uncertainty of measurement. When using the applicable accounting policy, the Group may need to evaluate items in the financial statements with monetary amounts that are not able to be observed directly but must be estimated. Therefore, evaluation techniques and input value are used to create accounting estimates for this purpose. If the impact on the accounting estimates arising from the changes in evaluation techniques or input value is not related to the correction of errors for the prior period, such changes shall be regarded as the changes in accounting estimates.

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

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that 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 measurements are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

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

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;
2) Assets expected to be realized within 12 months after the reporting period; and
3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;
2) Liabilities due to be settled within 12 months after the reporting period even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; 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. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

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

See Note 12 and Tables 6 to 7 for detailed information on subsidiaries (including the percentages of ownership and main businesses).

e. Foreign Currency

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction (ie., not retranslated).

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including of the subsidiaries and associates in other countries or currencies which are different from the currency of the Company) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests of the subsidiary and is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

f. Inventories

Inventories consist of raw materials, production supplies, finished goods and work in progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

g. Investments accounted for using the equity method

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Group uses the equity method to account for its investments in associates. Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates attributable to the Group.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognized immediately in profit or loss.

When the Group subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When the Group'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 Group's net investment in the associate), the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent that interests in the associate are not related to the Group.

h. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized 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 for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Investment properties

Investment properties are properties held to earn rentals or capital appreciation or both (including right-of-use assets that meet the definition of investment property). Investment properties also include land held for a currently undetermined future use.

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

Investment properties acquired by lease shall be measured at initial cost, and subsequently at cost after deducting accumulated depreciation and accumulated impairment loss, and the remeasurement of lease liabilities shall be adjusted.

Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

j. Intangible assets

1) Acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each year, with the effects of any changes in the estimates accounted for on a prospective basis.

2) Derecognition

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Impairment of property, plant and equipment, right-of-use assets, investment property and intangible assets.

At each balance sheet date, the Group assesses whether there is any indication that property, plant and equipment, right-of-use assets, investment property and intangible assets may have been impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

l. Financial instruments

Financial assets and financial liabilities are recognized when a group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to an acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. 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

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial asset is classified as at FVTPL when such a financial asset is mandatorily classified. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and derivatives and beneficiary securities that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at fair value through profit or loss are measured at fair value. Dividends and interest accrued are recognized in other revenue and interest income respectively, and profits or losses accrued from remeasurement are recognized in other gains and losses. Fair value is determined in the manner described in Note 28.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets measured at amortized cost, including cash and cash equivalents, accounts receivable and other receivables, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method, less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

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 highly liquid time deposits and reverse repurchase agreements collateralized by bonds that can be readily converted into fixed amount of cash with limited risk of change in value. Cash equivalents are held to meet short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Group always recognizes lifetime expected credit losses (ECLs) for accounts receivable. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group determines that the following situations indicate that a financial asset is in default:

i. Internal or external information show that the debtor is unlikely to pay its creditors.

ii. When a financial asset is past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of financial assets is recognized in profit or loss by a reduction in their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity Instruments

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

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

Repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except the following situation, all the financial liabilities are measured at amortized cost using the effective interest method.

<u>Financial liabilities at FVTPL</u>

Financial liabilities are classified as at FVTPL when such financial liabilities are held for trading.

Financial liabilities held for trading are stated at fair value, and any gains or losses on such financial liabilities are recognized in other gains or losses.

Fair value is determined in the manner described in Note 28.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Derivative instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts.

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 immediately. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

m. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

Revenue from sale of goods

Revenue from the sale of goods comes from sale of LDPE and EVA. Sales are recognized as revenue when the goods are delivered to the customer's specific location or the goods are shipped because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Accounts receivable are recognized concurrently.

n. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Group subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Group, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets, except for those that meet the definition of investment properties. With respect to the recognition and measurement of right-of-use assets that meet the definition of investment properties, refer to Note i for the accounting policies for investment properties.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. Lease liabilities are presented separately on Group's balance sheets.

o. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the costs of those assets, until such time as the assets are substantially ready for their intended use or sale. Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

p. Government grant

A government grant is recognized only when it can be reasonably assured that the Group will comply with the conditions imposed by the government grant and that such grant will be received.

Government grants relating to income are recognized in other income on a systematic basis over the periods in which the Group recognizes expenses for the related costs for which the grants are intended to compensate. Government grants whose condition is that the Group should purchase, construct or otherwise acquire the non-current 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.

If the government grant is used to compensate expenses or losses already incurred or is given to the Group for the purpose of immediate financial support without related costs in the future, it can be recognized in profit or loss within the collectible period.

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

q. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group’s defined benefit plans. 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.

r. Taxation

Income tax expense represents the sum of the tax currently payables and deferred tax.

1) Current tax

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

According to the Income Tax Act in the ROC, an additional tax of unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. 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 Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profit against which to utilize the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the assets to be recovered. 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 liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, management is required to make judgments, estimations and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Group takes into account recent development of COVID-19 pandemic in Taiwan and its potential impacts on the economy in Group's critical accounting estimates and the management will continue to review the estimates and underlying assumptions. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Key Sources of Estimation Uncertainty

Estimation of damage compensation for associate's gas explosion incidents

The Company's associate, China General Terminal & Distribution Corporation (hereinafter "CGTD"), recognized a provision for civil damages due to gas explosion. The management considered the progress of the relevant civil and criminal procedures, settlements achieved, and legal advice to estimate the amount of the provision. However, the actual amount might differ from the current estimation.

6. CASH AND CASH EQUIVALENTS

	December 31, 2021	December 31, 2020
Cash on hand and petty cash	$ 298	$ 357
Checking accounts and demand deposits	261,115	169,091
Cash equivalents		
Time deposits	362,544	436,196
Reverse repurchase agreements collateralized by bonds	139,979	-
	$ 763,936	$ 605,644

At the end of the reporting period, the market rate intervals for bank deposits and reverse repurchase agreements collateralized by bonds were as follows:

	December 31, 2021	December 31, 2020
Time deposits	0.09%~1.80%	0.07%~1.90%
Reverse repurchase agreements collateralized by bonds	0.37%	-

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL) - CURRENT

	December 31, 2021	December 31, 2020
Financial assets - current		
Mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts	$ 393	$ -
Non-derivative financial assets		
Domestic listed shares	228,079	248,175
Mutual funds	830,123	776,288
Beneficiary securities	60,119	61,388
Subtotal	1,118,321	1,085,851
	$ 1,118,714	$ 1,085,851
Financial liabilities - current		
Held for trading		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange forward contracts	$ 860	$ 3,912

The net gain on operations of financial assets and liabilities at FVTPL - current in 2021 and 2020 was gain of $137,679 thousand and $140,504 thousand, respectively.

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

December 31, 2021

	Currency	Maturity Date	Notional Amount (In Thousands)
Sell	RMB/NTD	2022.01.03-2022.03.24	RMB138,200/NTD597,950

December 31, 2020

	Currency	Maturity Date	Notional Amount (In Thousands)
Sell	RMB/NTD	2021.01.05-2021.04.01	RMB77,660/NTD333,460

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. However, those contracts did not meet the criteria of hedge effectiveness and, therefore, were not accounted for using hedge accounting.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments

	December 31, 2021	December 31, 2020
Current		
Domestic investments		
Listed shares	$ 44,346	$ 86,368
Non-current		
Domestic investments		
Listed shares	$ 3,955,431	$ 2,977,139
Unlisted shares	164,993	275,798
Subtotal	4,120,424	3,252,937
Foreign investments		
Listed shares	23,364	17,480
Unlisted ordinary shares	8	10
Unlisted preferred shares	63,199	57,117
Subtotal	86,571	74,607
	$ 4,206,995	$ 3,327,544

These investments in equity instruments are held for medium- to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

From July 2021 to September 2021, the Group adjusted the investment position to diversify risks and sold part of common shares of Wafer Works Corporation at fair value. The related unrealized gains of $72,182 thousand booked in other equity - financial assets at fair value through other comprehensive income were transferred to retained earnings.

The investee, KHL IB Venture Capital Co., Ltd., reduced its capital and returned cash to its shareholders in February and August 2021, respectively. The Group received $20,897 thousand back in total, according to its shareholding ratio.

In August 2020, the Group adjusted the investment position to diversify risks and sold common shares of United Renewable Energy Co., Ltd. at fair value. The related unrealized loss of $19,351 thousand booked in equity - financial assets at fair value through other comprehensive income was transferred to retained earnings.

The investees, KHL IB Venture Capital Co., Ltd., and Riselink Venture Capital Corp., reduced their capital and returned cash to their shareholders in August, December and September 2020, respectively. The Company received $34,135 thousand back in total, according to its shareholding ratio.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31, 2021	December 31, 2020
Non-current		
Restricted bank deposits	$ 21,786	$ 42,648

The restricted bank deposits are the earnings repatriation of USI International Corporation and the Ministry of Economic Affairs has approved the Company's repatriation application in accordance with the Regulations Governing Investment Industry with Repatriated Offshore Funds.

10. ACCOUNTS RECEIVABLE

	December 31, 2021	December 31, 2020
Accounts Receivable		
At amortized cost		
Gross carrying amount	$ 992,914	$ 547,372
Less: Allowance for impairment loss	(2,000)	(2,000)
	$ 990,914	$ 545,372
Accounts receivable from related parties (Note 29)	$ 428,395	$ 197,413

The average credit period of sales of goods was 15-90 days. No interest was charged on accounts receivable since the credit period was short.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group’s credit risk was significantly reduced.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all accounts receivable. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor’s current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date.

The following table details the loss allowance of accounts receivable based on the Group’s provision matrix.

December 31, 2021

	Not Past Due	1 to 60 Days	61 to 90 Days	Total
Gross carrying amount	$ 1,421,309	$ -	$ -	$ 1,421,309
Loss allowance (Lifetime ECL)	(2,000)	-	-	(2,000)
Amortized cost	$ 1,419,309	$ -	$ -	$ 1,419,309

December 31, 2020

	Not Past Due	1 to 60 Days	61 to 90 Days	Total
Gross carrying amount	$ 744,785	$ -	$ -	$ 744,785
Loss allowance (Lifetime ECL)	(2,000)	-	-	(2,000)
Amortized cost	$ 742,785	$ -	$ -	$ 742,785

The above aging schedule was based on the number of days past due.

The movements of the loss allowance of accounts receivable were as follows:

	2021	2020

Balance at January 1	$ 2,000	$ 2,000
Add: Reclassification	-	-
Balance at December 31	$ 2,000	$ 2,000

11. Inventories

	December 31, 2021	December 31, 2020
Finished goods	$ 387,477	$ 175,532
Work in progress	35,318	19,347
Raw materials	111,706	82,790
Production supplies	49,585	34,455
	$ 584,086	$ 312,124

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2021 and 2020 was $5,968,145 thousand and $4,574,394 thousand, respectively. The cost of goods sold for 2021 and 2020 included loss (recovery gain) for market price decline and obsolete and slow-moving inventories of $757 thousand and $(408) thousand respectively. The recovery of net realized value of inventory was due to the rise of the selling prices of inventory in the market.

12. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements

The entities included in the consolidated financial statements:

			% of Ownership		
Name of Investor	Name of Subsidiary	Principal Activities	December 31, 2021	December 31, 2020	Remark
The Company	APC Investment Co., Ltd.	Investment	100.00%	100.00%	1
The Company	APC (BVI) Holding Co., Ltd. ("APC BVI")	Reinvestment	100.00%	100.00%	1
The Company	USI International Corp. ("USIIC")	Reinvestment	70.00%	70.00%	1 and 2
APC BVI	USI International Corp. ("USIIC")	Reinvestment	30.00%	30.00%	1, 2 and 3
APC BVI	USI Trading (Shanghai) Co., Ltd ("USITA")	Sale of chemical products and equipment	100.00%	100.00%	1

Note:

a. These companies are not major subsidiaries, and their financial statements have been audited.

b. A subsidiary, USI International Corp., reduced its capital and returned cash of $23,877 thousand in total to its shareholders in November 2020.

c. In order to meet the business needs, the Company's Board of Directors has resolved on August 12, 2020 to establish a joint venture sales company in Mainland China through APC (BVI) and Swanlake Traders Ltd, the subsidiary of USI Corporation. The capital is expected to be RMB$ 300,000 thousand and the Company's shareholding ratio is expected to be 30%. The joint venture has not been incorporated as of March 9, 2022.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31, 2021	December 31, 2020
Material associates		
Ever Conquest Global Ltd.	$ 4,851,207	$ 5,066,945
Associates that are not individually material		
Listed company		
China General Plastics Corporation (“CGPC”)	900,764	782,997
Acme Electronics Corporation (“ACME”)	57,935	56,300
Unlisted company		
China General Terminal & Distribution Corporation (“CGTD”)	373,731	315,711
ACME Electronics (Cayman) Corp. (ACME (Cayman))	204,869	200,825
Swanson Plastics Corporation (“SPC”)	210,268	206,857
Taiwan United Venture Capital Corp. (“TUVC”)	22,673	21,472
USI Optronics Corporation (“USIO”)	8,718	12,579
Swanson Technologies Corporation (“STC”)	4,357	(16,165)
	6,634,522	6,647,521
Add: Reclassification of the credit amount of investments to liabilities	-	16,165
	$ 6,634,522	$ 6,663,686

a. Material associates

Name of Associates	Nature of Activities	Principal Place of Business	Proportion of Ownership and Voting Rights December 31, 2021	Proportion of Ownership and Voting Rights December 31, 2020
Ever Conquest Global Ltd.	Reinvestment	British Virgin Islands	40.87%	40.87%

The Group uses the equity method to account for the above associate.

The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRSs and adjusted by the Group for equity accounting purposes.

Ever Conquest Global Ltd.

	December 31, 2021	December 31, 2020
Non-current assets	$ 11,870,695	$ 12,398,597
Equity	$ 11,870,695	$ 12,398,597
Proportion of the Group's ownership	40.87%	40.87%
Equity attributable to the Group	$ 4,851,207	$ 5,066,945
Carrying amount	$ 4,851,207	$ 5,066,945

	2021	2020
The Group's share of:		
Net loss for the year	($181,227)	($ 44,058)
Other comprehensive gain (loss)	(34,511)	53,761

	2021	2020
Total comprehensive (loss) income for the year	($215,738)	$ 9,703

b. Aggregate information of associates that are not individually material

	2021	2020
The Group’s share of:		
Profit from continuing operations	$245,198	$169,496
Other comprehensive gain (loss)	30,742	38,537
Total comprehensive (loss) income for the year	$275,940	$208,033

The group’s ownership interest and percentage of voting right in associate at the end of the reporting period were as follows:

Name of Associates	December 31, 2021	December 31, 2020
CGPC	8.07%	8.07%
ACME	4.34%	4.34%
CGTD	33.33%	33.33%
ACME (Cayman)	16.64%	16.64%
SPC	7.95%	7.95%
TUVC	8.33%	8.33%
Swanson Technologies Corporation	15.00%	15.00%
USIO	9.20%	9.20%

Refer to Table 6 “Information on Investees” and Table 7 “Information on Investments in Mainland China” for the nature of activities, principal places of business and countries of incorporation of the associates.

As Thintec Materials Corporation (“TMC”) essentially has no production and sales business in recent years, the Board of Directors of TMC resolved on April 12, 2019 to conduct dissolution and liquidation starting from May 25, 2019 (dissolution date). TMC has completed dissolution and liquidation procedures on July 22, 2020 and recognized the investment disposal loss of of $527 thousand.

The Group’s percentage of ownership over CGPC, ACME, ACME (Cayman), SPC, TUVC, Swanson Technologies Corporation, and USIO was less than 20%. These associates were accounted for using the equity method, as the Group retained significant influence over them.

The Company and USI Corporation originally scheduled to sign a joint venture arrangement for Fujian Gulei Petrochemical Co., Ltd. on April 17, 2014. But due to an increase in the investment plan funding requirements, the joint venture arrangement was re-signed on September 30, 2016. The Company and USI Corporation established Ever Conquest Global Ltd., so as to invest in the joint venture through a holding company registered in a third region. As of December 31, 2021, the Company and USI Corporation had respectively invested US$170,475 thousand (approximately $5,255,588 thousand) and US$246,670 thousand (approximately $7,645,980 thousand). Refer to Note 30 for more information.

The market prices of the investments accounted for using the equity method in publicly traded shares calculated by the closing price at the end of the reporting period are summarized as follows.

Name of Associates	December 31, 2021	December 31, 2020
CGPC	$ 1,626,951	$ 1,136,432
ACME	$ 424,852	$ 150,087

Except ACME whose financial statements were not audited by CPAs, the profit or loss of associates using the equity method and the share of other comprehensive income were recognized based on associates' financial statements audited by CPAs in the same period. However, the Group's management considered that there was no material impact arising from ACME's unaudited financial statements.

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings and Improvements	Machinery and Equipment	Other Equipment	Construction in Progress and Prepayments for Equipment	Total
Cost						
Balance at January 1, 2021	$ 228,229	$ 778,815	$ 6,425,227	$ 100,393	$ 243,332	$ 7,775,996
Additions	-	-	25,000	-	395,758	420,758
Disposals	-	-	(36,347)	(2,905)	-	(39,252)
Reclassification	-	-	19,969	373	(20,342)	-
Effect of foreign currency exchange differences	-	-	-	(62)	-	(62)
Balance at December 31, 2021	$ 228,229	$ 778,815	$ 6,433,849	$ 97,799	$ 618,748	$ 8,157,440
Accumulated depreciation						
Balance at January 1, 2021	$ -	$ 303,535	$ 4,124,977	$ 89,808	$ -	$ 4,518,320
Depreciation expenses	-	20,222	278,014	3,605	-	301,841
Disposals	-	-	(36,347)	(2,905)	-	(39,252)
Effect of foreign currency exchange differences	-	-	-	(59)	-	(59)
Balance at December 31, 2021	$ -	$ 323,757	$ 4,366,644	$ 90,449	$ -	$ 4,780,850
Carrying amounts at December 31, 2021	$ 228,229	$ 455,058	$ 2,067,205	$ 7,350	$ 618,748	$ 3,376,590
Cost						
Balance at January 1, 2020	$ 228,229	$ 778,235	$ 6,353,938	$ 99,697	$ 73,205	$ 7,533,304
Additions	-	-	26,163	-	258,664	284,827
Disposals	-	-	(42,008)	(53)	-	(42,061)
Reclassification	-	580	87,134	823	(88,537)	-
Effect of foreign currency exchange differences	-	-	-	(74)	-	(74)
Balance at December 31, 2020	$ 228,229	$ 778,815	$ 6,425,227	$ 100,393	$ 243,332	$ 7,775,996
Accumulated depreciation						
Balance at January 1, 2020	$ -	$ 281,998	$ 3,888,703	$ 85,370	$ -	$ 4,256,071
Depreciation expenses	-	21,537	278,282	4,574	-	304,393
Disposals	-	-	(42,008)	(53)	-	(42,061)
Effect of foreign currency exchange differences	-	-	-	(83)	-	(83)
Balance at December 31, 2020	$ -	$ 303,535	$ 4,124,977	$ 89,808	$ -	$ 4,518,320
Carrying amounts at December 31, 2020	$ 228,229	$ 475,280	$ 2,300,250	$ 10,585	$ 243,332	$ 3,257,676

For the years ended December 31, 2021 and 2020, no impairment loss or reversal of impairment loss was recognized.

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	
Factory and improvements	15 to 40 years
Main buildings and improvements	10 to 40 years
Storage rooms	11 to 45 years
Engineering systems	35 to 40 years
Others	2 to 20 years
Machinery and equipment	3 to 22 years
Other equipment	3 to 10 years

In order to support the relocation of petrochemical storage facilities in the old port area conducted by Taiwan International Ports Corporation Ltd. ("TIPC"), China General Terminal & Distribution Corporation ("CGTD") leases the terminal facilities and back-line lands of Phase II Petrochemical Oil Storage and Transportation Center of Kaohsiung Port Container Center, with the lease term from August 1, 2017 to July 31, 2042. The rent is paid on quarterly basis. The Board of Directors of the Group resolved to build the Intercontinental Phase II Petrochemical Oil Products Center in 2019 with total investment amount of $765,893 thousand for the construction. As of December 31, 2021, the Group has made construction payment of $547,026 thousand, which was booked under the construction in progress.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31, 2021	December 31, 2020
Carrying amounts		
Land	$ 7,700	$ -
Transportation equipment	443	424
	$ 8,143	$ 424

	2021	2021
Increase in right-of-use assets	$ 8,631	$ 847
Depreciation charge for right-of-use assets		
Land	$ 318	$ -
Transportation equipment	594	423
	$ 912	$ 423

For the years ended December 31, 2021 and 2020, no impairment loss or reversal of impairment loss was recognized.

The Group has been subleasing its leasehold office spaces located in Taipei to other companies under operating leases. The related right-of-use assets are presented as investment properties (as set out in Note 16). The amounts disclosed above with respect to the right-of-use assets do not include right-of-use assets that meet the definition of investment properties.

b. Lease liabilities

	December 31, 2021	December 31, 2020
Carrying amounts		
Current	$ 5,765	$ 5,981
Non-current	$ 21,530	$ 18,946

Range of discount rate for lease liabilities was as follows:

	December 31, 2021	December 31, 2020
Land	1.06%	-
Transportation equipment	1.06%	1.06%
Buildings	1.06%	1.06%

c. Other lease information

	2021	2020
Expenses relating to short-term leases	$ 3,295	$ 3,774
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 536	$ 844
Total cash outflow for leases	($ 10,407)	($ 10,833)

The Group leases certain buildings which qualify as short-term lease. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

16. INVESTMENT PROPERTIES

	Land	Buildings and Improvements	Right-of-use Assets	Total
Cost				
Balance at January 1, 2021	$ 370,202	$ 251,113	$ 34,585	$ 655,900
Effect of foreign currency exchange differences	-	(3,355)	-	(3,355)
Balance at December 31, 2021	$ 370,202	$ 247,758	$ 34,585	$ 652,545
Accumulated depreciation				
Balance at January 1, 2021	$ -	$ 122,040	$ 10,921	$ 132,961
Depreciation expenses	-	4,213	5,460	9,673
Effect of foreign currency exchange differences	-	(1,347)	-	(1,347)
Balance at December 31, 2021	$ -	$ 124,906	$ 16,381	$ 141,287
Carrying amounts at December 31, 2021	$ 370,202	$ 122,852	$ 18,204	$ 511,258
Cost				
Balance at January 1, 2020	$ 370,202	$ 257,404	$ 34,585	$ 662,191
Effect of foreign currency exchange differences	-	(6,291)	-	(6,291)
Balance at December 31, 2020	$ 370,202	$ 251,113	$ 34,585	$ 655,900
Accumulated depreciation				
Balance at January 1, 2020	$ -	$ 120,165	$ 5,461	$ 125,626
Depreciation expenses	-	4,325	5,460	9,785
Effect of foreign currency exchange differences	-	(2,450)	-	(2,450)
Balance at December 31, 2020	$ -	$ 122,040	$ 10,921	$ 132,961
Carrying amounts at December 31, 2020	$ 370,202	$ 129,073	$ 23,664	$ 522,939

Right-of-use assets included in investment properties are units of office space and subleased under operating leases.

The investment properties were leased out for 5 years. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties as at December 31, 2021 was as follows:

	December 31, 2021	December 31, 2020
Year 1	$ 20,534	$ 16,343
Year 2	16,310	15,547
Year 3	16,310	15,547
Year 4	948	11,188
Year 5	-	932
	$ 54,102	$ 59,557

Except for the recognition of depreciation expenses, there was no significant increase, disposal or impairment of the Group's investment properties from January 1 to December 31, 2021 and 2020. The investment properties held by the Group are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and improvements	
Main buildings and improvements	5 to 50 years
Right-of-use assets	6 years

The fair value of the investment property (i.e., the land) located in Linyuan Industrial Park, which is for industrial use, cannot be reliably determined due to infrequent market transactions. The investment properties - land (excluding those located in Linyuan Industrial Park), buildings and improvements were not evaluated by the independent appraisers. The fair values of these investment properties were measured by the Group's management applying Level 3 input values generated from the valuation model commonly used by market participants. The valuation was conducted with reference to the transaction prices of similar properties in the neighborhood. The fair value of the right-of-use asset was measured using expected rental income deducting the net amount of all expected payments, plus relevant recognized lease liabilities.

As of December 31, 2021 and 2020, the fair values derived from the valuation were as follows:

	December 31, 2021	December 31, 2020
Fair Value	$ 1,883,136	$ 1,815,203

17. BORROWINGS

a. Short-term borrowings

	December 31, 2021	December 31, 2020
Unsecured borrowings		
Bank loans	$ 500,000	$ 700,000

The range of interest rates on bank loans was 0.74%-0.78% and 0.80%-0.82% per annum as of December 31, 2021 and 2020, respectively.

b. Long-term borrowings

	December 31, 2021	December 31, 2020
Unsecured borrowings	$ 1,369,746	$ 3,050,000
Range of interest rates	0.30%-0.80%	0.89%-0.95%

In order to fund medium to long-term working capital needs, the Group signed medium to long-term loan agreements with banks with total lines of credit of $6,050,000 thousand. The loan agreements will subsequently expire before December 2024 and these lines of credit are on a revolving basis. As of December 31, 2021, $1,000,000 thousand has been utilized.

Through "Action Plan for Accelerated Investment by Domestic Corporations" the Group obtained a low-interest bank loan of $1,419,000 thousand. The difference between the market interest rate of 0.80% recognized and measured for the bank loan and the actual interest paid at preferential rate of 0.30% was recognized as government grant. As of December 31, 2021, $375,000 thousand has been utilized.

Some of the Group's loan agreements stipulate that the current ratio and debt ratio as stated on the financial statements shall not be less than a specified percentage, and that if such a percentage fails to be met, the Group shall propose improvement measures to the banks concerned. As of December 31, 2021, the Group did not violate these financial ratios and terms.

18. ACCOUNTS PAYABLE

	December 31, 2021	December 31, 2020
Accounts payable (including related parties)		
Arising from operation	$ 298,167	$ 287,756

The average credit period was 1 month. The Group had financial risk management policies in place to ensure that all payables were paid within the pre-agreed credit terms.

19. OTHER PAYABLES

	December 31, 2021	December 31, 2020
Payables for salaries or bonuses	$ 141,996	$ 105,851
Payables for utilities	33,306	37,093
Payables for freight fees	20,258	12,099
Payables for dividends	6,128	5,699
Payables for insurance	1,973	1,953
Payables for equipment	961	5,694
Others	26,114	26,559
	$ 230,736	$ 194,948

20. REFUND LIABILITIES - CURRENT

	December 31, 2021	December 31, 2020
Customer returns and rebates	$ 5,899	$ 5,899

The Group applied IFRS 15 and recognized estimated sales returns and rebates as refund liabilities.

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company and domestic subsidiaries of the Group adopted a pension plan under the Labor Pension Act (the “LPA”), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Law is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 10% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31, 2021	December 31, 2020
Present value of defined benefit obligation	$ 297,097	$ 373,108
Fair value of plan assets	(162,092)	(218,051)
Net defined benefit liabilities	$ 135,005	$ 155,057

Movements in 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 at January 1, 2021	$ 373,108	($ 218,051)	$ 155,057
Service cost			
Current service cost	2,655	-	2,655
Net interest expense (income)	1,324	(836)	488
Recognized in profit or loss	3,979	(836)	3,143
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(3,193)	(3,193)
Actuarial loss - changes in demographic assumptions	7,073	-	7,073
Actuarial gain - changes in financial assumptions	(2,526)	-	(2,526)
Actuarial loss - experience adjustments	80	-	80
Recognized in other comprehensive income	4,627	(3,193)	1,434
Contributions from the employer	-	(24,629)	(24,629)
Benefits paid	(84,617)	84,617	-
Balance at December 31, 2021	$ 297,097	($ 162,092)	$ 135,005
Balance at January 1, 2020	$ 406,749	($ 240,881)	$ 165,868
Service cost			
Current service cost	3,276	-	3,276
Net interest expense (income)	2,436	(1,524)	912
Recognized in profit or loss	5,712	(1,524)	4,188
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(7,953)	(7,953)
Actuarial loss - changes in financial assumptions	6,091	-	6,091
Actuarial loss - experience adjustments	2,470	-	2,470
Recognized in other comprehensive income	8,561	(7,953)	608
Contributions from the employer	-	(15,607)	(15,607)
Benefits paid	(47,914)	47,914	-
Balance at December 31, 2020	$ 373,108	($ 218,051)	$ 155,057

Through the defined benefit plans under the Labor Standards Law, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic or foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate of a 2-year time deposit with local banks.

2) Interest risk: A decrease in corporate bond interest rates will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated with reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2021	December 31, 2020
Discount rate	0.50%	0.38%
Expected rate of salary increase	2.25%	2.25%

If possible reasonable changes in each of the significant actuarial assumptions were to occur and all other assumptions were to remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31, 2021	December 31, 2020
Discount rate		
0.25% increase	($ 5,070)	($ 6,091)
0.25% decrease	$ 5,207	$ 6,257
Expected rate of salary increase		
0.25% increase	$ 5,029	$ 6,032
0.25% decrease	($ 4,922)	($ 5,904)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that changes in the assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31, 2021	December 31, 2020
Expected contributions to the plan for the next year	$ 25,000	$ 50,000
Average duration of the defined benefit obligation	6.9 years	6.7 years

22. EQUITY

a. Ordinary shares

	December 31, 2021	December 31, 2020
Number of shares authorized (in thousands)	620,000	620,000
Shares authorized	$ 6,200,000	$ 6,200,000
Number of shares issued and fully paid (in thousands)	593,743	582,101
Shares issued	$ 5,937,438	$ 5,821,018

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

The shareholders held their regular meeting on July 29, 2021 and, in that meeting, resolved to issue 11,642 thousand ordinary shares as share dividends appropriated from earnings, with a par value of $10, which increased the share capital issued and fully paid to $5,937,438 thousand. The above-mentioned plan for the share dividend issuance has been approved and declared effective by the Securities and Futures Bureau of the Financial Supervisory Commission on August 5, 2021, and the Board of Directors has resolved that September 10, 2021 is the record date for the new shares issuance.

b. Capital surplus

	December 31, 2021	December 31, 2020
Unpaid dividends	$ 24,226	$ 22,313
Share of changes in capital surplus of associates	11,093	10,959
	$ 35,319	$ 33,272

Capital surplus which arises from the consideration received from issuance of shares (including consideration from issuance of ordinary shares) and donations may be used to offset a deficit, in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or share dividends up to a certain percentage of the Company's paid-in capital.

Capital surplus which arises from unclaimed dividends may be used to offset a deficit only, and the share of changes in capital surplus of associates may not be used for any purpose.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a 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. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to "Employees' compensation and remuneration of directors" in Note 24-g.

As the Company is in the maturation stage, for research and development needs and business diversification, the amount of dividends for shareholders shall be no less than 10% of distributable retained earnings for the current year, among which the amount of cash dividends shall be no less than 10%. If the distributable retained earnings per share of the current year are less than $0.1, the retained earnings are not to be distributed.

An 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 appropriations of earnings for 2020 and 2019 approved in the shareholders' meetings on July 29, 2021 and June 12, 2020, respectively, were as follows:

	2020	2019
Legal reserve	$ 107,798	$ 85,058
Cash dividends	$ 698,522	$ 332,630
Share dividends	$ 116,420	$ 277,191
Cash dividends per share (NT$)	$ 1.2	$ 0.6
Share dividends per share (NT$)	$ 0.2	$ 0.5

The appropriation of earnings for 2021 had been proposed by the Company's board of directors on March 9, 2022 were as follows:

	2021
Legal reserve	$ 317,192
Cash dividends	$ 1,781,232
Cash dividends per share (NT$)	$ 3

The appropriation of earnings for 2021 is subject to resolution in the shareholders' meeting to be held on May 27, 2022.

d. Other equity items

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

	2021	2020
Balance at January 1	($194,428)	($221,959)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	(49,087)	41,058
Share of exchange differences of associates accounted for using the equity method	(6,262)	(5,315)
Related income tax	9,817	(8,212)
Other comprehensive income recognized for the year	(45,532)	27,531
Balance at December 31	($239,960)	($194,428)

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

	2021	2020
Balance at January 1	$ 1,195,914	$ 97,939
Recognized for the year		
Unrealized gain (loss)		
Equity instruments	959,622	1,032,335
Share from associates accounted for using the equity method	38,011	42,221
Related income tax	(2,859)	(3,454)
Other comprehensive income recognized for the year	994,774	1,071,102
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	(72,182)	19,351
Share from associates accounted for using the equity method	-	7,522
Balance at December 31	$ 2,118,506	$ 1,195,914

23. REVENUE

a. Revenue from contracts with customers

	2021	2020
Revenue from sale of goods	$ 9,565,813	$ 5,703,546

b. Contract balances

	December 31, 2021	December 31, 2020	January 1, 2020
Accounts receivable (Note 10)	$ 1,419,309	$ 742,785	$ 748,307
Contract liabilities (presented in other current liabilities)	$ 24,988	$ 40,128	$ 24,049

24. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS

Net profit (loss) from continuing operations included the following:

a. Interest income

	2021	2020
Interest income		
Bank deposits	$ 3,259	$ 6,339
Financial assets at FVTPL	1,109	1,325
Reverse repurchase agreements collateralized by bonds	13	18
	$ 4,381	$ 7,682

b. Other income

	2021	2020
Rental income	$ 53,383	$ 54,582
Dividend income		
Financial assets at FVTPL	9,620	2,780
Investments in equity instruments at FVTOCI	194,622	101,764
	204,242	104,544
Others	10,667	8,029
	$ 268,292	$ 167,155

c. Other gains and losses

	2021	2020
Fair value changes of financial assets and financial liabilities		
Financial assets at FVTPL	$ 132,068	$ 134,381
Financial liabilities at FVTPL	(5,118)	2,018
Net foreign exchange losses	(2,834)	(12,905)
Loss on disposal of investments	-	(527)
Others	(19,066)	(17,597)
	$ 105,050	$ 105,370

d. Financial costs

	2021	2020
Interest on bank loans	$ 22,430	$ 42,239
Interest on lease liabilities	313	298
	$ 22,743	$ 42,537

There was no capitalization of interest costs between 2021 and 2020.

e. Depreciation and amortization

	2021	2020
Property, plant and equipment	$ 301,841	$ 304,393
Investment properties	9,673	9,785
Right-of-use assets	912	423
Intangible assets	18	35
Total	$ 312,444	$ 314,636

	2021	2020
An analysis of depreciation by function		
Operating costs	$ 302,038	$ 304,115
Operating expenses	715	701
Other gains and losses	9,673	9,785
	$ 312,426	$ 314,601
An analysis of amortization by function		
Operating expenses	$ 18	$ 35

f. Employee benefits expense

	2021	2020
Post-employment benefits (Note 21)		
Defined contribution plans	$ 7,666	$ 7,777
Defined benefit plans	3,143	4,188
	10,809	11,965
Other employee benefits	390,215	349,734
Total employee benefits expense	$ 401,024	$ 361,699
An analysis of employee benefits expense by function		
Operating costs	$ 328,489	$ 298,386
Operating expenses	72,535	63,313
	$ 401,024	$ 361,699

g. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors and supervisors at rates of no less than 1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation and remuneration of directors. The employees' compensation and remuneration of directors for the years ended December 31, 2021 and 2020, which were approved by the Company's board of directors on March 9, 2022 and March 5, 2021, respectively, were as follows:

Accrual rate

	2021	2020
	Cash	Cash
Employees' compensation	1%	1%
Remuneration of directors	-	-

Amount

	2021	2020
	Cash	Cash
Employees' compensation	$ 37,699	$ 12,937
Remuneration of directors	-	-

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

There is no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2021 and 2020.

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

h. Gains or losses on foreign currency exchange

	2021	2020
Total foreign exchange gains	$ 34,839	$ 24,334
Total foreign exchange losses	(37,673)	(37,239)
Net gain (loss)	($ 2,834)	($ 12,905)

25. INCOME TAX RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	2021	2020
Current tax		
In respect of the current year	$ 664,199	$ 185,088
Income tax on unappropriated earnings	5,549	5,771
Tax on repatriated earnings from subsidiaries	-	3,823
Adjustments for prior years	(5,727)	(1,004)
	664,021	193,678
Deferred tax		
In respect of the current year	(26,942)	(2,231)
The effect of deferred income tax on repatriated earnings from subsidiaries	-	(9,558)
Adjustments for prior years	-	(65)
	(26,942)	(11,854)
Income tax expense recognized in profit or loss	$ 637,079	$ 181,824

A reconciliation of accounting profit and income tax expense is as follows:

	2021	2020
Profit before tax from continuing operations	$ 3,738,206	$ 1,285,411
Income tax expense calculated at the statutory rate	$ 759,632	$ 267,580
Nondeductible expenses in determining taxable income	(53,749)	(52,378)
Tax-exempt income	(68,626)	(41,903)
Income tax on unappropriated earnings	5,549	5,771
Tax on repatriated earnings from subsidiaries	-	3,823
Adjustments for prior years' tax	(5,727)	(1,069)
Income tax expense recognized in profit or loss	$ 637,079	$ 181,824

b. Income tax recognized in other comprehensive income

	2021	2020
Deferred tax		
In respect of current year		
Translation of foreign operations	($ 9,817)	$ 8,212
Unrealized gain (loss) on financial assets at FVTOCI	2,859	3,454
Remeasurement on defined benefit plans	(287)	(122)
Income tax expense (benefit) recognized in other comprehensive income	($ 7,245)	$ 11,544

c. Current tax liabilities

	December 31, 2021	December 31, 2020
Current tax liabilities	$665,205	$189,737

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

2021

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Allowance for inventory valuation and obsolescence losses	$ 25	$ 151	$ -	$ 176
Allowance for office supplies impairment losses	7,979	878	-	8,857
Customer rebates	1,180	-	-	1,180
Allowance for production supplies losses	1,091	(4)	-	1,087
FVTPL financial liabilities	782	(689)	-	93
Payables for annual leave	2,443	(211)	-	2,232
Defined benefit obligation	31,150	(4,246)	287	27,191
Inventory tax differences	68	128	-	196
Exchange differences on foreign operations	37,400	-	9,817	47,217
Investment loss recognized by the equity method	-	16,569	-	16,569
	$ 82,118	$ 12,576	$ 10,104	$ 104,798
Deferred tax liabilities				
Temporary differences				
Land value increment tax reserve	($ 21,469)	$ -	$ -	($ 21,469)
Allowance for impaired receivables	(267)	-	-	(267)
Foreign exchange gains	(626)	240	-	(386)
Depreciation tax differences	(393)	58	-	(335)
Investment gain recognized by the equity method	(14,068)	14,068	-	-
FVTPL financial assets	(5,285)	-	(2,859)	(8,144)
	($ 42,108)	$ 14,366	($ 2,859)	($ 30,601)

2020

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Allowance for inventory valuation and obsolescence losses	$ 107	($ 82)	$ -	$ 25
Allowance for office supplies impairment losses	7,188	791	-	7,979
Customer rebates	1,180	-	-	1,180
Allowance for production supplies losses	1,215	(124)	-	1,091
FVTPL financial liabilities	-	782	-	782
Payables for annual leave	2,535	(92)	-	2,443
Defined benefit obligation	33,277	(2,249)	122	31,150
Inventory tax differences	284	(216)	-	68
Exchange differences on foreign operations	45,612	-	(8,212)	37,400
Foreign exchange losses	1,022	(1,022)		-
	$ 92,420	($ 2,212)	($ 8,090)	$ 82,118
Deferred tax liabilities				
Temporary differences				
Land value increment tax reserve	($ 21,469)	$ -	$ -	($ 21,469)
Allowance for impaired receivables	(267)	-	-	(267)
Foreign exchange gains	-	(626)	-	(626)
Depreciation tax differences	(422)	29	-	(393)
Investment gain recognized by the equity method	(28,647)	14,579	-	(14,068)
FVTPL financial assets	(1,850)	19	(3,454)	(5,285)
Others	(65)	65	-	-
	($ 52,720)	$ 14,066	($ 3,454)	($ 42,108)

e. Income tax assessments

The Company and ROC subsidiary’s income tax returns through 2019 have been assessed by the tax authorities.

26. EARNINGS PER SHARE

Unit: NT$ Per Share

	2021	2020
Basic earnings per share	$ 5.22	$ 1.86
Diluted earnings per share	$ 5.21	$ 1.86

In calculating earnings per share, the impact of share dividend distribution has been adjusted retrospectively. The record date of new share issuance is set on September 10, 2021. Due to retrospective adjustment, the changes in basic and diluted earnings per share are as follows:

Unit: NT$ Per Share

	Before retrospective adjustment	After retrospective adjustment
Basic earnings per share	$ 1.90	$ 1.86
Diluted earnings per share	$ 1.89	$ 1.86

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

Net Profit for the Year

	2021	2020
Earnings used in the computation of basic and diluted earnings per share	$ 3,101,127	$ 1,103,587

Unit: In Thousand Shares

	2021	2020
Number of Shares		
Weighted average number of ordinary shares in computation of basic earnings per share	593,743	593,743
Effect of potentially dilutive ordinary shares:		
Employees' compensation	1,191	786
Weighted average number of ordinary shares used in the computation of diluted earnings per share	594,934	594,529

If the Group offered to settle compensation paid to employees in cash or shares, the Group assumed the entire amount of the compensation 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, if the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

27. CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Group's overall management strategy remains unchanged from 2013.

The capital structure of the Group consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Company (comprising issued capital, reserves, retained earnings, and other equity).

28. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The Group's management believes that the carrying amounts of financial assets and financial liabilities which are recognized in the consolidated financial statements approximate their fair values.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivatives	$ -	$ 393	$ -	$ 393
Domestic listed shares	228,079	-	-	228,079
Mutual funds	830,123	-	-	830,123
Beneficiary securities	60,119	-	-	60,119
	$ 1,118,321	$ 393	$ -	$ 1,118,714
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ 3,999,777	$ -	$ -	$ 3,999,777
Foreign listed shares	23,364	-	-	23,364
Domestic unlisted shares	-	-	164,993	164,993
Foreign unlisted shares	-	-	63,207	63,207
	$ 4,023,141	$ -	$ 228,200	$ 4,251,341
Financial liabilities at FVTPL				
Derivatives	$ -	$ 860	$ -	$ 860

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	$ 248,175	$ -	$ -	$ 248,175
Mutual funds	776,288	-	-	776,288
Beneficiary securities	61,388	-	-	61,388
	$ 1,085,851	$ -	$ -	$ 1,085,851
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ 3,063,507	$ -	$ -	$ 3,063,507
Foreign listed shares	17,480	-	-	17,480
Domestic unlisted shares	-	-	275,798	275,798
Foreign unlisted shares	-	-	57,127	57,127
	$ 3,080,987	$ -	$ 332,925	$ 3,413,912
Financial liabilities at FVTPL				
Derivatives	$ -	$ 3,912	$ -	$ 3,912

There were no transfers between Levels 1 and 2 in the current and prior periods.

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

2021

Financial assets	Financial assets at FVTOCI
	Equity instruments
Balance at January 1, 2021	$ 332,925
Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI)	(83,828)
Return of capital (Note 8)	(20,897)
Balance at December 31, 2021	$ 228,200

2020

Financial assets	Financial assets at FVTOCI
	Equity instruments
Balance at January 1, 2020	$ 293,411
Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI)	73,649
Return of capital (Note 8)	(34,135)
Balance at December 31, 2020	$ 332,925

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

Financial Instruments	Valuation Techniques 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

The Group's financial department used valuation techniques in measuring Level 3 fair value of financial instruments. The assumptions of and the inputs to the measurement are based on information from independent resources. The results of the measurement are evaluated against the market state and reviewed periodically to ensure that they are reasonable. The fair values of domestic and foreign unlisted equity securities were determined using the asset-based approach. In this approach, the fair value is determined by the latest net value of the investee company and the financial and business conditions of an observable company. If the discount for the lack of marketability decreases, the fair value of investments will increase. When the net asset value of the investee increases / decreases by 1%, the fair value will increase / decrease by $2,282 thousand in 2021 and $3,329 thousand in 2020.

c. Categories of financial instruments

	December 31, 2021	December 31, 2020
Financial assets		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	$ 1,118,714	$ 1,085,851
Financial assets at amortized cost (Note 1)	2,224,726	1,397,704
Financial assets at FVTOCI		
Investments in equity instruments	4,251,341	3,413,912
Financial liabilities		
Financial liabilities at FVTPL		
Held for trading	860	3,912
Financial liabilities at amortized cost (Note 2)	2,605,908	4,282,590

Note 1. The balances include financial assets at amortized cost, which comprise cash and cash equivalents, accounts receivable (including related parties) and other receivables (including related parties and excluding tax refund receivable).

Note 2. The balances include financial liabilities at amortized cost, which comprise short-term borrowings, accounts payable (including related parties), other payables (including related parties) and long-term borrowings.

d. Financial risk management objectives and policies

The Group's risk control and hedging strategy are influenced by its operational environment. The Group properly monitors and manages the risks related to business nature and according to the principle of risk diversification. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

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

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

a) Foreign currency risk

The Group had foreign currency sales and purchases, which exposed the Group to foreign currency risk. In order to avoid the impact of foreign currency exchange rate changes, which lead to deductions in foreign currency denominated assets and fluctuations in their future cash flows, the Group used the natural offset between foreign currency assets and liabilities and foreign exchange forward contracts on the net position. The Group sought to minimize the effects of these risks by using foreign exchange forward contracts to hedge risk exposures. The use of foreign exchange forward contracts was governed by the Group's policies approved by the board of directors. Compliance with policies and exposure limits was reviewed by internal auditors on a continuous basis. The Group did not enter into or trade foreign exchange forward contracts for speculative purposes.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 31. Please refer to Note 7 for the carrying amount of derivative instrument with foreign exchange exposure.

Sensitivity analysis

The Group was mainly exposed to the USD. The sensitivity analysis includes only outstanding foreign currency denominated monetary items at the end of the reporting period. For a 3% strengthening/weakening of the Group's functional currency against the USD, there would be a decrease/an increase of $8,200 thousand and $6,214 thousand in pre-tax profit for the years ended December 31, 2021 and 2020, respectively.

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

b) Interest rate risk

The Group was exposed to fair value interest rate risk because the Group held financial assets and financial liabilities at fixed rates; the Group was exposed to cash flow interest rate risk because the Group held financial assets and financial liabilities at floating rates. The Group's management personnel monitors the changes in the market rates on a regular basis and adjusts the floating rate financial liabilities to make the Group's rates approach market rates in response to the risk caused by changing market rates.

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

	December 31, 2021	December 31, 2020
Fair value interest rate risk		
Financial assets	$ 503,309	$ 457,844
Financial liabilities	1,327,295	724,927
Cash flow interest rate risk		
Financial assets	281,321	183,923
Financial liabilities	569,746	3,050,000

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for both financial assets and liabilities at the end of the reporting period. A 50-basis point increase or decrease 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. If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2021 and 2020 would have decreased/increased by $1,442 thousand and $14,330 thousand, respectively.

c) Other price risk

The Group was exposed to securities price risk through its investments in securities listed in the ROC or other countries. The Group manages this exposure by maintaining a portfolio of investments with different risks. In addition, the Group has appointed a special team to monitor price risk.

Sensitivity analysis

The following sensitivity analysis was based on the prices of securities as of the balance sheet date. However, in the financial assets at fair value through profit or loss in which the Group invested, the risk of price fluctuation of money market funds was very limited, so it was not included in the analysis.

If the equity price increases / decreases by 5%, the net profit before tax for 2021 and 2020 would increase / decrease by $14,410 thousand and $15,478 thousand respectively due to the increase / decrease in the fair value of financial assets (excluding investment in money market funds) measured through profit or loss. Other comprehensive income before tax for 2021 and 2020 would increase / decrease by $212,567 thousand and $170,696 thousand respectively due to the increase / decrease in the fair value of financial assets at fair value through other comprehensive income.

2) Credit risk

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

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

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

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

The Group transacted with a large number of unrelated customers in a variety of areas, and, thus, no concentration of credit risk was observed. Ongoing credit evaluations are performed on the financial conditions of trade receivables; therefore, the Group's credit risk is limited.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

As such cash and cash equivalents are sufficient to finance the Group's operations, there is no liquidity risk arising from the deficiency of funds to fulfill contractual obligations.

a) Liquidity and interest rate risk table for non-derivative financial liabilities

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

December 31, 2021

	Weighted Average Interest Rate	On Demand or Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities				
Non-interest bearing liabilities		$ 594,166	$ -	$ -
Lease liabilities	1.06%	6,212	15,916	6,439
Fixed interest rate liabilities	0.79%	308,000	1,009,600	-
Floating interest rate liabilities	0.47%	201,109	373,998	-
		$ 1,109,487	$ 1,399,514	$ 6,439

December 31, 2020

	Weighted Average Interest Rate	On Demand or Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities				
Non-interest bearing liabilities		$ 426,739	$ -	$ -
Lease liabilities	1.06%	6,216	19,290	-
Fixed interest rate liabilities	0.81%	705,640	-	-
Floating interest rate liabilities	0.91%	-	3,077,740	-
		$ 1,138,595	$ 3,097,030	$ -

b) Financing facilities

Bank loans are an essential source of liquidity for the Group. The table below details the used and unused amount of bank loans at the end of the reporting period.

	December 31, 2021	December 31, 2020
Unsecured bank facilities		
Amount used	$ 1,875,000	$ 3,750,000
Amount unused	8,442,400	5,714,800
	$ 10,317,400	$ 9,464,800

29. TRANSACTIONS WITH RELATED PARTIES

The Company's ultimate parent is USI Corporation, which held 36.08% of the ordinary shares of the Company as of December 31, 2021 and 2020.

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

a. Related parties' names and relationships

Related Party Name	Relationship with the Company
USI Corporation	Ultimate parent entity
Union Polymer Int'l Investment Corp. ("Union Polymer")	Parent entity
China General Plastics Corporation ("CGPC")	Associate
China General Terminal & Distribution Corporation ("CGTD")	Associate
Acme Electronics Corporation ("ACME")	Associate
USI Optronics Corporation ("USIO")	Associate
Swanson Plastics Corporation ("SPC")	Associate
Swanson Plastics (Kunshan) Co., Ltd. ("SPC Kunshan")	Associate
Taiwan VCM Corporation ("TVCM")	Associate
CGPC Polymer Corporation ("CGPCP")	Associate
Forever Young Company Limited ("Forever Young")	Associate
Swanson Technologies Corporation ("STC")	Associate
Fujian Gulei Petrochemical Co., Ltd. ("Gulei Company")	Associate
Taita Chemical Company, Limited ("TTC")	Fellow subsidiary
Taiwan United Venture Management Corporation ("TUVM")	Fellow subsidiary
USI Management Consulting Corporation ("UM")	Fellow subsidiary
USIFE Investment Co., Ltd. ("USII")	Fellow subsidiary
INOMA Corporation ("INOMA")	Fellow subsidiary
Chong Loong Trading Co., Ltd. ("CLT")	Fellow subsidiary
USI (Hong Kong) ("USI (HK)")	Fellow subsidiary
USI Education Foundation ("USIF")	Essential related party

b. Sales of goods

Related Party Category/Name	2021	2020
Ultimate parent entity		
USI Corporation	$ 1,674,163	$ 663,182
Associate	68,290	37,375
Fellow subsidiary	22,917	14,822
	$ 1,765,370	$ 715,379

Sales of goods to related parties were made at the Group's usual prices and conditions which were the same as those to unrelated parties.

c. Purchase of goods

Related Party Category/Name	2021	2020
Ultimate parent entity		
USI Corporation	$ 429,907	$ 217,849
Associate	115,553	28,322
Fellow subsidiary	-	10,998
	$ 545,460	$ 257,169

Purchases from related parties were made at market prices which were at the Group's usual prices and conditions which were the same as those from unrelated parties.

d. Management fee (under general and administrative expenses)

Related Party Category/Name	2021	2020
Ultimate parent entity		
USI Corporation	$ 8,747	$ 8,470
Fellow subsidiary		
UM	39,394	39,286
Others	492	550
	39,886	39,836
	$ 48,633	$ 48,306

e. Lease arrangements – Group is lessee

Lease expense

Related Party Category/Name	2021	2020
Ultimate parent entity		
USI Corporation	$ 2,225	$ 2,783

f. Lease arrangements – Group is lessor

Lease income

Related Party Category/Name	2021	2020
Ultimate parent entity		
USI Corporation	$ 3,792	$ 3,534
Parent entity		
Union Polymer	20	36
Associate		
TVCM	12,705	12,680
Others	6,085	6,500
	18,790	19,180
Fellow subsidiary		
TTC	6,904	6,686
Others	2,574	2,601
	9,478	9,287
	$ 32,080	$ 32,037

The previously indicated associates leased pipelines from the Company with lease terms of 1 year. The lease contracts are to be regarded as renewed if there is no declaration of termination. The lease payments are calculated according to actual operating volume and are paid on a monthly basis.

g. Donation expenses (under general and administrative expenses)

Related Party Category/Name	2021	2020
Essential related party		
USI Education Foundation	$ 4,000	$ 3,000

h. Management income (under other income)

Related Party Category/Name	2021	2020
Associate	$ 1,592	$ 1,905

i. Investment consultant fees (under other gains and losses)

Related Party Category/Name	2021	2020
Fellow subsidiary		
TUVM	$ 1,286	$ 1,397

j. Accounts receivable from related parties

Related Party Category/Name	December 31, 2021	December 31, 2020
Ultimate parent entity		
USI Corporation	$ 399,887	$ 189,988
Associate	24,533	3,549
Fellow subsidiary	3,975	3,876
	$ 428,395	$ 197,413

k. Other receivables from related parties

Related Party Category/Name	December 31, 2021	December 31, 2020
Ultimate parent entity		
USI Corporation	$ 6	$ 117
Associate		
CGTD	530	1,000
Others	310	287
	840	1,287
Fellow subsidiary		
TTC	970	617
Others	13	4
	983	621
	$ 1,829	$ 2,025

Other receivables - related parties represented the receivables due from the ultimate parent company and associates for renting offices and management service fees.

l. Accounts payable to related parties

Related Party Category/Name	December 31, 2021	December 31, 2020
Ultimate parent entity		
USI Corporation	$ 74,670	$ 45,590
Associate	4,727	3,243
	$ 79,397	$ 48,833

m. Other payables to related parties

Related Party Category/Name	December 31, 2021	December 31, 2020
Ultimate parent entity		
USI Corporation	$ 200,599	$ 46,442
Associate	5,616	2,947
Fellow subsidiary	1,044	497
	$ 207,259	$ 49,886

Other payables to related parties were the payments from the Company for the transfer of ethylene from ultimate parent entity.

n. Compensation of key management personnel

Total remuneration for directors and other key management in 2021 and 2020 is as follows:

	2021	2020
Short-term employee benefits	$ 20,570	$ 16,355

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

30. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. Significant commitments

The amount available under unused letters of credit as of December 31, 2021 was $330,000 thousand.

b. Significant contract

1) The Company and USI Corporation signed a joint venture contract for a Fujian Gulei Petrochemical Co., Ltd. investment on April 17, 2014. The related entities of the contract or commitments are Ho Tung Chemical Corporation, LCY Chemical Corporation, Hengtai Petroleum Company Limited, Chenergy Global Corporation and Lien Hwa Corporation. The main contents of the contract and commitments include: (1) the shareholders shall establish Ever Victory Global Limited (hereinafter referred to the "Joint Venture") and agree to pass the establishment of the 100% owned company named Dynamic Ever Investments Limited in Hong Kong (hereinafter referred to as the "Hong Kong Company"), whose purpose is to build oil refineries and produce ethylene as well as seven other products on the Gulei Peninsula in Zhangzhou, Fujian Province, as approved by the Investment Commission at Taiwan's Ministry of Economic Affairs and according to the operating business permitted by the Joint Venture's board of directors; and (2) the Hong Kong Company will establish a joint venture company in accordance with the laws of the People's Republic of China between China Petrochemical Corporation or its affiliated enterprises; Fujian Refining and Chemical Co., Ltd. will establish a joint venture company in accordance with the laws of the People's Republic of China in Fujian Province between China Petrochemical Corporation or its affiliated enterprises (hereinafter referred to as "Gulei Company") and acquire 50% of the shares of Gulei Company as a basis for cooperative investment. The amount which the Joint Venture invested in Gulei Company after the signing of the original investment contract increased due to the capital needs of the investment plan, which led to part of the original related contract entities being unable to purchase the shares based on their respective investment ratio as provided by the original contract. Therefore, the Company and USI re-signed the joint venture contract with the counterparties of the original contract or commitment and CTCI Corporation on September 30, 2016. The original joint venture contract was terminated at the same time. The joint venture contract was re-signed subsequently on December 18, 2019 and Fubon Financial Holding Venture Capital Corporation and Hung Fu Investment Co., Ltd. were added in the new counterparties of the contract or commitment.

In order to increase Gulei Company's operating capital, Ever Victory Global Limited and Hong Kong Dor Po Investment Company Limited ("DOR PO") signed a joint venture contract for an investment in Dynamic Ever Investment Limited which was approved by the board of directors on June 5, 2019. According to the contract, DOR PO will invest US$109,215 thousand in Dynamic Ever Investment Limited in 2019. As of December 31, 2021, DOR PO had invested US$103,915 thousand and held 15% ownership interest in Dynamic Ever Investment Limited.

As of December 31, 2021, the Company and USI have invested US$170,475 thousand (approximately $5,255,588 thousand) and US$246,670 thousand (approximately $7,645,980 thousand) respectively in Ever Conquest Global Limited, and invested RMB 4,657,200 thousand in Gulei Company through the joint venture and Hong Kong Company.

2) The Group was involved in a proposal of urban renewal, in which it coordinates with neighbors by right of transfer dominated by Huaku Development Co., Ltd. and provides around ten of its investment properties (located at Yanji St., Songshan Dist., Taipei City) to increase its operating efficiency. Thus, the Group signed an agreement with Huaku Development Co., Ltd. and received $6,400 thousand as security deposits. The Taipei City Government approved the proposal on November 30, 2017. In addition, the Group, Huaku Development Co., Ltd. and the Trust Department of E.SUN Commercial Bank, who was commissioned to manage, consolidate, split up, transfer and dispose of the properties and buildings within the duration of the agreement, signed a tripartite agreement on the real estate trust. As of December 31, 2021, the urban renewal project has been completed and the license for the right-to-use has been obtained. However, the transfer of the property rights of the land and buildings has not been completed.

c. Contingencies

Regarding the gas explosion of the propylene pipeline of Lee Chang Yung Chemical Industry Corporation ("Lee Chang Yung Chemical") on the night of July 31, 2014 operated by the invested company by the equity method, China General Terminal & Distribution Corporation ("CGTD"), the criminal case of the gas explosion incident was dismissed by the Supreme Court on September 15, 2021 and all three employees of CGTD were acquitted.

CGTD arrived at an agreement with the Kaohsiung City Government on February 12, 2015, pledging certificates of bank deposits of $227,540 thousand, interests included, to the Kaohsiung City Government as collateral for the loss caused by the gas explosion. The Kaohsiung City Government also filed civil procedure requests in succession against LCY Chemical Corp., CGTD and CPC Corporation, Taiwan ("CPC"). Taiwan Power Company applied to the court for sequestration of CGTD's property on August 27 and November 26, 2015 and CGTD has deposited cash of $99,207 thousand to the court to avoid sequestration. Taiwan Water Corporation also applied to the court for false seizure of CGTD's property on February 3 and March 2, 2017 respectively. As of February 28, 2022, the provisionally attached property was worth $12,472 thousand.

As for the victims, CGTD, LCY Chemical Corp. and the Kaohsiung City Government signed a tripartite agreement for the compensation of the 32 victims' families on July 17, 2015. Each victim's family received $12,000 thousand, and the total compensation was $384,000 thousand. The compensation was advanced by LCY Chemical Corp. LCY Chemical Corp. was in charge of negotiating the compensation with the victims' families and signing the settlement agreement on behalf of the three parties.

As for the seriously injured, CGTD, LCY Chemical Corp. and the Kaohsiung City Government signed a tripartite agreement for the compensation of the 65 seriously injured victims' families on October 25, 2017. Compensation was paid by CGTD and the Kaohsiung City Government, and CGTD was in charge of negotiating the compensation with the seriously injured victims' families and signing the settlement agreement on behalf of the three parties with the 64 seriously injured victims' families.

As of February 28, 2022, the victims and victims' families had written letters or filed civil procedures (and criminal procedures) against CGTD, LCY Chemical Corp. and CPC for compensation. To reduce the lawsuit costs, CGTD had reached a settlement on the original claim for $46,677 thousand, and the amount of the settlement was $4,519 thousand. Along with the case still in litigation and the above-mentioned compensation, the accumulated amount of compensation is $3,856,447 thousand. The first instance verdict of some of these civil cases (indemnity amount of $1,341,128 thousand) have been convicted since June 22, 2018 and most cases determined that the negligence liability ratio of Kaohsiun Municipal Government, Lee Chang Yung Chemical and CGTD was 4:3:3, and that CGTD, Lee Chang Yung Chemical and other defendants should pay compensation of about $401,979 thousand (of which $6,194 thousand was exempted from liability by the court). Currently CGTD has filed an appeal for the adjudicated but unsettled civil cases and proceeded with the second instance procedure successively. The rest of the cases are still under trial in the Court of First Instance (the amount of compensation requested is approximately $2,012,493 thousand). CGTD signed a claim agreement with an insurance company, according to the negligence liability ratio determined by the judgment of first instance, it is estimated the settlement amount of victims and seriously injured, the compensation amount of civil litigation cases (including the settled cases), and estimated amount to be borne by itself after deducting the upper limit of insurance claim was $136,375 thousand, which had been included into the account. However, the actual amount of such settlement and compensation shall not be confirmed until the proportion of liability to be shared by CGTD is determined in accordance with the civil action.

31. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The group entities' significant assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

Units: The foreign currency / carrying amount is in thousand dollars, except the exchange rate in dollars.

December 31, 2021

	Foreign Currency (In Thousands)	Exchange Rate	Functional Currency (In Thousands)	Carrying Amount
Financial assets				
Monetary items				
USD	$ 19,289	27.680 (USD:NTD)	$ 533,912	$ 533,912
USD	337	6.3757 (USD: RMB)	2,150	9,334
RMB	1,324	0.1568 (RMB:USD)	208	5,757
RMB	154,676	4.3415 (RMB:NTD)	671,524	671,524
EUR	60	31.320 (EUR:NTD)	1,869	1,869
				$ 1,222,396
Non-monetary items				
Investments accounted for using the equity method				
USD	175,260	27.680 (USD:NTD)	4,851,207	$ 4,851,207
Derivative instruments				
RMB	50,400	4.3415 (RMB:NTD)	393	$ 393
Financial liabilities				
Monetary items				
USD	9,752	27.680 (USD:NTD)	269,926	$ 269,926
RMB	20	0.1568 (RMB:USD)	3	83
JPY	153	0.2405 (JPY:NTD)	37	37
				$ 270,046
Non-monetary items				
Derivative instruments				
RMB	87,800	4.3415 (RMB:NTD)	860	$ 860

December 31, 2020

Financial assets	Foreign Currency (In Thousands)	Exchange Rate	Functional Currency (In Thousands)	Carrying Amount
Monetary items				
USD	$ 10,807	28.480 (USD:NTD)	$ 307,795	$ 307,795
USD	271	6.5249 (USD: RMB)	1,769	7,721
RMB	2,092	0.1533 (RMB:USD)	321	9,142
RMB	87,272	4.3648 (RMB:NTD)	380,924	380,924
JPY	5	0.2763 (JPY:NTD)	1	1
				$ 705,583
Non-monetary items				
Investments accounted for using the equity method				
USD	$ 177,912	28.480 (USD:NTD)	$ 5,066,945	$ 5,066,945
Financial liabilities				
Monetary items				
USD	3,805	28.480 (USD:NTD)	108,375	$ 108,375
RMB	204	0.1533 (RMB:USD)	31	883
JPY	7,072	0.2763 (JPY:NTD)	1,954	1,954
EUR	24	35.020 (EUR:NTD)	847	847
				$ 112,059
Non-monetary items				
Derivative instruments				
RMB	77,600	4.3648 (RMB:NTD)	3,912	$ 3,912

For the years ended December 31, 2021 and 2020, realized and unrealized net foreign exchange (losses) gains were ($2,834) thousand and ($12,905) thousand. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the group entities.

32. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:
   1) Financing provided to others. (None)
   2) Endorsements/guarantees provided. (None)
   3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures). (Table 1)
   4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital. (Table 2)
   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 3)
   8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 4)
   9) Trading in derivative instruments: Note 7.
   10) Others: Intercompany relationships and significant intercompany transactions. (Table 5)

b. Information about investees. (Table 6)

c. Information on investments in mainland China
   1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of

investment income, and limit on the amount of investment in the mainland China area. (Table 7)

2) 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: (Table 8)

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year.
b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year.
c) The amount of property transactions and the amount of the resultant gains or losses.
d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes.
e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds.
f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.

d. Information about substantial shareholders: Names of shareholders with a holding ratio of 5% or more and the amount and proportion of shares held. (Table 9)

Besides Tables 1 to 9 as disclosed, there was no other information about significant transactions, investees and investments in mainland China which should be disclosed.

33. SEGMENT INFORMATION

a. Operating segments: According to IFRS 8 “Operating Segments”, the Group is a single operating segment that produces and sells petrochemical products, and therefore, there is no need to disclose the information of operating segments.

b. Geographical information

The Group’s revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	Revenue from External Customers		Non-current Assets	
	2021	2020	December 31, 2021	December 31, 2020
Taiwan	$ 2,175,279	$ 1,636,875	$ 3,827,327	$ 3,708,090
Asia	6,983,632	3,988,373	68,664	72,967
Others	406,902	78,298	-	-
	$ 9,565,813	$ 5,703,546	$ 3,895,991	$ 3,781,057

Non-current assets exclude financial instruments, deferred tax assets and refundable deposits.

c. Information about major customers:

Single customers who contributed 10% or more to the Group’s revenue were as follow:

Client Name	2021	2020
Customer A	$ 1,674,163	$ 663,182

TABLE 1

ASIA POLYMER CORPORATION

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES)

DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
ASIA POLYMER CORPORATION	Ordinary shares							
	Harbinger Venture Capital Corp.	-	Financial assets at fair value through other comprehensive income - non-current	2,377	$ 17	1.20%	$ 17	
	Riselink Venture Capital	-	-	2,632	221	1.67%	221	
	KHL IB Venture Capital Co., Ltd.	-	-	9,954,950	164,755	11.90%	164,755	
	USI Corporation	Ultimate parent company	-	101,355,673	3,197,772	8.53%	3,197,772	
	CTCI Corporation	-	-	14,446,107	537,395	1.89%	537,395	
	AU Optronics Corporation	-	-	9,618,516	220,264	0.10%	220,264	
	Wafer Works Corporation	-	Financial assets at fair value through other comprehensive income - current	518,668	44,346	0.10%	44,346	
	Quanta Computer Inc.	-	Financial assets at fair value through profit or loss - current	200,000	18,940	0.01%	18,940	
	Evergreen Marine Corp.	-	-	473,251	67,438	0.01%	67,438	
	United Microelectronics Corp.	-	-	150,000	9,750	-	9,750	
	Tung Ho Steel Enterprise Corp.	-	-	368,500	24,726	0.05%	24,726	
	China Steel Corporation	-	-	650,000	22,978	-	22,978	
	ShunSin Technology Holdings Limited	-	-	70,000	6,510	0.07%	6,510	
	UPC Technology Corporation	-	-	700,000	15,120	0.05%	15,120	
	Beneficiary securities							
	Cathay No. 1 Real Estate Investment Trust Fund	-	-	3,316,000	60,119	-	60,119	
	Beneficiary securities							
	Mega Diamond Money Market Fund	-	-	5,095,391	64,597	-	64,597	
	Jih Sun Money Market Fund	-	-	20,955,933	314,069	-	314,069	
	Prudential Financial Money Market Fund	-	-	2,509,725	40,134	-	40,134	

(Continued)

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
	Taishin 1699 Money Market Fund	-	Financial assets at fair value through profit or loss - current	4,388,163	$ 60,024	-	$ 60,024	
	CTBC Hwa-win Money Market Fund	-	-	5,392,241	60,000	-	60,000	
	FSITC Taiwan Money Market Fund	-	-	6,466,507	100,045	-	100,045	
	Hua Nan Kirin Money Market Fund	-	-	14,478,773	175,021	-	175,021	
APC (BVI) Holding Co., Ltd.	Ordinary shares							
	Budworth Investment Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	40,467	8	4.45%	8	
	Silicon Technology Investment (Cayman) Corp. - preference shares	-	-	1,139,776	63,199	2.21%	63,199	
	NeuroSky, Inc. - series D preference shares	-	-	2,397,364	-	0.37%	-	(Note 1)
	Solargiga Energy Holdings Ltd.	-	-	15,863,333	23,364	0.48%	23,364	
	Teratech Corp.	-	-	112,000	-	0.67%	-	(Note 1)
	TGF Linux Communication, Inc. - preference shares	-	Financial assets at fair value through profit or loss - non-current	300,000	-	-	-	(Note 1)
	Sohoware, Inc. - preference shares	-	-	450,000	-	-	-	(Note 1)
	Boldworks, Inc. - preference shares	-	-	689,266	-	-	-	(Note 1)
APC Investment Co., Ltd.	Ordinary shares							
	USI Corporation	Ultimate parent company	Financial assets at fair value through profit or loss - current	44,808	1,414	-	1,414	
	United Microelectronics Corp.	-	-	60,000	3,900	-	3,900	
	Evergreen Marine Corp.	-	-	158,416	22,574	-	22,574	
	UPC Technology Corporation	-	-	500,000	10,800	0.04%	10,800	
	China Steel Corporation	-	-	325,000	11,489	-	11,489	
	Tung Ho Steel Enterprise Corp.	-	-	150,750	10,115	0.02%	10,115	
	ShunSin Technology Holdings Limited	-	-	25,000	2,325	0.02%	2,325	
	Beneficiary securities							
	Cathay Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,292,518	16,233	-	16,233	

Note 1. The carrying amount was zero as of December 31, 2021 due to the impairment loss recognized in prior years.

Note 2. Refer to Tables 6 and 7 for information about subsidiaries and associates.

TABLE 2

ASIA POLYMER CORPORATION

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance (Note)	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain on Disposal	Number of Shares	Amount
APC Corporation	Fund													
	UPAMC James Bond Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	-	$ -	21,349,174	$ 360,000	21,349,174	$ 360,027	$ 360,000	$ 27	-	$ -
	Taishin 1699 Money Market Fund	-	—	—	12,021,036	164,000	37,687,142	515,000	45,320,015	619,166	619,000	166	4,388,163	60,000
	Taishin Ta-Chong Money Market Fund	-	—	—	-	-	26,519,389	380,000	26,519,389	380,063	380,000	63	-	-
	FSITC Taiwan Money Market Fund	-	—	—	3,564,088	55,000	22,967,753	355,000	20,065,334	310,114	310,000	114	6,466,507	100,000

Note: The ending balance of beneficiary certificates is the original purchase cost.

TABLE 3

ASIA POLYMER 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, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Counterparty	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Financial Statement Account and Ending Balance		% of Total
Asia Polymer Corporation	USI Corporation	Ultimate parent company	Sale	($ 1,673,192)	(17.50%)	60 days	No significant difference	No significant difference	Accounts receivable - related parties	$ 399,887	28.17%
Asia Polymer Corporation	USI Corporation	Ultimate parent company	Purchase	213,752	4.53%	30 days	No significant difference	No significant difference	Accounts payable - related parties	(28,177)	(9.45%)
USI Trading (Shanghai) Co., Ltd	USI Corporation	Ultimate parent company	Purchase	216,155	4.59%	30 days	No significant difference	No significant difference	Accounts payable - related parties	(46,493)	(15.59%)

TABLE 4

ASIA POLYMER CORPORATION

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Counterparty	Relationship	Ending Balance		Turnover Rate	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
						Amount	Actions Taken		
Asia Polymer Corporation	USI Corporation	Ultimate parent company	Accounts receivable - related parties	$ 399,887	5.68	$ -	-	$ 399,887	Note 1
			Other receivables - related parties	2		-	-	2	Note 1

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

Note 2. The subsequent period is between January 1 and March 9, 2022.

ASIA POLYMER CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

FOR THE YEAR ENDED DECEMBER 31, 2021

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

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Account	Amount (Note 4)	Payment Terms	% of Total Sales or Assets (Note 3)
0	Asia Polymer Corporation	APC Investment Co., Ltd.	(1)	Non-operating income and expenses - rental income	$ 142	No significant difference	-
0	Asia Polymer Corporation	USI Trading (Shanghai) Co., Ltd	(1)	Accounts receivable from related parties	13,111	No significant difference	0.07%
				Commission expenses	577	No significant difference	0.01%
				Sale	126,417	No significant difference	1.32%
				Other payables to related parties	17	No significant difference	-
1	USI International Corp.	USI Trading (Shanghai) Co., Ltd	(3)	Other receivables from related parties	5,089	No significant difference	0.03%
				Other payables to related parties	85	No significant difference	-
				Non-operating income and expenses - rental income	1,238	No significant difference	0.01%
				Management services expense	118	No significant difference	-

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

(1) The Company: 0.

(2) The subsidiaries: 1 onward.

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

(1) The Company to the subsidiaries: 1.

(2) The subsidiaries to the Company: 2.

(3) Between subsidiaries: 3.

Note 3. For the calculation of the ratio of the transaction amount to the consolidated total revenue or total assets, if it is an asset-liability account, it is calculated as the closing balance of the transaction amount to the consolidated total assets; if it is a profit and loss account, it is calculated as the accumulated amount during the period to the consolidated total revenue.

Note 4. All intercompany transactions have been eliminated on consolidation.

TABLE 6

ASIA POLYMER CORPORATION

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2021	December 31, 2020	Number of Shares	%	Carrying Amount			
Asia Polymer Corporation	APC (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	$ 381,287 (US$ 13,774,806)	$ 381,287 (US$ 13,774,806)	11,342,594	100.00%	$ 545,802	$ 27,305	$ 27,305	Subsidiary (Note 1)
	APC Investment Co., Ltd.	Taipei, Taiwan	Investment	200,000	200,000	20,000,000	100.00%	168,090	35,822	35,822	Subsidiary (Note 1)
	USI International Corp.	British Virgin Islands	Reinvestment	58,128 (US$ 2,100,000)	58,128 (US$ 2,100,000)	2,100,000	70.00%	62,380	1,047	733	Subsidiary (Note 1)
	China General Plastics Corporation	Taipei, Taiwan	Manufacture and marketing of PVC plastic cloth and three-time processed products	247,412	247,412	46,886,185	8.07%	900,764	2,468,676	199,203	Investments accounted for using the equity method
	China General Terminal & Distribution Corporation	Taipei, Taiwan	Warehousing and transportation of petro chemical raw materials	41,082	41,082	22,009,593	33.33%	373,731	63,389	21,129	Investments accounted for using the equity method
	Swanson Plastics Corporation	Taipei, Taiwan	Manufacture and marketing of stretch film, diaper film, embossed film, heavy-duty sacks	75,242	75,242	12,266,779	7.95%	210,268	224,921	17,880	Investments accounted for using the equity method
	Acme Electronics Corporation	Taipei, Taiwan	Manufacture and marketing of manganese-zinc and ferrite core	61,348	61,348	6,056,623	3.31%	44,186	59,329	1,964	Investments accounted for using the equity method
	Taiwan United Venture Capital Corp.	Taipei, Taiwan	Investment in high technology businesses	52,791	52,791	3,080,866	8.33%	22,673	(2,438)	(203)	Investments accounted for using the equity method
	USI Optronics Corporation	Taipei, Taiwan	Manufacture and marketing of sapphire products	59,725	59,725	5,972,464	9.20%	8,718	(41,955)	(3,861)	Investments accounted for using the equity method
	Ever Conquest Global Ltd.	British Virgin Islands	Reinvestment	4,718,748 (US$ 170,475,000)	4,718,748 (US$ 170,475,000)	170,475,000	40.87%	4,851,207	(443,454)	(181,227)	Investments accounted for using the equity method
APC (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment	145,179 (US$ 5,244,903)	145,179 (US$ 5,244,903)	8,316,450	16.64%	204,869	62,703	-	APC (BVI) Holding Co., Ltd. Investments accounted for using the equity method
	USI International Corp.	British Virgin Islands	Reinvestment	24,912 (US$ 900,000)	24,912 (US$ 900,000)	900,000	30.00%	26,734	1,047	-	APC (BVI) Holding Co., Ltd. Investments accounted for using the equity method (Note 1)
APC Investment Co., Ltd.	Acme Electronics Corporation	Taipei, Taiwan	Manufacture and marketing of manganese-zinc and ferrite core	14,889	14,889	1,884,548	1.03%	13,749	59,329	-	APC Investment Co., Ltd. Investments accounted for using the equity method
	Swanson Technology Corporation	Taipei, Taiwan	Manufacture and marketing of EVA film	22,500	30,000	2,250,015	15.00%	4,357	(13,183)	-	APC Investment Co., Ltd. Investments accounted for using the equity method
Ever Conquest Global Ltd.	Ever Victory Global Ltd.	British Virgin Islands	Reinvestment	11,546,574 (US$ 417,145,000)	11,546,574 (US$ 417,145,000)	417,145,000	67.40%	11,870,694 (US$ 428,855,000)	(635,890) (US$ 22,838,000)	-	Ever Conquest Global Ltd. Investments accounted for using the equity method
Ever Victory Global Ltd.	Dynamic Ever Investments Ltd.	Hong Kong	Reinvestment	16,299,368 (US$ 588,850,000)	16,299,368 (US$ 588,850,000)	588,850,000	85.00%	16,785,159 (US$ 606,400,000)	(749,901) (US$ 26,932,000)	-	Ever Victory Global Ltd. Investments accounted for using the equity method

Note 1. All intercompany transactions have been eliminated on consolidation.

TABLE 7

ASIA POLYMER CORPORATION

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

FOR THE YEAR ENDED DECEMBER 31, 2021

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 3)	Method and Medium of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	Net Income (Loss) of Investee (Note 3)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount as of December 31, 2021 (Note 4)	Accumulated Repatriation of Investment Income as of December 31, 2021
					Outflow	Inflow						
ACME Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	$ 850,468 (US$ 30,725,000)	(2) ACME Electronics (Cayman) Corp.	$ 115,630 (US$ 4,177,369)	$ -	$ -	$ 115,630 (US$ 4,177,369)	B $ 45,024	16.64%	$ 7,493	$ 137,462	$ -
USI Trading (Shanghai) Co., Ltd	Sale of chemical products and equipment	69,200 (US$ 2,500,000)	(2) APC (BVI) Holding Co., Ltd.	84,025 (US$ 3,035,601)	-	-	84,025 (US$ 3,035,601)	B 16,420	100.00%	16,420	136,096	-
Fujian Gulei Petrochemical Co., Ltd.	Manufacture of crude oil and petroleum products	40,438,468 (RMB9,314,400,000)	(2) Dynamic Ever Investments Ltd. (Note 2)	4,370,198 (US$ 157,882,871)	-	-	4,370,198 (US$ 157,882,871)	A (1,455,990)	11.71%	(170,497)	4,533,837	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$4,703,274 (Note 5) (US$ 169,915,978)	$6,195,770 (US$ 223,835,608)	$ - (Note 6)

Note 1. Investments are divided into three categories as follows:

(1) Direct investment: 1.

(2) Investments through a holding company registered in a third region: 2.

(3) Others: 3.

Note 2. The Company reinvested in 50% of the outstanding shares of Gulei via Ever Conquest Global Limited (40.87%), then via Ever Victory Global Ltd. (67.40%), and finally via Dynamic Ever Investments Ltd. (85.00%).

Note 3. For the column of investment gain (loss):

(1) If there is no investment gain (loss) during the preparation, it should be noted.

(2) If the basis for the recognition of investment gain (loss) is classified into the following three type, it should be noted as follows:

A. Financial statements audited by international accounting firms which have a cooperation relationship with an accounting firm in the Republic of China.

B. Financial statements audited by the parent company's CPA.

C. Others.

Note 4. The calculation was based on the exchange rate as at December 31, 2021.

Note 5. The investment in China is indirectly invested by Silicon Technology Investment (Cayman) Corp.(STIC) and Solargiga Energy Holdings Ltd., both are invested by APC(BVI)Holding Co. Ltd., a subsidiary 100% held by the Company.

Note 6. As the Company has obtained the certificate of qualification for operating headquarters issued by the Industrial Development Bureau, MOEA in Order No. 10800262940 on February 26, 2020, the upper limit on investments in mainland China pursuant to the "Principle of Investment or Technical Cooperation in Mainland China" is not applicable.

TABLE 8

ASIA POLYMER CORPORATION

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

FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Transaction Type	Amount	%	Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized Gain (Loss)	Note
					Payment Terms	Comparison with Normal Transactions	Amount	%		
USI Trading (Shanghai) Co., Ltd	Sale	$ 126,417	1.32%	No significant difference	T/T 90 days	No significant difference	$ 13,111	0.92%	$ -	—
Fujian Gulei Petrochemical Co., Ltd.	Purchase	70,091	1.49%	No significant difference	Letter of credit	No significant difference	-	-	-	—

TABLE 9

ASIA POLYMER CORPORATION AND SUBSIDIARIES

INFORMATION ABOUT SUBSTANTIAL SHAREHOLDERS
DECEMBER 31, 2021

Name of substantial shareholders	Shares	
	Number of shares held	%
Union Polymer Int'l Investment Corp.	214,245,822	36.08%

Note: The information of major shareholders in this attachment refers to the information calculated by Nordic CSD on the last business day at the end of the current quarter of which the total number of common stocks and special stocks of the Company held, amounting to more than 5%, by the shareholder has been delivered without physical registration (including treasury shares). The capital stock recorded in the consolidated financial statements of the Company and the actual number of shares delivered without physical registration may be different or discrepant due to different compilation and calculation basis.

Parent Company Only Financial Statements Audited and Attested by CPAs for the Most Recent Fiscal Years:

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders Asia Polymer Corporation

Opinion

We have audited the accompanying financial statements of Asia Polymer Corporation (the "Company"), which comprise the balance sheets as of December 31, 2021 and 2020, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and its financial performance and its 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 audit of the financial statements in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 financial statements for the year ended December 31, 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters related to the Company's financial statements for the year ended December 31, 2021 are stated as follows:

Recognition of Sales Revenue from Specific Customers

The amount of sales revenue for the year ended December 31, 2021 was NT$9,291,720 thousand, which was approximately 68.48% higher than the sales revenue for the year ended December 31, 2020 of NT$5,514,958 thousand. Nevertheless, the sales revenue from specific customers has grown significantly compared to the average growth of total sales revenue. Therefore, recognition of revenue from these specific customers has been identified as a key audit matter.

The audit procedures that we performed in response to the risk were as follows:

1. We obtained an understanding of the design and implementation of internal controls about these specific customers and tested if these controls were performed effectively. Such controls include credit assessments of customers, revenue recognition and receivables collection.
2. We sampled and inspected purchase orders from these specific customers, shipping confirmations and receivables collection receipts in order to verify the accuracy of sales revenue.
3. We reviewed sales returns and discounts recognized and the amounts received in subsequent periods to assess for any abnormalities.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our 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 control 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 Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue 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 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 presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
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 financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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 statements 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 those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2021 and are therefore the key audit matters. 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.

The engagement partners on the audit resulting in this independent auditors' report are Cheng-Chun Chiu. (Fiancial Supervisory Commission, Approval No. 0930160267) and Pi-Yu Chuang (Fiancial Supervisory Commission, Approval No. 1070323246)

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 9, 2022

Notice to Readers:

The financial statement (Chinese version) of our company is audited by the CPA Cheng-Chun Chiu and CPA Pi-Yu Chuang 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.

ASIA POLYMER CORPORATION

BALANCE SHEETS
DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

Code	ASSETS	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 393,497	2	$ 274,142	2
1110	Financial assets at fair value through profit and loss - current (Notes 4 and 7)	1,039,864	6	1,007,300	6
1120	Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	44,346	-	86,368	-
1170	Accounts receivable from unrelated parties (Notes 4, 10 and 22)	990,912	5	545,372	3
1180	Accounts receivable from related parties (Notes 4, 10, 22 and 28)	441,506	2	209,875	1
1200	Other receivables from unrelated parties (Note 4)	10,430	-	2,515	-
1210	Other receivables from related parties (Notes 4 and 28)	1,472	-	1,965	-
130X	Inventories (Notes 4 and 11)	569,188	3	294,846	2
1410	Prepayments	145,168	1	124,228	1
1470	Other current assets	110	-	110	-
11XX	Total current assets	3,636,493	19	2,546,721	15
	NON-CURRENT ASSETS				
1517	Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	4,120,424	22	3,252,937	19
1535	Financial assets at amortized cost - non-current (Notes 4 and 9)	21,786	-	42,648	-
1550	Investments accounted for using the equity method (Notes 4, 5, 12 and 29)	7,187,819	38	7,162,418	43
1600	Property, plant and equipment (Notes 4 and 13)	3,376,208	18	3,257,029	19
1755	Right-of-use assets (Notes 4 and 14)	8,143	-	424	-
1760	Investment properties (Notes 4 and 15)	442,976	2	450,619	3
1840	Deferred tax assets (Notes 4 and 24)	104,798	1	82,118	1
1990	Other non-current assets (Note 4)	15,508	-	22,183	-
15XX	Total non-current assets	15,277,662	81	14,270,376	85
1XXX	TOTAL ASSETS	$ 18,914,155	100	$ 16,817,097	100
Code	**LIABILITIES AND EQUITY**				
	CURRENT LIABILITIES				
2100	Short-term borrowings (Note 16)	$ 500,000	3	$ 700,000	4
2120	Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	860	-	3,912	-
2170	Accounts payable to unrelated parties (Note 17)	218,005	1	238,363	2
2180	Accounts payable to related parties (Notes 17 and 28)	32,904	-	15,630	-
2219	Other payables to unrelated parties (Note 18)	230,301	1	194,634	1
2220	Other payables to related parties (Note 28)	207,274	1	49,982	1
2230	Current tax liabilities (Notes 4 and 24)	663,564	4	185,963	1
2280	Lease liabilities - current (Notes 4 and 14)	5,765	-	5,981	-
2365	Refund liabilities - current (Note 19)	5,899	-	5,899	-
2399	Other current liabilities (Note 22)	14,207	-	29,874	-
21XX	Total current liabilities	1,878,779	10	1,430,238	9
	NON-CURRENT LIABILITIES				
2540	Long-term borrowings (Note 16)	1,369,746	7	3,050,000	18
2570	Deferred tax liabilities (Notes 4 and 24)	30,601	-	42,108	-
2580	Lease liabilities - non-current (Notes 4 and 14)	21,530	-	18,946	-
2640	Net defined benefit liabilities - non-current (Notes 4 and 20)	135,005	1	155,057	1
2670	Other non-current liabilities	16,445	-	11,203	-
25XX	Total non-current liabilities	1,573,327	8	3,277,314	19
2XXX	Total liabilities	3,452,106	18	4,707,552	28
	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Notes 4, 8, 21 and 24)				
	Share capital				
3110	Ordinary shares	5,937,438	32	5,821,018	35
3200	Capital surplus	35,319	-	33,272	-
	Retained earnings				
3310	Legal reserve	1,906,008	10	1,798,210	11
3320	Special reserve	565,379	3	565,379	3
3350	Unappropriated earnings	5,139,359	27	2,890,180	17
3300	Total retained earnings	7,610,746	40	5,253,769	31
3400	Other equity	1,878,546	10	1,001,486	6
3XXX	Total equity	15,462,049	82	12,109,545	72
	TOTAL LIABILITIES AND EQUITY	$ 18,914,155	100	$ 16,817,097	100

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

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ASIA POLYMER CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		2021 Amount	2021 %	2020 Amount	2020 %
4100	NET REVENUE (Notes 4, 22 and 28)	$ 9,291,720	100	$ 5,514,958	100
5110	OPERATING COSTS (Notes 4, 11, 20, 23 and 28)	5,720,361	62	4,405,880	80
5900	GROSS PROFIT	3,571,359	38	1,109,078	20
	OPERATING EXPENSES (Notes 20, 23 and 28)				
6100	Selling and marketing expenses	148,809	2	87,575	2
6200	General and administrative expenses	116,177	1	106,436	2
6300	Research and development expenses	6,154	-	5,424	-
6000	Total operating expenses	271,140	3	199,435	4
6900	PROFIT FROM OPERATIONS	3,300,219	35	909,643	16
	NON-OPERATING INCOME AND EXPENSES (Notes 4, 12, 23 and 28)				
7100	Interest income	1,799	-	4,031	-
7010	Other income	260,074	3	158,029	3
7020	Other gains and losses	74,079	1	73,462	2
7510	Interest expense	(22,743)	-	(42,537)	(1)
7060	Share of profit or loss of associates	118,745	1	178,127	3
7000	Total non-operating income and expenses	431,954	5	371,112	7
7900	PROFIT BEFORE INCOME TAX	3,732,173	40	1,280,755	23
7950	INCOME TAX EXPENSE (Notes 4 and 24)	631,046	6	177,168	3
8200	NET PROFIT FOR THE YEAR	3,101,127	34	1,103,587	20

(Continued)

(Continued)

Code		2021 Amount	2021 %	2020 Amount	2020 %
	OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4, 12, 20, 21 and 24)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	($ 1,434)	-	($ 608)	-
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	945,328	10	1,011,472	18
8330	Share of the other comprehensive income (loss) of associates accounted for using the equity method	52,062	1	64,833	1
8349	Income tax relating to items that will not be reclassified subsequently to profit or loss	(2,572)	-	(3,332)	-
		993,384	11	1,072,365	19
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating foreign operations	(49,087)	(1)	41,058	1
8380	Share of the other comprehensive income (loss) of associates accounted for using the equity method	(6,262)	-	(5,315)	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	9,817	-	(8,212)	-
		(45,532)	(1)	27,531	1
8300	Other comprehensive loss for the year, net of income tax	947,852	10	1,099,896	20
8500	TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	$ 4,048,979	44	$ 2,203,483	40
	EARNINGS PER SHARE (Note 25)				
9710	Basic	$ 5.22		$ 1.86	
9810	Diluted	$ 5.21		$ 1.86	

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ASIA POLYMER CORPORATION

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

		Equity Attributable to Owners of the Company (Notes 4, 8, 21 and 24)								
		Share Capital			Retained Earnings			Other Equity		
Code		Shares (In Thousands)	Ordinary Share	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity
A1	BALANCE AT JANUARY 1, 2020	554,382	$ 5,543,827	$ 24,400	$ 1,713,152	$ 565,379	$ 2,507,082	($ 221,959)	$ 97,939	$ 10,229,820
	Appropriation of the 2019 earnings									
B1	Legal reserve	-	-	-	85,058	-	(85,058)	-	-	-
B5	Cash dividends distributed	-	-	-	-	-	(332,630)	-	-	(332,630)
B9	Share dividends distributed	27,719	277,191	-	-	-	(277,191)	-	-	-
C3	Reclassification of past dividends to capital surplus	-	-	901	-	-	-	-	-	901
C7	Changes in capital surplus from investments in associates accounted for using the equity method	-	-	7,971	-	-	(26,873)	-	26,873	7,971
D1	Net profit for the year ended December 31, 2020	-	-	-	-	-	1,103,587	-	-	1,103,587
D3	Other comprehensive income (loss) for the year ended December 31, 2020, net of income tax	-	-	-	-	-	1,263	27,531	1,071,102	1,099,896
D5	Total comprehensive income (loss) for the year ended December 31, 2020	-	-	-	-	-	1,104,850	27,531	1,071,102	2,203,483
Z1	BALANCE AT DECEMBER 31, 2020	582,101	5,821,018	33,272	1,798,210	565,379	2,890,180	(194,428)	1,195,914	12,109,545
	Appropriation of the 2020 earnings									
B1	Legal reserve	-	-	-	107,798	-	(107,798)	-	-	-
B5	Cash dividends distributed	-	-	-	-	-	(698,522)	-	-	(698,522)
B9	Share dividends distributed	11,642	116,420	-	-	-	(116,420)	-	-	-
C3	Reclassification of past dividends to capital surplus	-	-	1,913	-	-	-	-	-	1,913
C7	Changes in capital surplus from investments in associates accounted for using the equity method	-	-	134	-	-	-	-	-	134
D1	Net profit for the year ended December 31, 2021	-	-	-	-	-	3,101,127	-	-	3,101,127
D3	Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	(1,390)	(45,532)	994,774	947,852
D5	Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	3,099,737	(45,532)	994,774	4,048,979
Q1	Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	72,182	-	(72,182)	-
Z1	BALANCE AT DECEMBER 31, 2021	593,743	$ 5,937,438	$ 35,319	$ 1,906,008	$ 565,379	$ 5,139,359	($ 239,960)	$ 2,118,506	$ 15,462,049

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

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ASIA POLYMER CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars)

Code		2021	2020
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income before income tax	$ 3,732,173	$ 1,280,755
A20010	Adjustments for:		
A20100	Depreciation expenses	310,134	312,201
A20200	Amortization expenses	18	35
A20400	Net gain on fair value change of financial assets at fair value through profit or loss	(1,012)	(88)
A20900	Interest expense	22,743	42,537
A21200	Interest income	(1,799)	(4,031)
A21300	Dividend income	(201,073)	(103,685)
A22400	Share of profit or loss of associates	(118,745)	(178,127)
A23200	Loss on disposal of investments accounted for using the equity method	-	527
A23800	Loss on (gain on reversal of) write-down of inventories	757	(408)
A24100	Net loss (gain) on foreign currency exchange	4,641	(2,813)
A30000	Changes in operating assets and liabilities		
A31115	Financial assets mandatorily classified as at fair value through profit or loss	(34,604)	1,581,996
A31150	Accounts receivable from unrelated parties	(444,789)	48,844
A31160	Accounts receivable from related parties	(231,685)	(24,998)
A31180	Other receivables from unrelated parties	(8,014)	(2,388)
A31190	Other receivables from related parties	493	2,012
A31200	Inventories	(275,099)	54,768
A31230	Prepayments	(20,940)	13,725
A32150	Accounts payable from unrelated parties	(20,358)	104,085
A32160	Accounts payable from related parties	17,410	24
A32180	Other payables from unrelated parties	38,101	12,940
A32190	Other payables from related parties	156,496	(116,769)
A32230	Other current liabilities	(16,776)	14,195
A32240	Net defined benefit liabilities - non-current	(21,486)	(11,420)
A33000	Cash generated from operations	2,886,586	3,023,917
A33100	Interest received	1,898	4,298

(continue on the next page)

(from the previous page)

Code		2021	2020
A33300	Interest paid	($ 23,850)	($ 43,096)
A33500	Income tax paid	(180,387)	(149,099)
AAAA	Net cash generated from operating activities	2,684,247	2,836,020
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00040	Acquisition of financial assets at amortized cost - non-current	-	5,141
B00020	Proceeds from sale of financial assets at fair value through other comprehensive income	100,201	-
B00030	Capital reduction of financial assets at fair value through other comprehensive income	20,897	34,135
B00300	Purchase of financial assets at fair value through other comprehensive income - current	(1,234)	-
B01800	Acquisition of associates	-	(783,964)
B02400	Capital return and liquidation of investments accounted for using the equity method	-	23,896
B02700	Payments for property, plant and equipment	(403,612)	(284,827)
B09900	Decrease in other non-current assets	6,657	13,313
B07600	Dividends received	291,263	130,713
BBBB	Net cash generated from (used in) investing activities	14,172	(861,593)
	NET CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Repayments of short-term borrowings	(200,000)	(400,000)
C00600	Repayments of short-term bills payable	-	(650,000)
C01600	Proceeds from long-term borrowings	9,475,000	5,400,000
C01700	Repayments of long-term borrowings	(11,150,000)	(6,300,000)
C03100	Decrease in refundable deposits	1,109	3,200
C04020	Repayment of the principal portion of lease liabilities	(6,263)	(5,917)
C04300	Decrease in other non-current liabilities	(313)	(2,283)
C04500	Dividends payment	(698,597)	(332,685)
CCCC	Net cash used in financing activities	(2,579,064)	(2,287,685)
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	119,355	(313,258)
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	274,142	587,400
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 393,497	$ 274,142

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

Notice to Readers:

The financial statement (Chinese version) of our company is audited by the CPA Cheng-Chun Chiu and CPA Pi-Yu Chuang of Deloitte Taiwan. For the convenience of reading, the statement has been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail.

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ASIA POLYMER CORPORATION

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Asia Polymer Corporation (the "Company") was established in January 1977. The Company designs, develops, manufactures and sells low-density polyethylene (LDPE), and ethylene vinyl acetate copolymer (EVA).

The ordinary shares of the Company have been listed on the Taiwan Stock Exchange. As of December 31, 2021, the ultimate parent company, USI Corporation, held 36.08% of ordinary shares of the Company.

The functional currency of the Company is the New Taiwan dollar, and the financial statements of the Company are presented in the Company's functional currency.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements issued after it had approved by the Company's board of directors on March 9, 2022.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

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

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

b. The IFRSs endorsed by the FSC for application starting from 2022

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

Note 1. The amendments to IFRS 9 apply to the exchange of financial liabilities or the modification of the terms that occurs during the annual reporting period commencing on January 1, 2022. The amendments to IAS 41 "Agriculture" apply to the measurement of fair value during the annual reporting period commencing on January 1, 2022. The amendments to IFRS 1 "First-time Adoption of IFRSs" apply retroactively to the annual reporting period commencing on January 1, 2022.

Note 2. This amendment applies to business combinations with the acquisition date falling within the annual reporting period commencing on January 1, 2022.

Note 3. This amendment applies to plant, property and equipment in the location and conditions necessary to achieve management's intended mode of operation after January 1, 2021.

Note 4. This amendment applies to contracts for which all obligations have not been fulfilled as of January 1, 2022.

As of the date the financial statements were authorized for issue, the Company assessed that the adoption of aforementioned standards and amendments has no material impacts on the Company's financial position and financial performance.

c. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	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"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2023
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 2)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 3)
Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"	January 1, 2023 (Note 4)

Note 1. Unless stated otherwise, the above New IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2. The Company shall apply these amendments prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 3. This amendment applies to changes in accounting estimates and changes in accounting policies that occur during the annual reporting period commencing on January 1, 2023.

Note 4. The amendment applies to the transactions taking place after January 1, 2022, except for the recognition of deferred income taxes on temporary differences in leases and decommissioning obligations as at January 1, 2022.

1) Amendments to IAS 1 "Disclosure of Accounting Policies"

The amendment specifies that the Company shall determine the material accounting policy information to be disclosed according to the definition of materiality. Accounting policy information shall be deemed material if it can reasonably be expected to influence the decisions made by the primary users of general-purpose financial statements according to the information provided in the financial statements. This amendment clarifies:

- Accounting policy information in relation to non-material transactions, other matters or circumstances shall be deemed as non-material and the Company is not required to disclose such information.
- The Company may judge the relevant accounting policy information to be material based on the nature of transactions, other matters or circumstances, even if the amount is not substantial.
- Not all accounting policy information relating to significant transactions, other matters or circumstance is considered material.

In addition, the amendment also provides examples to illustrate that accounting policy information may be material if it relates to significant transactions, other matters or circumstances along with the following conditions:

a) The Company changes its accounting policies during the reporting period that results in a material change in the financial statements;

b) The Company selects its applicable accounting policies from the options permitted by the standard;

c) Due to the absence of specific standards, the Company establishes the accounting policies in accordance with IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors";

d) The Company discloses the relevant accounting policies determined by the Company that require to use material judgments or assumptions; or

e) Complex accounting rules are involved and users of financial statements rely on such information to understand these significant transactions, other matters or circumstances.

2) Amendments to IAS 8 "Definition of Accounting Estimates"

The amendment specifies that accounting estimates represent monetary amounts in the financial statements subject to uncertainty of measurement. When using the applicable accounting policy, the Company may need to evaluate items in the financial statements with monetary amounts that are not able to be observed directly but must be estimated. Therefore, evaluation techniques and input value are used to create accounting estimates for this purpose. If the impact on the accounting estimates arising from the changes in evaluation techniques or input value is not related to the correction of errors for the prior period, such changes shall be regarded as the changes in accounting estimates.

Except for the above impact, as of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other 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

a. Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

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

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

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

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

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

When preparing these parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries and associates. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same with the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries and associates, the share of other comprehensive income of subsidiaries and associates and the related equity items, as appropriate, in these parent company only financial statements.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period even if an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting period and before the financial statements are authorized for issue; 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. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.
Assets and liabilities that are not classified as current are classified as non-current.

d. Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the transaction (ie., not retranslated).

For the purposes of presenting financial statements, the assets and liabilities of the Company's foreign operations (including of the subsidiaries and associates in other countries or currencies which are different from the currency of the Company) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e. a disposal of the Company's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences is included in the calculation of equity transactions but is not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

e. Inventories

Inventories consist of raw materials, production supplies, finished goods and work in progress and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

f. Investments accounted for using the equity method

The Company uses the equity method to account for its investments in subsidiaries and associates.

1) Investments in subsidiaries

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are accounted for as equity transactions. The

Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of loss of a subsidiary 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 continues recognizing its share of further loss, if any.

The amount of the acquisition cost in excess of the Company's share of the net fair value of the identifiable assets and liabilities of the associate on the acquisition date is recognized as goodwill, which is included in the carrying amount of the investment and is not amortized. The Company's share of the net fair value of the associate's identifiable assets and liabilities on the acquisition date exceeding the acquisition cost is recognized as income in the period in which it is incurred.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes the reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required had the Company directly disposed of the related assets or liabilities.

Profit or loss resulting from downstream transactions is eliminated in full only in the parent company's financial statements. Profit and loss resulting from upstream transactions and transactions between subsidiaries are recognized only in the parent company's financial statements and only to the extent of interests in the subsidiaries that are not related to the Company.

2) Investments in associates

An associate is an entity over which the Company has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Company uses the equity method to account for its investments in associates. 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. The Company also recognizes the changes in the Company's share of the equity of associates attributable to the Company.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When the Company subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. If the Company's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to 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.

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities.

When the Company transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Company's financial statements only to the extent of interests in the associate that are not related to the Company.

g. Property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are measured at cost less any recognized 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 for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Investment properties

Investment properties are properties held to earn rentals or capital appreciation or both (including right-of-use assets that meet the definition of investment property). Investment properties also include land held for a currently undetermined future use.

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

Investment properties acquired by lease shall be measured at initial cost, and subsequently at cost after deducting accumulated depreciation and accumulated impairment loss, and the remeasurement of lease liabilities shall be adjusted.

Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is included in profit or loss.

i. Intangible assets

1) Acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each year, with the effects of any changes in the estimates accounted for on a prospective basis.

2) Derecognition

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Impairment of property, plant and equipment, right-of-use assets, investment property and intangible assets.

At each balance sheet date, the Company assesses whether there is any indication that property, plant and equipment, right-of-use assets, investment property and intangible assets may have been impaired. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

k. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to an acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. 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

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial asset is classified as at FVTPL when such a financial asset is mandatorily classified. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and derivatives and beneficiary securities that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at fair value through profit or loss are measured at fair value. Dividends and interest accrued are recognized in other revenue and interest income respectively, and profits or losses accrued from remeasurement are recognized in other gains and losses. Fair value is determined in the manner described in Note 27.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets measured at amortized cost, including cash and cash equivalents, accounts receivable and other receivables, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method, less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
ii) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

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 highly liquid time deposits and reverse repurchase agreements collateralized by bonds that can be readily converted into fixed amount of cash with limited risk of change in value. Cash equivalents are held to meet short-term cash commitments.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including accounts receivable).

The Company always recognizes lifetime expected credit losses (ECLs) for accounts receivable. For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Company determines that the following situations indicate that a financial asset is in default:

i. Internal or external information show that the debtor is unlikely to pay its creditors.

ii. When a financial asset is past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of financial assets is recognized in profit or loss by a reduction in their carrying amount through a loss allowance account.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

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

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

Repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except the following situation, all the financial liabilities are measured at amortized cost using the effective interest method.

<u>Financial liabilities at FVTPL</u>

Financial liabilities are classified as at FVTPL when such financial liabilities are held for trading.

Financial liabilities held for trading are stated at fair value, and any gains or losses on such financial liabilities are recognized in other gains or losses.

Fair value is determined in the manner described in Note 27.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4) Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts.

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 immediately. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

l. Revenue recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

<u>Revenue from sale of goods</u>

Revenue from the sale of goods comes from sale of LDPE and EVA. Sales are recognized as revenue when the goods are delivered to the customer's specific location or the goods are shipped because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Accounts receivable are recognized concurrently.

m. Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

1) The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Company subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Company, as a lessee, has accounted for applying recognition exemption, the sublease is classified as an operating lease.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the balance sheets, except for those that meet the definition of investment properties. With respect to the recognition and measurement of right-of-use assets that meet the definition of investment properties, refer to Note h. for the accounting policies for investment properties.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. Lease liabilities are presented separately on individual balance sheets.

n. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the costs of those assets, until such time as the assets are substantially ready for their intended use or sale. Other than those stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

o. Government grant

A government grant is recognized only when it can be reasonably assured that the Company will comply with the conditions imposed by the government grant and that such grant will be received.

Government grants relating to income are recognized in other income on a systematic basis over the periods in which the Company recognizes expenses for the related costs for which the grants are intended to compensate. Government grants whose condition is that the Company should purchase, construct or otherwise acquire the non-current 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.

If the government grant is used to compensate expenses or losses already incurred or is given to the Company for the purpose of immediate financial support without related costs in the future, it can be recognized in profit or loss within the collectible period.

For government subsidy 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 grant.

p. Employee benefits

a) 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.

b) Retirement benefits

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

Defined benefit costs (including service cost, net interest and remeasurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company's defined benefit plans. 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.

q. Taxation

Income tax expense represents the sum of the tax currently payables and deferred tax.

a) Current tax

The Company calculates the income tax payable in accordance with the laws and regulations of the Republic of China.

According to the Income Tax Act in the ROC, an additional tax of unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

b) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. 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. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profit against which to utilize the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the assets to be recovered. 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 liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. 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.

c) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company’s accounting policies, management is required to make judgments, estimations and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Company takes into account the economic impact of the COVID-19 outbreak in its critical accounting estimates and the management will constantly review the estimates and underlying assumptions. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Key Sources of Estimation Uncertainty

Estimation of damage compensation for associate’s gas explosion incidents

The Company’s associate, China General Terminal & Distribution Corporation (hereinafter “CGTD”), recognized a provision for civil damages due to gas explosion. The management considered the progress of the relevant civil and criminal procedures, settlements achieved, and legal advice to estimate the amount of the provision. However, the actual amount might differ from the current estimation.

6. CASH AND CASH EQUIVALENTS

	December 31, 2021	December 31, 2020
Cash on hand and petty cash	$ 113	$ 179
Checking accounts and demand deposits	80,328	24,490
Cash equivalents		
Time deposits	173,077	249,473
Reverse repurchase agreements collateralized by bonds	139,979	-
	$ 393,497	$ 274,142

At the end of the reporting period, the market rate intervals for bank deposits and reverse repurchase agreements collateralized by bonds were as follows:

	December 31, 2021	December 31, 2020
Time deposits	0.09%~1.80%	0.07%~1.90%
Reverse repurchase agreements collateralized by bonds	0.37%	-

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS (FVTPL) - CURRENT

	December 31, 2021	December 31, 2020
Financial assets - current		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts	$ 393	$ -
Non-derivative financial assets		
Domestic listed shares	165,462	175,885
Mutual funds	813,890	770,027
Beneficiary securities	60,119	61,388
Subtotal	1,039,471	1,007,300
	$ 1,039,864	$ 1,007,300
Financial liabilities - current		
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange forward contracts	$ 860	$ 3,912

The net gain on operations of financial assets and liabilities at FVTPL - current in 2021 and 2020 was gain of $100,147 thousand and $104,863 thousand, respectively.

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

December 31, 2021

	Currency	Maturity Date	Notional Amount (In Thousands)
Sell	RMB/NTD	2022.01.03-2022.03.24	RMB138,200/NTD597,950

December 31, 2020

	Currency	Maturity Date	Notional Amount (In Thousands)
Sell	RMB/NTD	2021.01.05-2021.04.01	RMB77,660/NTD333,460

The Company entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. However, those contracts did not meet the criteria of hedge effectiveness and, therefore, were not accounted for using hedge accounting.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments

	December 31, 2021	December 31, 2020
Current		
Domestic investments		
Listed shares	$ 44,346	$ 86,368
Non-current		
Domestic investments		
Listed shares	$ 3,955,431	$ 2,977,139
Unlisted shares	164,993	275,798
	$ 4,120,424	$ 3,252,937

These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe 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.

From July 2021 to September 2021, the Company adjusted the investment position to diversify risks and sold part of common shares of Wafer Works Corporation. The related unrealized gains of $72,182 thousand booked in other equity - financial assets at fair value through other comprehensive income were transferred to retained earnings.

The investee, KHL IB Venture Capital Co., Ltd., reduced its capital and returned cash to its shareholders in February and August 2021, respectively. The Company received $20,897 thousand back in total, according to its shareholding ratio.

The investees, KHL IB Venture Capital Co., Ltd., and Riselink Venture Capital Corp., reduced their capital and returned cash to their shareholders in August, December and September 2020, respectively. The Company received $34,135 thousand back in total, according to its shareholding ratio.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31, 2021	December 31, 2020
Non-current		
Restricted bank deposits	$ 21,786	$ 42,648

The restricted bank deposits are the earnings repatriation of USI International Corporation and the Ministry of Economic Affairs has approved the Company's repatriation application in accordance with the Regulations Governing Investment Industry with Repatriated Offshore Funds.

10. ACCOUNTS RECEIVABLE

	December 31, 2021	December 31, 2020
Accounts receivable		
At amortized cost		
Gross carrying amount	$ 992,912	$ 547,372
Less: Allowance for impairment loss	(2,000)	(2,000)
	$ 990,912	$ 545,372
Accounts receivable from related parties (Note 28)	$ 441,506	$ 209,875

Accounts receivable

Accounts receivable at amortized cost

The average credit period of sales of goods was 15-90 days. No interest was charged on accounts receivable since the credit period was short.

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. In addition, the Company reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Company's credit risk was significantly reduced.

The Company applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all accounts receivable. The expected credit losses on accounts receivable are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date.

The following table details the loss allowance of accounts receivable based on the Company's provision matrix.

December 31, 2021

	Not Past Due	1 to 60 Days	61 to 90 Days	Total
Gross carrying amount	$1,434,418	$ -	$ -	$1,434,418
Loss allowance (Lifetime ECL)	(2,000)	-	-	(2,000)
Amortized cost	$1,432,418	$ -	$ -	$1,432,418

December 31, 2020

	Not Past Due	1 to 60 Days	61 to 90 Days	Total
Gross carrying amount	$ 757,247	$ -	$ -	$ 757,247
Loss allowance (Lifetime ECL)	(2,000)	-	-	(2,000)
Amortized cost	$ 755,247	$ -	$ -	$ 755,247

The above aging schedule was based on the number of days overdue.

The movements of the loss allowance of accounts receivable were as follows:

	2021	2020
Balance at January 1	$ 2,000	$ 2,000
Add: Reclassification	-	-
Balance at December 31	$ 2,000	$ 2,000

11. INVENTORIES

	December 31, 2021	December 31, 2020
Finished goods	$ 372,579	$ 158,254
Work in progress	35,318	19,347
Raw materials	111,706	82,790
Production supplies	49,585	34,455
	$ 569,188	$ 294,846

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2021 and 2020 was $5,720,361 thousand and $4,405,880 thousand, respectively. The cost of goods sold for 2021 and 2020 included loss (recovery gain) for market price decline and obsolete and slow-moving inventories of $757 thousand and $(408) thousand respectively. The recovery of net net realized value of inventory was due to the rise of the selling prices of inventory in the market.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31, 2021	December 31, 2020
Investments in subsidiaries	$ 776,272	$ 712,918
Investments in associates	6,411,547	6,449,500
	$ 7,187,819	$ 7,162,418

a. Investments in subsidiaries

	December 31, 2021	December 31, 2020
Unlisted company		
APC (BVI) Holding Co., Ltd.	$ 545,802	$ 517,012
APC Investment Co., Ltd.	168,090	132,491
USI International Corp.	62,380	63,415
	$ 776,272	$ 712,918

As of December 31, 2021 and 2020, the percentage of ownership interests and voting rights of the Company in the subsidiaries were as follows:

	December 31, 2021	December 31, 2020
APC (BVI) Holding Co., Ltd.	100%	100%
APC Investment Co., Ltd.	100%	100%
USI International Corp.	70%	70%

A subsidiary, USI International Corp., reduced its capital and returned cash to its shareholders in November 2020. The Company received $20,020 thousand back in total, according to its shareholding ratio.

The investments in subsidiaries accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2021 and 2020 were based on the subsidiaries' financial statements audited by auditors for the same years.

In order to meet the business needs, the Company's Board of Directors has resolved on August 12, 2020 to establish a joint venture sales company in Mainland China through APC (BVI) and Swanlake Traders Ltd, the subsidiary of USI Corporation. The capital is expected to be RMB$ 300,000 thousand and the Company's shareholding ratio is expected to be 30%. The joint venture has not been incorporated as of March 9, 2022.

b. Investments in associates

	December 31, 2021	December 31, 2020
Material associates		
Ever Conquest Global Ltd.	$ 4,851,207	$ 5,066,945
Associates that are not individually material		
Listed company		
China General Plastics Corporation ("CGPC")	900,764	782,997
Acme Electronics Corporation ("ACME")	44,186	42,939
Unlisted company		
China General Terminal & Distribution Corporation ("CGTD")	$ 373,731	$ 315,711
Swanson Plastics Corporation ("SPC")	210,268	206,857
Taiwan United Venture Capital Corp. ("TUVC")	22,673	21,472
USI Optronics Corporation ("USIO")	8,718	12,579
	$ 6,411,547	$ 6,449,500

1) Material associates

			Proportion of Ownership and Voting Rights	
Name of Associate	Nature of Activities	Principal Place of Business	December 31, 2021	December 31, 2020
Ever Conquest Global Ltd.	Reinvestment	British Virgin Islands	40.87%	40.87%

The Company uses the equity method to account for the above associate.

The summarized financial information below represents amounts shown in the associates' financial statements prepared in accordance with IFRSs and adjusted by the Company for equity accounting purposes.

Ever Conquest Global Ltd.

	December 31, 2021	December 31, 2020
Non-current assets	$ 11,870,695	$ 12,398,597
Equity	$ 11,870,695	$ 12,398,597
Proportion of the Company's ownership	40.87%	40.87%
Equity attributable to the Company	$ 4,851,207	$ 5,066,945
Carrying amount	$ 4,851,207	$ 5,066,945

	2021	2020
The Company's share of:		
Net loss for the year	($ 181,227)	($ 44,058)
Other comprehensive gain (loss)	(34,511)	53,761
Total comprehensive (loss) income for the year	($ 215,738)	$ 9,703

2) Aggregate information of subsidiaries and associates that are not individually material

	2021	2020
The Company's share of:		
NET PROFIT FOR THE YEAR	$ 299,972	$ 222,185
Other comprehensive gain (loss)	31,223	46,815
Total comprehensive (loss) income for the year	$ 331,195	$ 269,000

As of December 31, 2021 and 2020, the percentage of ownership interests and voting rights of the Company in the associates were as follows:

Name of Associates	December 31, 2021	December 31, 2020
CGPC	8.07%	8.07%
ACME	3.31%	3.31%
CGTD	33.33%	33.33%
SPC	7.95%	7.95%
TUVC	8.33%	8.33%
USIO	9.20%	9.20%

Refer to Table 5 “Information on Investees” and Table 6 “Information on Investments in Mainland China” for the nature of activities, principal places of business and countries of incorporation of the associates.

As Thintec Materials Corporation (“TMC”) essentially has no production and sales business in recent years, the Board of Directors of TMC resolved on April 12, 2019 to conduct dissolution and liquidation starting from May 25, 2019 (dissolution date). TMC has completed dissolution and liquidation procedures on July 22, 2020 and recognized the investment disposal loss of $527 thousand.

The Company’s percentage of ownership over CGPC, ACME, SPC, TUVC, and USIO was less than 20%. These associates were accounted for using the equity method, as the Company retained significant influence over them.

The Company and USI Corporation originally scheduled to sign a joint venture arrangement for Fujian Gulei Petrochemical Co., Ltd. on April 17, 2014. But due to an increase in the investment plan funding requirements, the joint venture arrangement was re-signed on September 30, 2016. The Company and USI Corporation established Ever Conquest Global Ltd., so as to invest in the joint venture through a holding company registered in a third region. As of December 31, 2021, the Company and USI Corporation had respectively invested US$170,475 thousand (approximately $5,255,588 thousand) and US$246,670 thousand (approximately $7,645,980 thousand). Refer to Note 29 for more information.

The market prices of the investments accounted for using the equity method in publicly traded shares calculated by the closing price at the end of the reporting period are summarized as follows.

Name of Associates	December 31, 2021	December 31, 2020
CGPC	$ 1,626,951	$ 1,136,432
ACME	$ 324,029	$ 114,470

Except ACME whose financial statements were not audited by CPAs, the profit or loss of associates using the equity method and the share of other comprehensive income were recognized based on associates’ financial statements audited by CPAs in the same period. However, the Group's management considered that there was no material impact arising from ACME's unaudited financial statements.

13. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings and Improvements	Machinery and Equipment	Other Equipment	Construction in Progress and Prepayments for Equipment	Total
Cost						
Balance at January 1, 2021	$ 228,229	$ 778,815	$6,425,227	$ 96,795	$ 243,332	$7,772,398
Additions	-	-	25,000	-	395,758	420,758
Disposals	-	-	(36,347)	(2,905)	-	(39,252)
Reclassification	-	-	19,969	373	(20,342)	-
Balance at December 31, 2021	$ 228,229	$ 778,815	$6,433,849	$ 94,263	$ 618,748	$8,153,904
Accumulated depreciation						
Balance at January 1, 2021	$ -	$ 303,535	$4,124,977	$ 86,857	$ -	$4,515,369
Depreciation expenses	-	20,222	278,014	3,343	-	301,579
Disposals	-	-	(36,347)	(2,905)	-	(39,252)
Balance at December 31, 2021	$ -	$ 323,757	$4,366,644	$ 87,295	$ -	$4,777,696
Carrying amounts at December 31, 2021	$ 228,229	$ 455,058	$2,067,205	$ 6,968	$ 618,748	$3,376,208
Cost						
Balance at January 1, 2020	$ 228,229	$ 778,235	$6,353,938	$ 96,025	$ 73,205	$7,529,632
Additions	-	-	26,163	-	258,664	284,827
Disposals	-	-	(42,008)	(53)	-	(42,061)
Reclassification	-	580	87,134	823	(88,537)	-
Balance at December 31, 2020	$ 228,229	$ 778,815	$6,425,227	$ 96,795	$ 243,332	$7,772,398
Accumulated depreciation						
Balance at January 1, 2020	$ -	$ 281,998	$3,888,703	$ 82,594	$ -	$4,253,295
Depreciation expenses	-	21,537	278,282	4,316	-	304,135
Disposals	-	-	(42,008)	(53)	-	(42,061)
Balance at December 31, 2020	$ -	$ 303,535	$4,124,977	$ 86,857	$ -	$4,515,369
Carrying amounts at December 31, 2020	$ 228,229	$ 475,280	$2,300,250	$ 9,938	$ 243,332	$3,257,029

For the years ended December 31, 2021 and 2020, no impairment loss or reversal of impairment loss was recognized.

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	
Factory and improvements	15 to 40 years
Main buildings and improvements	10 to 40 years
Storage rooms	11 to 45 years
Engineering systems	35 to 40 years
Others	2 to 20 years
Machinery and equipment	3 to 22 years
Other equipment	3 to 10 years

In order to support the relocation of petrochemical storage facilities in the old port area conducted by Taiwan International Ports Corporation Ltd. ("TIPC"), China General Terminal & Distribution Corporation ("CGTD") leases the terminal facilities and back-line lands of Phase II Petrochemical Oil Storage and Transportation Center of Kaohsiung Port Container Center, with the lease term from August 1, 2017 to July 31, 2042. The rent is paid on quarterly basis. In addition, the Board of Directors of the Company resolved to build the Intercontinental Phase II Petrochemical Oil Products Center in 2019 with total investment amount for the construction of $765,893 thousand. As of December 31, 2021, the Company has made construction payment of $547,026 thousand, which was booked under the construction in progress.

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31, 2021	December 31, 2020
Carrying amounts		
Land	$ 7,700	$ -
Transportation equipment	443	424
	$ 8,143	$ 424

	2021	2020
Increase in right-of-use assets	$ 8,631	$ 847
Depreciation charge for right-of-use assets		
Land	$ 318	$ -
Transportation equipment	594	423
	$ 912	$ 423

For the years ended December 31, 2021 and 2020, no impairment loss or reversal of impairment loss was recognized.

The Company has been subleasing its leasehold office space located in Taipei to other company under operating leases. The related right-of-use assets are presented as investment properties (as set out in Note 15). The amounts disclosed above with respect to the right-of-use assets do not include right-of-use assets that meet the definition of investment properties.

b. Lease liabilities

	December 31, 2021	December 31, 2020
Carrying amounts		
Current	$ 5,765	$ 5,981
Non-current	$ 21,530	$ 18,946

Range of discount rate for lease liabilities was as follows:

	December 31, 2021	December 31, 2020
Land	1.06%	-
Transportation equipment	1.06%	1.06%
Buildings	1.06%	1.06%

c. Other lease information

	2021	2020
Expenses relating to short-term leases	$ 3,295	$ 3,774
Total cash outflow for leases	($ 9,871)	($ 9,989)

The Company leases certain buildings which qualify as short-term lease. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

15. INVESTMENT PROPERTIES

	Land	Buildings and Improvements	Right-of-use Assets	Total
Cost				
Balance at January 1, 2021	$ 370,202	$ 131,690	$ 34,585	$ 536,477
Balance at December 31, 2021	$ 370,202	$ 131,690	$ 34,585	$ 536,477
Accumulated depreciation				
Balance at January 1, 2021	$ -	$ 74,937	$ 10,921	$ 85,858
Depreciation expenses	-	2,183	5,460	7,643
Balance at December 31, 2021	$ -	$ 77,120	$ 16,381	$ 93,501
Carrying amounts at December 31, 2021	$ 370,202	$ 54,570	$ 18,204	$ 442,976
Cost				
Balance at January 1, 2020	$ 370,202	$ 131,690	$ 34,585	$ 536,477
Balance at December 31, 2020	$ 370,202	$ 131,690	$ 34,585	$ 536,477
Accumulated depreciation				
Balance at January 1, 2020	$ -	$ 72,754	$ 5,461	$ 78,215
Depreciation expenses	-	2,183	5,460	7,643
Balance at December 31, 2020	$ -	$ 74,937	$ 10,921	$ 85,858
Carrying amounts at December 31, 2020	$ 370,202	$ 56,753	$ 23,664	$ 450,619

Right-of-use assets included in investment properties are units of office space and subleased under operating leases.

The investment properties were leased out for 5 years. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties as at December 31, 2021 was as follows:

	December 31, 2021	December 31, 2020
Year 1	$ 16,673	$ 15,910
Year 2	16,310	15,547
Year 3	16,310	15,547
Year 4	948	11,188
Year 5	-	932
	$ 50,241	$ 59,124

Except for the recognition of depreciation expenses, there was no significant increase, disposal or impairment of the Company's investment properties from January 1 to December 31, 2021 and 2020. The investment properties held by the Company are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and Improvements	
Main buildings and improvements	5 to 50 years
Right-of-use Assets	6 years

The fair value of the investment property (i.e., the land) located in Linyuan Industrial Park, which is for industrial use, cannot be reliably determined due to infrequent market transactions. The investment properties - land (excluding those located in Linyuan Industrial Park), buildings and improvements were not evaluated by the independent appraisers. The fair values of these investment properties were measured by the Company's management applying Level 3 input values generated from the valuation model commonly used by market participants. The valuation was conducted with reference to the transaction prices of similar properties in the neighborhood.

The fair value of the right-of-use asset was measured using expected rental income deducting the net amount of all expected payments, plus relevant recognized lease liabilities.

As of December 31, 2021 and 2020, the fair values derived from the valuation were as follows:

	December 31, 2021	December 31, 2020
Fair Value	$ 1,283,555	$ 1,198,597

16. BORROWINGS

a. Short-term borrowings

	December 31, 2021	December 31, 2020
Unsecured borrowings		
Bank loans	$ 500,000	$ 700,000

The range of interest rates on bank loans was 0.74%-0.78% and 0.80%-0.82% per annum as of December 31, 2021 and 2020, respectively.

b. Long-term borrowings

	December 31, 2021	December 31, 2020
Unsecured borrowings	$ 1,369,746	$ 3,050,000
Range of interest rates	0.30%-0.80%	0.89%-0.95%

In order to secure medium to long-term working capital, the Company signed medium to long-term loan agreements with banks with total lines of credit of $6,050,000 thousand. The loan agreements will subsequently expire before December 2024 and these lines of credit are on revolving basis. As of December 31, 2021, $1,000,000 thousand has been utilized.

Through "Action Plan for Accelerated Investment by Domestic Corporations" the Company obtained a low-interest bank loan of $1,419,000 thousand. The difference between the market interest rate of 0.80% recognized and measured for the bank loan and the actual interest paid at preferential rate of 0.30% was recognized as government grant. As of December 31, 2021, $375,000 thousand has been utilized.

Some of the Company's loan agreements stipulate that the current ratio and debt ratio as stated on the financial statements shall not be less than a specified percentage, and that if such a percentage fails to be met, the Company shall propose improvement measures to the banks concerned. As of December 31, 2021, the Company did not violate these financial ratios and terms.

17. ACCOUNTS PAYABLE

	December 31, 2021	December 31, 2020
Accounts payable (including related parties)		
Arising from operation	$ 250,909	$ 253,993

The average credit period was 1 month. The Company had financial risk management policies in place to ensure that all payables were paid within the pre-agreed credit terms.

18. OTHER PAYABLES

	December 31, 2021	December 31, 2020
Other payables		
Payables for salaries or bonuses	$ 141,996	$ 105,700
Payables for utilities	33,306	37,093
Payables for freight fees	20,258	12,099
Payables for dividends	6,128	5,699
Payables for insurance	1,973	1,953
Payables for equipment	961	5,694
Others	25,679	26,396
	$ 230,301	$ 194,634

19. REFUND LIABILITIES - CURRENT

	December 31, 2021	December 31, 2020
Customer returns and rebates	$ 5,899	$ 5,899

The Company applied IFRS 15 and recognized estimated sales returns and rebates as refund liabilities.

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (the "LPA"), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Law is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 10% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The amounts included in the balance sheets in respect of the Company's defined benefit plans were as follows:

	December 31, 2021	December 31, 2020
Present value of defined benefit obligation	$ 297,097	$ 373,108
Fair value of plan assets	(162,092)	(218,051)
Net defined benefit liabilities	$ 135,005	$ 155,057

Movements in 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 at January 1, 2021	$ 373,108	($ 218,051)	$ 155,057
Service cost			
Current service cost	2,655	-	2,655
Net interest expense (income)	1,324	(836)	488
Recognized in profit or loss	3,979	(836)	3,143
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(3,193)	(3,193)
Actuarial loss - changes in demographic assumptions	7,073	-	7,073
Actuarial gain - changes in financial assumptions	(2,526)	-	(2,526)
Actuarial loss - experience adjustments	80	-	80
Recognized in other comprehensive income	4,627	(3,193)	1,434
Contributions from the employer	-	(24,629)	(24,629)
Benefits paid	(84,617)	84,617	-
Balance at December 31, 2021	$ 297,097	($ 162,092)	$ 135,005
Balance at January 1, 2020	$ 406,749	($ 240,881)	$ 165,868
Service cost			
Current service cost	3,276	-	3,276
Net interest expense (income)	2,436	(1,524)	912
Recognized in profit or loss	5,712	(1,524)	4,188
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(7,953)	(7,953)
Actuarial loss - changes in financial assumptions	6,091	-	6,091
Actuarial loss - experience adjustments	2,470	-	2,470
Recognized in other comprehensive income	8,561	(7,953)	608
Contributions from the employer	-	(15,607)	(15,607)
Benefits paid	(47,914)	47,914	-
Balance at December 31, 2020	$ 373,108	($ 218,051)	$ 155,057

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic or foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate of a 2-year time deposit with local banks.

2) Interest risk: A decrease in corporate bond interest rates will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans' debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated with reference to the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31, 2021	December 31, 2020
Discount rate	0.50%	0.38%
Expected rate of salary increase	2.25%	2.25%

If possible reasonable changes in each of the significant actuarial assumptions were to occur and all other assumptions were to remain constant, the present value of the defined benefit obligation would increase (decrease) as follows:

	December 31, 2021	December 31, 2020
Discount rate		
0.25% increase	($ 5,070)	($ 6,091)
0.25% decrease	$ 5,207	$ 6,257
Expected rate of salary increase		
0.25% increase	$ 5,029	$ 6,032
0.25% decrease	($ 4,922)	($ 5,904)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that changes in the assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31, 2021	December 31, 2020
Expected contributions to the plan for the next year	$ 25,000	$ 50,000
Average duration of the defined benefit obligation	6.9 years	6.7 years

21. EQUITY

a. Ordinary shares

	December 31, 2021	December 31, 2020
Number of shares authorized (in thousands)	620,000	620,000
Shares authorized	$ 6,200,000	$ 6,200,000

	December 31, 2021	December 31, 2020
Number of shares issued and fully paid (in thousands)	593,743	582,101
Shares issued	$ 5,937,438	$ 5,821,018

Fully paid ordinary shares, which have a par value of $10, carry one vote per share and carry a right to dividends.

The shareholders held their regular meeting on July 29, 2021 and, in that meeting, resolved to issue 11,642 thousand ordinary shares as share dividends appropriated from earnings, with a par value of $10, which increased the share capital issued and fully paid to $5,937,438 thousand. The above-mentioned plan for the share dividend issuance has been approved and declared effective by the Securities and Futures Bureau of the Financial Supervisory Commission on August 5, 2021, and the Board of Directors has resolved that September 10, 2021 is the record date for the new shares issuance.

b. Capital surplus

	December 31, 2021	December 31, 2020
Unpaid dividends	$ 24,226	$ 22,313
Share of changes in capital surplus of associates	11,093	10,959
	$ 35,319	$ 33,272

Capital surplus which arises from the consideration received from issuance of shares (including consideration from issuance of ordinary shares) and donations may be used to offset a deficit, in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or share dividends up to a certain percentage of the Company's paid-in capital.

Capital surplus which arises from unclaimed dividends may be used to offset a deficit only, and the share of changes in capital surplus of associates may not be used for any purpose.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a 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. For the policies on the distribution of employees' compensation and remuneration of directors after the amendment, refer to "Employees' compensation and remuneration of directors" in Note 23-g.

As the Company is in the maturation stage, for research and development needs and business diversification, the amount of dividends for shareholders shall be no less than 10% of distributable retained earnings for the current year, among which the amount of cash dividends shall be no less than 10%. If the distributable retained earnings per share of the current year are less than $0.1, the retained earnings are not to be distributed.

An 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 appropriations of earnings for 2020 and 2019 approved in the shareholders' meetings on July 29, 2021 and June 12, 2020, respectively, were as follows:

	2020	2019
Legal reserve	$ 107,798	$ 85,058
Cash dividends	$ 698,522	$ 332,630
Share dividends	$ 116,420	$ 277,191
Cash dividends per share (NT$)	$ 1.2	$ 0.6
Share dividends per share (NT$)	$ 0.2	$ 0.5

The appropriation of earnings for 2021 had been proposed by the Company's board of directors on March 9, 2022 were as follows:

	2021
Legal reserve	$ 317,192
Cash dividends	$ 1,781,232
Cash dividends per share (NT$)	$ 3

The appropriation of earnings for 2021 is subject to resolution in the shareholders' meeting to be held on May 27, 2022.

d. Other equity items

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

	2021	2020
Balance at January 1	($ 194,428)	($ 221,959)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	(49,087)	41,058
Share of exchange differences of subsidiaries and associates accounted for using the equity method	(6,262)	(5,315)
Related income tax	9,817	(8,212)
Other comprehensive income recognized for the year	(45,532)	27,531
Balance at December 31	($ 239,960)	($ 194,428)

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

	2021	2020
Balance at January 1	$ 1,195,914	$ 97,939
Recognized for the year		
Unrealized gain (loss)		
Equity instruments	945,328	1,011,472
Share from subsidiaries and associates accounted for using the equity method	52,305	63,084
Related income tax	(2,859)	(3,454)
Other comprehensive income recognized for the year	994,774	1,071,102
Cumulative unrealized gain of equity instruments transferred to retained earnings due to disposal	(72,182)	-
Share from subsidiaries and associates accounted for using the equity method	-	26,873
Balance at December 31	$ 2,118,506	$ 1,195,914

22. REVENUE

a. Revenue from contracts with customers

	2021	2020
Revenue from sale of goods	$ 9,291,720	$ 5,514,958

b. Contract balances

	December 31, 2021	December 31, 2020	January 1, 2020
Accounts receivable (Note 10)	$ 1,432,418	$ 755,247	$ 776,295
Contract liabilities (presented in other current liabilities)	$ 11,010	$ 28,930	$ 11,491

23. NET PROFIT (LOSS) FROM CONTINUING OPERATIONS

Net profit (loss) from continuing operations included the following:

a. Interest income

	2021	2020
Interest income		
Bank deposits	$ 677	$ 2,688
Financial assets at FVTPL	1,109	1,325
Reverse repurchase agreements collateralized by bonds	13	18
	$ 1,799	$ 4,031

b. Other income

	2021	2020
Rental income	$ 48,499	$ 46,749
Dividend income		
Financial assets at FVTPL	6,451	1,921
Investments in equity instruments at FVTOCI	194,622	101,764
	201,073	103,685
Others	10,502	7,595
	$ 260,074	$ 158,029

c. Other gains and losses

	2021	2020
Fair value changes of financial assets and financial liabilities		
Financial assets at FVTPL	$ 97,705	$ 99,599
Financial liabilities at FVTPL	(5,118)	2,018
Net foreign exchange losses	(2,699)	(13,066)
Loss on disposal of investments	-	(527)
Others	(15,809)	(14,562)
	$ 74,079	$ 73,462

d. Financial costs

	2021	2020
Interest on bank loans	$ 22,430	$ 42,239
Interest on lease liabilities	313	298
	$ 22,743	$ 42,537

There was no capitalization of interest costs between 2021 and 2020.

e. Depreciation and amortization

	2021	2020
Property, plant and equipment	$ 301,579	$ 304,135
Investment properties	7,643	7,643
Right-of-use assets	912	423
Intangible assets	18	35
Total	$ 310,152	$ 312,236

An analysis of depreciation by function

Operating costs	$ 302,038	$ 304,115
Operating expenses	453	443
Other gains and losses	7,643	7,643
	$ 310,134	$ 312,201

An analysis of amortization by function		
Operating expenses	$ 18	$ 35

f. Employee benefits expense

	2021	2020
Post-employment benefits (Note 20)		
Defined contribution plans	$ 7,666	$ 7,777
Defined benefit plans	3,143	4,188
	10,809	11,965
Other employee benefits	387,753	347,180
Total employee benefits expense	$ 398,562	$ 359,145
An analysis of employee benefits expense by function		
Operating costs	$ 328,489	$ 298,386
Operating expenses	70,073	60,759
	$ 398,562	$ 359,145

g. Employees' compensation and remuneration of directors

The Company accrued employees' compensation and remuneration of directors and supervisors at rates of no less than 1% and no higher than 1%, respectively, of net profit before income tax, employees' compensation and remuneration of directors. The employees' compensation and remuneration of directors for the years ended December 31, 2021 and 2020, which were approved by the Company's board of directors on March 9, 2022 and March 5, 2021, respectively, were as follows:

Accrual rate

	2021	2020
	Cash	Cash
Employees' compensation	1%	1%
Remuneration of directors	-	-

Amount

	2021	2020
	Cash	Cash
Employees' compensation	$ 37,699	$ 12,937
Remuneration of directors	-	-

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

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

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

h. Gains or losses on foreign currency exchange

	2021	2020
Total foreign exchange gains	$ 35,078	$ 23,985
Total foreign exchange losses	(37,777)	(37,051)
Net gain (loss)	($ 2,699)	($ 13,066)

24. INCOME TAX RELATING TO CONTINUING OPERATIONS

a. Major components of income tax expense recognized in profit or loss

	2021	2020
Current tax		
In respect of the current year	$ 658,166	$ 180,367
Income tax on unappropriated earnings	5,549	5,771
Tax on repatriated earnings from subsidiaries	-	3,823
Adjustments for prior years	(5,727)	(1,004)
	657,988	188,957
Deferred tax		
In respect of the current year	(26,942)	(2,231)
The effect of deferred income tax on repatriated earnings from subsidiaries	-	(9,558)
	(26,942)	(11,789)
Income tax expense recognized in profit or loss	$ 631,046	$ 177,168

A reconciliation of accounting profit and income tax expense is as follows:

	2021	2020
Profit before tax from continuing operations	$ 3,732,173	$ 1,280,755
Income tax expense calculated at the statutory rate	$ 746,435	$ 256,151
Nondeductible expenses in determining taxable income	(54,969)	(47,735)
Tax-exempt income	(60,242)	(39,838)
Income tax on unappropriated earnings	5,549	5,771
Tax on repatriated earnings from subsidiaries	-	3,823
Adjustments for prior years' tax	(5,727)	(1,004)
Income tax expense recognized in profit or loss	$ 631,046	$ 177,168

b. Income tax recognized in other comprehensive income

	2021	2020
Deferred tax		
In respect of current year		
Translation of foreign operations	($ 9,817)	$ 8,212
Unrealized gain (loss) on financial assets at FVTOCI	2,859	3,454
Remeasurement on defined benefit plans	(287)	(122)
Income tax expense (benefit) recognized in other comprehensive income	($ 7,245)	$ 11,544

c. Current tax liabilities

	December 31, 2021	December 31, 2020
Current tax liabilities	$ 663,564	$ 185,963

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities were as follows:

2021

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Allowance for inventory valuation and obsolescence losses	$ 25	$ 151	$ -	$ 176
Allowance for office supplies impairment losses	7,979	878	-	8,857
Customer rebates	1,180	-	-	1,180
Allowance for production supplies losses	1,091	(4)	-	1,087
FVTPL financial liabilities	782	(689)	-	93
Payables for annual leave	2,443	(211)	-	2,232
Defined benefit obligation	31,150	(4,246)	287	27,191
Inventory tax differences	68	128	-	196
Exchange differences on foreign operations	37,400	-	9,817	47,217
Investment loss recognized by the equity method	-	16,569	-	16,569
	$ 82,118	$ 12,576	$ 10,104	$ 104,798
Deferred tax liabilities				
Temporary differences				
Land value increment tax reserve	($ 21,469)	$ -	$ -	($ 21,469)
Allowance for impaired receivables	(267)	-	-	(267)
Foreign exchange gains	(626)	240	-	(386)
Depreciation tax differences	(393)	58	-	(335)
Investment gain recognized by the equity method	(14,068)	14,068	-	-
FVTPL financial assets	(5,285)	-	(2,859)	(8,144)
	($ 42,108)	$ 14,366	($ 2,859)	($ 30,601)

2020

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Allowance for inventory valuation and obsolescence losses	$ 107	($ 82)	$ -	$ 25
Allowance for office supplies impairment losses	7,188	791	-	7,979
Customer rebates	1,180	-	-	1,180
Allowance for production supplies losses	1,215	(124)	-	1,091
FVTPL financial liabilities	-	782	-	782
Payables for annual leave	2,535	(92)	-	2,443
Defined benefit obligation	33,277	(2,249)	122	31,150
Inventory tax differences	284	(216)	-	68
Exchange differences on foreign operations	45,612	-	(8,212)	37,400
Foreign exchange losses	1,022	(1,022)	-	-
	$ 92,420	($ 2,212)	($ 8,090)	$ 82,118
Deferred tax liabilities				
Temporary differences				
Land value increment tax reserve	($ 21,469)	$ -	$ -	($ 21,469)
Allowance for impaired receivables	(267)	-	-	(267)
Foreign exchange gains	-	(626)	-	(626)
Depreciation tax differences	(422)	29	-	(393)
Investment gain recognized by the equity method	(28,647)	14,579	-	(14,068)
FVTPL financial assets	(1,850)	19	(3,454)	(5,285)
	($ 52,655)	$ 14,001	($ 3,454)	($ 42,108)

e. Income tax assessments

The Company’s income tax returns through 2019 have been assessed by the tax authorities.

25. EARNINGS PER SHARE

Unit: NT$ Per Share

	2021	2020
Basic earnings per share	$ 5.22	$ 1.86
Diluted earnings per share	$ 5.21	$ 1.86

In calculating earnings per share, the impact of share dividend distribution has been adjusted retrospectively. The record date of new share issuance is set on September 10, 2021. Due to retrospective adjustment, 2021 the changes in basic and diluted earnings per share are as follows:

Unit: NT$ Per Share

	Before retrospective adjustment	After retrospective adjustment
Basic earnings per share	$ 1.90	$ 1.86
Diluted earnings per share	$ 1.89	$ 1.86

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

Net Profit for the Year

	2021	2020
Earnings used in the computation of basic and diluted earnings per share	$ 3,101,127	$ 1,103,587

Unit: In Thousand Shares

	2021	2020
Number of Shares		
Weighted average number of ordinary shares in computation of basic earnings per share	593,743	593,743
Effect of potentially dilutive ordinary shares:		
Employees' compensation	1,191	786
Weighted average number of ordinary shares used in the computation of diluted earnings per share	594,934	594,529

If the Company offered to settle compensation paid to employees in cash or shares, the Company assumed the entire amount of the compensation 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, if the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the shareholders resolve the number of shares to be distributed to employees at their meeting in the following year.

26. CAPITAL MANAGEMENT

The Company manages its capital to ensure that the Company will be able to continue as a going concern while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall management strategy remains unchanged from 2013.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Company (comprising issued capital, reserves, retained earnings, and other equity).

27. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

The Company's management believes that the carrying amounts of financial assets and financial liabilities which are recognized in the financial statements approximate their fair values.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Derivatives	$ -	$ 393	$ -	$ 393
Domestic listed shares	165,462	-	-	165,462
Mutual funds	813,890	-	-	813,890
Beneficiary securities	60,119	-	-	60,119
	$1,039,471	$ 393	$ -	$1,039,864
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$3,999,777	$ -	$ -	$3,999,777
Domestic unlisted shares	-	-	164,993	164,993
	$3,999,777	$ -	$ 164,993	$4,164,770
Financial liabilities at FVTPL				
Derivatives	$ -	$ 860	$ -	$ 860

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Domestic listed shares	$ 175,885	$ -	$ -	$ 175,885
Mutual funds	770,027	-	-	770,027
Beneficiary securities	61,388	-	-	61,388
	$1,007,300	$ -	$ -	$1,007,300
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$3,063,507	$ -	$ -	$3,063,507
Domestic unlisted shares	-	-	275,798	275,798
	$3,063,507	$ -	$ 275,798	$3,339,305
Financial liabilities at FVTPL				
Derivatives	$ -	$ 3,912	$ -	$ 3,912

There were no transfers between Levels 1 and 2 in the current and prior periods.

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

2021

Financial assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1	$ 275,798
Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI)	(89,908)
Return of capital (Note 8)	(20,897)
Balance at December 31	$ 164,993

2020

Financial assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1	$ 237,776
Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI)	72,157
Return of capital (Note 8)	(34,135)
Balance at December 31	$ 275,798

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

Financial Instruments	Valuation Techniques 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

The Company's financial department used valuation techniques in measuring Level 3 fair value of financial instruments. The assumptions of and the inputs to the measurement are based on information from independent resources. The results of the measurement are evaluated against the market state and reviewed periodically to ensure that they are reasonable. The fair values of domestic and foreign unlisted equity securities were determined using the asset-based approach. In this approach, the fair value is determined by the latest net value of the investee company and the financial and business conditions of an observable company. If the discount for the lack of marketability decreases, the fair value of investments will increase. When the net asset value of the investee increases / decreases by 1%, the fair value will increase / decrease by $1,650 thousand in 2021 and $2,758 thousand in 2020.

c. Categories of financial instruments

	December 31, 2021	December 31, 2020
Financial assets		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	$ 1,039,864	$ 1,007,300
Financial assets at amortized cost (Note 1)	1,859,603	1,076,517
Financial Assets at FVTOCI		
Investments in equity instruments	4,164,770	3,339,305
Financial liabilities		
Financial liabilities at FVTPL		
Held for trading	860	3,912
Financial liabilities at amortized cost (Note 2)	2,558,230	4,248,609

Note 1. The balances include financial assets at amortized cost, which comprise cash and cash equivalents, accounts receivable (including related parties) and other receivables (including related parties).

Note 2. The balances include financial liabilities at amortized cost, which comprise short-term borrowings, accounts payable (including related parties), other payables (including related parties) and long-term borrowings.

d. Financial risk management objectives and policies

The Company's risk control and hedging strategy are influenced by its operational environment. The Company properly monitors and manages the risks related to business nature and according to the principle of risk diversification. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Company's activities exposed it primarily to the financial 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.

a) Foreign currency risk

The Company had 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 used the natural offset between foreign currency assets and liabilities and foreign exchange forward contracts on the net position. The Company sought to minimize the effects of these risks by using foreign exchange forward contracts to hedge risk exposures. The use of foreign exchange forward contracts was governed by the Company's policies approved by the board of directors. Compliance with policies and exposure limits was reviewed by internal auditors on a continuous basis. The Company did not enter into or trade foreign exchange forward contracts for speculative 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 30. Please refer to Note 7 for the carrying amount of derivative instrument with foreign exchange exposure.

<u>Sensitivity analysis</u>

The Company was mainly exposed to the USD. The sensitivity analysis includes only outstanding foreign currency denominated monetary items at the end of the reporting period. For a 3% strengthening/weakening of the Company's functional currency against the USD, there would be a decrease/an increase of $7,920 thousand and $5,983 thousand in pre-tax profit for the years ended December 31, 2021 and 2020, respectively.

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

b) Interest rate risk

The Company was exposed to fair value interest rate risk because the Company held financial assets and financial liabilities at fixed rates; the Company was exposed to cash flow interest rate risk because the Company held financial assets and financial liabilities at floating rates. The Company's management personnel monitors the changes in the market rates on a regular basis and adjusts the floating rate financial liabilities to make the Company's rates approach market rates in response to the risk caused by changing market rates.

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, 2021	December 31, 2020
Fair value interest rate risk		
Financial assets	$ 334,842	$ 292,121
Financial liabilities	1,327,295	724,927
Cash flow interest rate risk		
Financial assets	79,645	18,499
Financial liabilities	569,746	3,050,000

Sensitivity analysis

The sensitivity analysis below was determined based on the Company's exposure to interest rates for both financial assets and liabilities at the end of the reporting period. A 50-basis point increase or decrease 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. If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2021 and 2020 would have decreased/increased by $2,450 thousand and $15,158 thousand, respectively.

c) Other price risk

The Company was exposed to securities price risk through its investments in securities listed in the ROC or other countries. 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 price risk.

Sensitivity analysis

The following sensitivity analysis was based on the prices of securities as of the balance sheet date. However, in the financial assets at fair value through profit or loss in which the Company invested, the risk of price fluctuation of money market funds was very limited, so it was not included in the analysis.

If the equity price increases / decreases by 5%, the net profit before tax for 2021 and 2020 would increase / decrease by $11,279 thousand and $11,864 thousand respectively due to the increase / decrease in the fair value of financial assets (excluding investment in money market funds) measured through profit or loss. Other comprehensive income before tax for 2021 and 2020 would increase / decrease by $208,239 thousand and $166,965 thousand respectively due to the increase / decrease in the fair value of financial assets at fair value through other comprehensive income.

2) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting 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 the counterparty to discharge its obligation and due to the financial guarantees provided by the Company, could be equal to the total of the following:

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

(2) The maximum amount the entity 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 and obtaining sufficient collateral, where appropriate, 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 Company transacted with a large number of unrelated customers in a variety of areas, and, thus, no concentration of credit risk was observed. Ongoing credit evaluations are performed on the financial conditions of trade receivables; therefore, the Company's credit risk is limited.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company's operations and mitigate the effects of fluctuations in cash flows.

As such cash and cash equivalents are sufficient to finance the Company's operations, there is no liquidity risk arising from the deficiency of funds to fulfill contractual obligations.

a) Liquidity and interest rate risk table for non-derivative financial liabilities

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods based on the probable earliest repayment dates. 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, 2021

	Weighted Average Interest Rate	On Demand or Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities				
Non-interest bearing liabilities		$ 546,488	$ -	$ -
Lease liabilities	1.06%	6,212	15,916	6,439
Fixed interest rate liabilities	0.79%	308,000	1,009,600	-
Floating interest rate liabilities	0.47%	201,109	373,998	-
		$ 1,061,809	$ 1,399,514	$ 6,439

December 31, 2020

	Weighted Average Interest Rate	On Demand or Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities				
Non-interest bearing liabilities		$ 393,547	$ -	$ -
Lease liabilities	1.06%	6,216	19,290	-
Fixed interest rate liabilities	0.81%	705,640	-	-
Floating interest rate liabilities	0.91%	-	3,077,740	-
		$ 1,105,403	$ 3,097,030	$ -

b) Financing facilities

Bank loans are an essential source of liquidity for the Company. The table below details the used and unused amount of bank loans at the end of the reporting period.

	December 31, 2021	December 31, 2020
Unsecured bank facilities		
Amount used	$ 1,875,000	$ 3,750,000
Amount unused	8,442,400	5,714,800
	$ 10,317,400	$ 9,464,800

28. TRANSACTIONS WITH RELATED PARTIES

The Company's ultimate parent is USI Corporation, which held 36.08% of the ordinary shares of the Company as of December 31, 2021 and 2020.

Besides the information disclosed elsewhere in the other notes, details of transactions between the Company and other related parties are disclosed below.

a. Related parties' names and relationships

Related Party Name	Relationship with the Company
USI Corporation	Ultimate parent entity
Union Polymer Int'l Investment Corp. ("Union Polymer")	Parent entity
USI International Corporation ("USIIC")	Subsidiary
USI Trading (Shanghai) Co., Ltd ("USITA")	Subsidiary
APC Investment Co., Ltd.	Subsidiary
China General Plastics Corporation ("CGPC")	Associate
China General Terminal & Distribution Corporation ("CGTD")	Associate
Acme Electronics Corporation ("ACME")	Associate
USI Optronics Corporation ("USIO")	Associate
Swanson Plastics Corporation ("SPC")	Associate
Taiwan VCM Corporation ("TVCM")	Associate
CGPC Polymer Corporation ("CGPCP")	Associate
Forever Young Company Limited ("Forever Young")	Associate
Swanson Technologies Corporation ("STC")	Associate
Fujian Gulei Petrochemical Co., Ltd. ("Gulei Company")	Associate
Taita Chemical Company, Limited ("TTC")	Fellow subsidiary
Taiwan United Venture Management Corporation ("TUVM")	Fellow subsidiary
USI Management Consulting Corporation ("UM")	Fellow subsidiary
USIFE Investment Co., Ltd. ("USII")	Fellow subsidiary
INOMA Corporation ("INOMA")	Fellow subsidiary
Chong Loong Trading Co., Ltd. ("CLT")	Fellow subsidiary
USI (Hong Kong) ("USI (HK)")	Fellow subsidiary
USI Education Foundation ("USIF")	Essential related party

b. Sales of goods

Related Party Category/Name	2021	2020
Ultimate parent entity		
USI Corporation	$ 1,673,192	$ 662,692
Associate	68,290	37,375
Fellow subsidiary	22,351	14,052
Subsidiary	126,417	63,613
	$ 1,890,250	$ 777,732

Sales of goods to related parties were made at the Company's usual prices and conditions which were the same as those to unrelated parties.

c. Purchases of goods

Related Party Category/Name	2021	2020
Ultimate parent entity		
USI Corporation	$ 213,752	$ 98,421
Associate	114,916	28,322
	$ 328,668	$ 126,743

Purchases from related parties were made at market prices which were at the Company's usual prices and conditions which were the same as those from unrelated parties.

d. Management fee (under general and administrative expenses)

Related Party Category/Name	2021	2020
Ultimate parent entity		
USI Corporation	$ 8,747	$ 8,470
Fellow subsidiary		
UM	39,316	39,208
	$ 48,063	$ 47,678

e. Lease arrangements – Company is lessee

Lease expense

Related Party Category/Name	2021	2020
Ultimate parent entity		
USI Corporation	$ 2,225	$ 2,783

f. Lease arrangements – Company is lessor

Lease income

Related Party Category/Name	2021	2020
Ultimate parent entity	$ 3,792	$ 3,534
Parent entity	20	36
Subsidiary	142	142
Associate		
TVCM	12,705	12,680
Others	6,085	6,500
	18,790	19,180
Fellow subsidiary		
TTC	6,904	6,686
Others	1,881	1,869
	8,785	8,555
	$ 31,529	$ 31,447

The previously indicated associates leased pipelines from the Company with lease terms of 1 year. The lease contracts are to be regarded as renewed if there is no declaration of termination. The lease payments are calculated according to actual operating volume and are paid on a monthly basis.

g. Donation expenses (under general and administrative expenses)

Related Party Category/Name	2021	2020
Essential related party - USI Education Foundation	$ 4,000	$ 3,000

h. Management income (under other income)

Related Party Category/Name	2021	2020
Associate	$ 1,592	$ 1,905

i. Investment consultant fees (under other gains and losses)

Related Party Category/Name	2021	2020
Fellow subsidiary		
TUVM	$ 1,286	$ 1,397

j. Receivables from related parties

Related Party Category/Name	December 31, 2021	December 31, 2020
Ultimate parent entity		
USI Corporation	$ 399,887	$ 189,988
Associate	24,533	3,549
Subsidiary	13,111	12,462
Fellow subsidiary	3,975	3,876
	$ 441,506	$ 209,875

k. Other receivables from related parties

Related Party Category/Name	December 31, 2021	December 31, 2020
Ultimate parent entity		
USI Corporation	$ 2	$ 58
Associate		
CGTD	530	1,000
CGPC	124	197
Others	186	90
	840	1,287
Fellow subsidiary		
TTC	617	617
Others	13	3
	630	620
	$ 1,472	$ 1,965

Other receivables - related party represented the receivables due from the ultimate parent company and associates for renting offices and management service fees.

l. Accounts payable to related parties

Related Party Category/Name	December 31, 2021	December 31, 2020
Ultimate parent entity		
USI Corporation	$ 28,177	$ 12,387
Associate		
SPC	4,727	3,243
	$ 32,904	$ 15,630

m. Other payables to related parties

Related Party Category/Name	December 31, 2021	December 31, 2020
Ultimate parent entity		
USI Corporation	$ 200,599	$ 46,442
Subsidiary	17	98
Associate	5,614	2,946
Fellow subsidiary	1,044	496
	$ 207,274	$ 49,982

Other payables to related parties were the payments from the Company for the transfer of ethylene from ultimate parent entity.

n. Compensation of key management personnel

Total remuneration for directors and other key management in 2021 and 2020 is as follows:

	2021	2020
Short-term employee benefits	$ 20,570	$ 16,355

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

29. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

a. Significant commitments

The amount available under unused letters of credit as of December 31, 2021 was $330,000 thousand.

b. Significant contract

1) The Company and USI Corporation signed a joint venture contract for a Fujian Gulei Petrochemical Co., Ltd. investment on April 17, 2014. The related entities of the contract or commitments are Ho Tung Chemical Corporation, LCY Chemical Corporation, Hengtai Petroleum Company Limited, Chenergy Global Corporation and Lien Hwa Corporation. The main contents of the contract and commitments include: (1) the shareholders shall establish Ever Victory Global Limited (hereinafter referred to the “Joint Venture”) and agree to pass the establishment of the 100% owned company named Dynamic Ever Investments Limited in Hong Kong (hereinafter referred to as the “Hong Kong Company”), whose purpose is to build oil refineries and produce ethylene

as well as seven other products on the Gulei Peninsula in Zhangzhou, Fujian Province, as approved by the Investment Commission at Taiwan's Ministry of Economic Affairs and according to the operating business permitted by the Joint Venture's board of directors; and (2) the Hong Kong Company will establish a joint venture company in accordance with the laws of the People's Republic of China between China Petrochemical Corporation or its affiliated enterprises; Fujian Refining and Chemical Co., Ltd. will establish a joint venture company in accordance with the laws of the People's Republic of China in Fujian Province between China Petrochemical Corporation or its affiliated enterprises (hereinafter referred to as "Gulei Company") and acquire 50% of the shares of Gulei Company as a basis for cooperative investment. The amount which the Joint Venture invested in Gulei Company after the signing of the original investment contract increased due to the capital needs of the investment plan, which led to part of the original related contract entities being unable to purchase the shares based on their respective investment ratio as provided by the original contract. Therefore, the Company and USI re-signed the joint venture contract with the counterparties of the original contract or commitment and CTCI Corporation on September 30, 2016. The original joint venture contract was terminated at the same time. The joint venture contract was re-signed subsequently on December 18, 2019 and Fubon Financial Holding Venture Capital Corporation and Hon-Fu Investment Co., Ltd. were added in the new counterparties of the contract or commitment.

In order to increase Gulei Company's operating capital, Ever Victory Global Limited and Hong Kong Dor Po Investment Company Limited ("DOR PO") signed a joint venture contract for an investment in Dynamic Ever Investment Limited which was approved by the board of directors on June 5, 2019. According to the contract, DOR PO will invest US$109,215 thousand in Dynamic Ever Investment Limited in 2019. As of December 31, 2021, DOR PO had invested US$103,915 thousand and held 15% ownership interest in Dynamic Ever Investment Limited.

As of December 31, 2021, the Company and USI have invested US$170,475 thousand (approximately $5,255,588 thousand) and US$246,670 thousand (approximately $7,645,980 thousand) respectively in Ever Conquest Global Limited, and invested RMB 4,657,200 thousand in Gulei Company through the joint venture and Hong Kong Company.

2) The Company was involved in a proposal of urban renewal, in which it coordinates with neighbors by right of transfer dominated by Huaku Development Co., Ltd. and provides around ten of its investment properties (located at Yanji St., Songshan Dist., Taipei City) to increase its operating efficiency. Thus, the Company signed an agreement with Huaku Development Co., Ltd. and received $6,400 thousand as security deposits. The Taipei City Government approved the proposal on November 30, 2017. In addition, the Company, Huaku Development Co., Ltd. and the Trust Department of E.SUN Commercial Bank, who was commissioned to manage, consolidate, split up, transfer and dispose of the properties and buildings within the duration of the agreement, signed a tripartite agreement on the real estate trust. As of December 31, 2021, the urban renewal project has been completed and the license for the right-to-use has been obtained. However, the transfer of the property rights of the land and buildings has not been completed.

c. Contingencies

Regarding the gas explosion of the propylene pipeline of Lee Chang Yung Chemical Industry Corporation ("Lee Chang Yung Chemical") on the night of July 31, 2014 operated by the invested company by the equity method, China General Terminal & Distribution Corporation

(“CGTD”), the criminal case of the gas explosion incident was dismissed by the Supreme Court on September 15, 2021 and all three employees of CGTD were acquitted.

CGTD arrived at an agreement with the Kaohsiung City Government on February 12, 2015, pledging certificates of bank deposits of $227,540 thousand, interests included, to the Kaohsiung City Government as collateral for the loss caused by the gas explosion. The Kaohsiung City Government also filed civil procedure requests in succession against LCY Chemical Corp., CGTD and CPC Corporation, Taiwan (“CPC”). Taiwan Power Company applied to the court for sequestration of CGTD's property on August 27 and November 26, 2015 and CGTD has deposited cash of $99,207 thousand to the court to avoid sequestration. Taiwan Water Corporation also applied to the court for false seizure of CGTD's property on February 3 and March 2, 2017 respectively. As of February 28, 2022, the provisionally attached property was worth $12,472 thousand.

As for the victims, CGTD, LCY Chemical Corp. and the Kaohsiung City Government signed a tripartite agreement for the compensation of the 32 victims' families on July 17, 2015. Each victim's family received $12,000 thousand, and the compensation was $384,000 thousand in total, which was paid in four annual payments by LCY Chemical Corp. LCY Chemical Corp. was in charge of negotiating the compensation with the victims' families and signing the settlement agreement on behalf of the three parties.

As for the seriously injured, CGTD, LCY Chemical Corp. and the Kaohsiung City Government signed a tripartite agreement for the compensation of the 65 seriously injured victims' families on October 25, 2017. Compensation was paid by CGTD and the Kaohsiung City Government, and CGTD was in charge of negotiating the compensation with the seriously injured victims' families and signing the settlement agreement on behalf of the three parties with the 64 seriously injured victims' families.

As of February 28, 2022, the victims and victims' families had written letters or filed civil procedures (and criminal procedures) against CGTD, LCY Chemical Corp. and CPC for compensation. To reduce the lawsuit costs, CGTD had reached a settlement on the original claim for $46,677 thousand, and the amount of the settlement was $4,519 thousand. Along with the case still in litigation and the above-mentioned compensation, the accumulated amount of compensation is $3,856,447 thousand. The first instance verdict of some of these civil cases (indemnity amount of $1,341,128 thousand) have been convicted since June 22, 2018 and most cases determined that the negligence liability ratio of Kaohsiun Municipal Government, Lee Chang Yung Chemical and CGTD was 4:3:3, and that CGTD, Lee Chang Yung Chemical and other defendants should pay compensation of about $401,979 thousand (of which $6,194 thousand was exempted from liability by the court). Currently CGTD has filed an appeal for the adjudicated but unsettled civil cases and proceeded with the second instance procedure successively. The rest of the cases are still under trial in the Court of First Instance (the amount of compensation requested is approximately $2,012,493 thousand). CGTD signed a claim agreement with an insurance company, according to the negligence liability ratio determined by the judgment of first instance, it is estimated the settlement amount of victims and seriously injured, the compensation amount of civil litigation cases (including the settled cases), and estimated amount to be borne by itself after deducting the upper limit of insurance claim was $136,375 thousand, which had been included into the account. However, the actual amount of such settlement and compensation shall not be confirmed until the proportion of liability to be shared by CGTD is determined in accordance with the civil action.

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company' significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

Unit: The foreign currency / carrying amount is in NT$ Thousand, except the exchange rate in NT$.

December 31, 2021

	Foreign Currency (In Thousands)	Exchange Rate		Functional Currency (In Thousands)	Carrying Amount
Financial assets					
Monetary items					
USD	$ 19,289	27.680	(USD:NTD)	$ 533,912	$ 533,912
RMB	154,676	4.3415	(RMB:NTD)	671,524	671,524
EUR	60	31.320	(EUR:NTD)	1,869	1,869
					$ 1,207,305
Non-monetary items					
Investments accounted for using the equity method					
USD	197,232	27.680	(USD:NTD)	5,459,389	$ 5,459,389
Derivative instruments					
RMB	50,400	4.3415	(RMB:NTD)	393	$ 393
Financial liabilities					
Monetary items					
USD	9,752	27.680	(USD:NTD)	269,926	$ 269,926
JPY	153	0.2405	(JPY:NTD)	37	37
					$ 269,963
Non-monetary items					
Derivative instruments					
RMB	87,800	4.3415	(RMB:NTD)	860	$ 860

December 31, 2020

	Foreign Currency (In Thousands)	Exchange Rate		Functional Currency (In Thousands)	Carrying Amount
Financial assets					
Monetary items					
USD	$ 10,807	28.4800	(USD:NTD)	$ 307,795	$ 307,795

	Foreign Currency (In Thousands)	Exchange Rate	Functional Currency (In Thousands)	Carrying Amount
RMB	87,272	4.3648 (RMB:NTD)	380,924	380,924
JPY	5	0.2763 (JPY:NTD)	1	1
				$ 688,720
Non-monetary items				
Investments accounted for using the equity method				
USD	198,293	28.4800 (USD:NTD)	5,647,372	$ 5,647,372
Financial liabilities				
Monetary items				
USD	3,805	28.4800 (USD:NTD)	108,375	$ 108,375
JPY	7,072	0.2763 (JPY:NTD)	1,954	1,954
EUR	24	35.0200 (EUR:NTD)	847	847
				$ 111,176
Non-monetary items				
Derivative instruments				
RMB	77,660	4.3648 (RMB:NTD)	3,912	$ 3,912

For the years ended December 31, 2021 and 2020, realized and unrealized net foreign exchange (losses) gains were ($2,699) thousand and ($13,066) thousand, respectively. It is impractical to disclose net foreign exchange (losses) gains by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the Company.

31. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions:

1) Financing provided to others. (None)
2) Endorsements/guarantees provided. (None)
3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures). (Table 1)
4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital. (Table 2)
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 3)
8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 4)

9) Trading in derivative instruments: Note 7.

b. Information about investees. (Table 5)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 6)

2) 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: (Table 7)

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

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

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

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

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

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

d. Information about substantial shareholders: Names of shareholders with a holding ratio of 5% or more and the amount and proportion of shares held. (Table 8)

Besides Tables 1 to 8 as disclosed, there was no other information about significant transactions, investees and investments in mainland China which should be disclosed.

32. SEGMENT INFORMATION

According to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standard (IFRS) No. 8 on segment information does not apply to these parent company only financial statements.

ASIA POLYMER CORPORATION

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES)
DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Asia Polymer Corporation	Ordinary shares							
	Harbinger Venture Capital Corp.	-	Financial assets at fair value through other comprehensive income - non-current	2,377	$ 17	1.20%	$ 17	
	Riselink Venture Capital	-	-	2,632	221	1.67%	221	
	KHL IB Venture Capital Co., Ltd.	-	-	9,954,950	164,755	11.90%	164,755	
	USI Corporation	Ultimate parent company	-	101,355,673	3,197,772	8.53%	3,197,772	
	CTCI Corporation	-	-	14,446,107	537,395	1.89%	537,395	
	AU Optronics Corporation	-	-	9,618,516	220,264	0.10%	220,264	
	Wafer Works Corporation	-	Financial assets at fair value through other comprehensive income - current	518,668	44,346	0.10%	44,346	
	Quanta Computer Inc.	-	Financial assets at fair value through profit or loss - current	200,000	18,940	0.01%	18,940	
	Evergreen Marine Corp.	-	-	473,251	67,438	0.01%	67,438	
	United Microelectronics Corp.	-	-	150,000	9,750	-	9,750	
	Tung Ho Steel Enterprise Corp.	-	-	368,500	24,726	0.05%	24,726	
	China Steel Corporation	-	-	650,000	22,978	-	22,978	
	ShunSin Technology Holdings Limited	-	-	70,000	6,510	0.07%	6,510	
	UPC Technology Corporation	-	-	700,000	15,120	0.05%	15,120	
	Beneficiary securities							
	Cathay No. 1 Real Estate Investment Trust Fund	-	-	3,316,000	60,119	-	60,119	
	Beneficiary securities							
	Mega Diamond Money Market Fund	-	-	5,095,391	64,597	-	64,597	
	Jih Sun Money Market Fund	-	-	20,955,933	314,069	-	314,069	
	Prudential Financial Money Market Fund	-	-	2,509,725	40,134	-	40,134	
	Taishin 1699 Money Market Fund	-	-	4,388,163	60,024	-	60,024	
	CTBC Hwa-win Money Market Fund	-	-	5,392,241	60,000	-	60,000	
	FSITC Taiwan Money Market Fund	-	-	6,466,507	100,045	-	100,045	
	Hua Nan Kirin Money Market Fund	-	-	14,478,773	175,021	-	175,021	

(Continued)

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2021				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
APC (BVI) Holding Co., Ltd.	Ordinary shares							
	Budworth Investment Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	40,467	$ 8	4.45%	$ 8	
	Silicon Technology Investment (Cayman) Corp. - preference shares	-	-	1,139,776	63,199	2.21%	63,199	
	NeuroSky, Inc. - series D preference shares	-	-	2,397,364	-	0.37%	-	(Note 1)
	Solargiga Energy Holdings Ltd.	-	-	15,863,333	23,364	0.48%	23,364	
	Teratech Corp.	-	-	112,000	-	0.67%	-	(Note 1)
	TGF Linux Communication, Inc. - preference shares	-	Financial assets at fair value through profit or loss - non-current	300,000	-	-	-	(Note 1)
	Sohoware, Inc. - preference shares	-	-	450,000	-	-	-	(Note 1)
	Boldworks, Inc. - preference shares	-	-	689,266	-	-	-	(Note 1)
APC Investment Co., Ltd.	Ordinary shares							
	USI Corporation	Ultimate parent company	Financial assets at fair value through profit or loss - current	44,808	1,414	-	1,414	
	United Microelectronics Corp.	-	-	60,000	3,900	-	3,900	
	Evergreen Marine Corp.	-	-	158,416	22,574	-	22,574	
	UPC Technology Corporation	-	-	500,000	10,800	0.04%	10,800	
	China Steel Corporation	-	-	325,000	11,489	-	11,489	
	Tung Ho Steel Enterprise Corp.	-	-	150,750	10,115	0.02%	10,115	
	ShunSin Technology Holdings Limited	-	-	25,000	2,325	0.02%	2,325	
	Beneficiary securities							
	Cathay Taiwan Money Market Fund	-	Financial assets at fair value through profit or loss - current	1,292,518	16,233	-	16,233	

Note 1. The carrying amount was zero as of December 31, 2021 due to the impairment loss recognized in prior years.

Note 2. Refer to Tables 5 and 6 for information about subsidiaries and associates.

TABLE 2

ASIA POLYMER CORPORATION

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE YEAR ENDED DECEMBER 31, 2021

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

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning Balance		Acquisition		Disposal				Ending Balance (Note)	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Carrying Amount	Gain on Disposal	Number of Shares	Amount
APC Corporation	Fund													
	UPAMC James Bond Money Market Fund	Financial assets at fair value through profit or loss - current	—	—	-	$ -	21,349,174	$ 360,000	21,349,174	$ 360,027	$ 360,000	$ 27	-	$ -
	Taishin 1699 Money Market Fund	-	—	—	12,021,036	164,000	37,687,142	515,000	45,320,015	619,166	619,000	166	4,388,163	60,000
	Taishin Ta-Chong Money Market Fund	-	—	—	-	-	26,519,389	380,000	26,519,389	380,063	380,000	63	-	-
	FSITC Taiwan Money Market Fund	-	—	—	3,564,088	55,000	22,967,753	355,000	20,065,334	310,114	310,000	114	6,466,507	100,000

Note: The ending balance of beneficiary certificates is the original purchase cost.

TABLE 3

ASIA POLYMER 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, 2021

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

Buyer	Counterparty	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Financial Statement Account and Ending Balance		% of Total
Asia Polymer Corporation	USI Corporation	Ultimate parent company	Sale	($ 1,673,192)	(18.01%)	60 days	No significant difference	No significant difference	Accounts receivable - related parties	$ 399,887	27.92%
Asia Polymer Corporation	USI Trading (Shanghai) Co., Ltd	Subsidiary	Sale	126,417	1.36%	90 days	No significant difference	No significant difference	Accounts receivable - related parties	13,111	0.92%
Asia Polymer Corporation	USI Corporation	Ultimate parent company	Purchase	213,752	4.78%	30 days	No significant difference	No significant difference	Accounts payable - related parties	(28,177)	(11.23%)
USI Trading (Shanghai) Co., Ltd	USI Corporation	Ultimate parent company	Purchase	216,155	4.83%	30 days	No significant difference	No significant difference	Accounts payable - related parties	(46,493)	(18.53%)

TABLE 4

ASIA POLYMER CORPORATION

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Counterparty	Relationship	Ending Balance		Turnover Rate	Overdue		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
						Amount	Actions Taken		
Asia Polymer Corporation	USI Corporation	Ultimate parent company	Accounts receivable - related parties	$ 399,887	5.67	$ -	-	$ 399,887	Note 1
			Other receivables - related parties	2		-	-	2	Note 1

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

Note 2. The subsequent period is between January 1 and March 9, 2022.

TABLE 5

ASIA POLYMER CORPORATION
INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2021
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2021			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2021	December 31, 2020	Number of Shares	%	Carrying Amount			
Asia Polymer Corporation	APC (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	$ 381,287 (US$ 13,774,806)	$ 381,287 (US$ 13,774,806)	11,342,594	100.00%	$ 545,802	$ 27,305	$ 27,305	Subsidiary (Note 1)
	APC Investment Co., Ltd.	Taipei, Taiwan	Investment	200,000	200,000	20,000,000	100.00%	168,090	35,822	35,822	Subsidiary (Note 1)
	USI International Corp.	British Virgin Islands	Reinvestment	58,128 (US$ 2,100,000)	58,128 (US$ 2,100,000)	2,100,000	70.00%	62,380	1,047	733	Subsidiary (Note 1)
	China General Plastics Corporation	Taipei, Taiwan	Manufacture and marketing of PVC plastic cloth and three-time processed products	247,412	247,412	46,886,185	8.07%	900,764	2,468,676	199,203	Investments accounted for using the equity method
	China General Terminal & Distribution Corporation	Taipei, Taiwan	Warehousing and transportation of petro chemical raw materials	41,082	41,082	22,009,593	33.33%	373,731	63,389	21,129	Investments accounted for using the equity method
	Swanson Plastics Corporation	Taipei, Taiwan	Manufacture and marketing of stretch film, diaper film, embossed film, heavy-duty sacks	75,242	75,242	12,266,779	7.95%	210,268	224,921	17,880	Investments accounted for using the equity method
	Acme Electronics Corporation	Taipei, Taiwan	Manufacture and marketing of manganese-zinc and ferrite core	61,348	61,348	6,056,623	3.31%	44,186	59,329	1,964	Investments accounted for using the equity method
	Taiwan United Venture Capital Corp.	Taipei, Taiwan	Investment in high technology businesses	52,791	52,791	3,080,866	8.33%	22,673	(2,438)	(203)	Investments accounted for using the equity method
	USI Optronics Corporation	Taipei, Taiwan	Manufacture and marketing of sapphire products	59,725	59,725	5,972,464	9.20%	8,718	(41,955)	(3,861)	Investments accounted for using the equity method
	Ever Conquest Global Ltd.	British Virgin Islands	Reinvestment	4,718,748 (US$ 170,475,000)	4,718,748 (US$ 170,475,000)	170,475,000	40.87%	4,851,207	(443,454)	(181,227)	Investments accounted for using the equity method
APC (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment	145,179 (US$ 5,244,903)	145,179 (US$ 5,244,903)	8,316,450	16.64%	204,869	62,703	-	APC (BVI) Holding Co., Ltd. Investments accounted for using the equity method
	USI International Corp.	British Virgin Islands	Reinvestment	24,912 (US$ 900,000)	24,912 (US$ 900,000)	900,000	30.00%	26,734	1,047	-	APC (BVI) Holding Co., Ltd. Investments accounted for using the equity method (Note 1)
APC Investment Co., Ltd.	Acme Electronics Corporation	Taipei, Taiwan	Manufacture and marketing of manganese-zinc and ferrite core	14,889	14,889	1,884,548	1.03%	13,749	59,329	-	APC Investment Co., Ltd. Investments accounted for using the equity method
	Swanson Technology Corporation	Taipei, Taiwan	Manufacture and marketing of EVA film	22,500	30,000	2,250,015	15.00%	4,357	(13,183)	-	APC Investment Co., Ltd. Investments accounted for using the equity method
Ever Conquest Global Ltd.	Ever Victory Global Ltd.	British Virgin Islands	Reinvestment	11,546,574 (US$ 417,145,000)	11,546,574 (US$ 417,145,000)	417,145,000	67.40%	11,870,694 (US$ 428,855,000)	(635,890) (US$ 22,838,000)	-	Ever Conquest Global Ltd. Investments accounted for using the equity method
Ever Victory Global Ltd.	Dynamic Ever Investments Ltd.	Hong Kong	Reinvestment	16,299,368 (US$ 588,850,000)	16,299,368 (US$ 588,850,000)	588,850,000	85.00%	16,785,159 (US$ 606,400,000)	(749,901) (US$ 26,932,000)	-	Ever Victory Global Ltd. Investments accounted for using the equity method

Note 1. All intercompany transactions have been eliminated on consolidation.

ASIA POLYMER CORPORATION

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

FOR THE YEAR ENDED DECEMBER 31, 2021

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 3)	Method and Medium of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2021	Investment Flows		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2021	Net Income (Loss) of Investee (Note 3)	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount as of December 31, 2021 (Note 4)	Accumulated Repatriation of Investment Income as of December 31, 2021
					Outflow	Inflow						
ACME Electronics (Kunshan) Co., Ltd.	Manufacture and marketing of manganese-zinc soft ferrite core	$ 850,468 (US$ 30,725,000)	(2) ACME Electronics (Cayman) Corp.	$ 115,630 (US$ 4,177,369)	$ -	$ -	$ 115,630 (US$ 4,177,369)	B $ 45,024	16.64%	$ 7,493	$ 137,462	$ -
USI Trading (Shanghai) Co., Ltd	Sale of chemical products and equipment	69,200 (US$ 2,500,000)	(2) APC (BVI) Holding Co., Ltd.	84,025 (US$ 3,035,601)	-	-	84,025 (US$ 3,035,601)	B 16,420	100.00%	16,420	136,096	-
Fujian Gulei Petrochemical Co., Ltd.	Manufacture of crude oil and petroleum products	40,438,468 (RMB9,314,400,000)	(2) Dynamic Ever Investments Ltd. (Note 2)	4,370,198 (US$ 157,882,871)	-	-	4,370,198 (US$ 157,882,871)	A (1,455,990)	11.71%	(170,497)	4,533,837	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2021	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$4,703,274 (Note 5) (US$ 169,915,978)	$6,195,770 (US$ 223,835,608)	$ - (Note 6)

Note 1. Investments are divided into three categories as follows:

(1) Direct investment: 1.

(2) Investments through a holding company registered in a third region: 2.

(3) Others: 3.

Note 2. The Company reinvested in 50% of the outstanding shares of Gulei via Ever Conquest Global Limited (40.87%), then via Ever Victory Global Ltd. (67.40%), and finally via Dynamic Ever Investments Ltd. (85.00%).

Note 3. For the column of investment gain (loss):

(1) If there is no investment gain (loss) during the preparation, it should be noted.

(2) If the basis for the recognition of investment gain (loss) is classified into the following three type, it should be noted as follows:

A. Financial statements audited by international accounting firms which have a cooperation relationship with an accounting firm in the Republic of China.

B. Financial statements audited by the parent company’s CPA.

C. Others.

Note 4. The calculation was based on the exchange rate as at December 31, 2021.

Note 5. The investment in China is indirectly invested by Silicon Technology Investment (Cayman) Corp.(STIC) and Solargiga Energy Holdings Ltd., both are invested by APC(BVI)Holding Co. Ltd., a subsidiary 100% held by the Company.

Note 6. As the Company has obtained the certificate of qualification for operating headquarters issued by the Industrial Development Bureau, MOEA in Order No. 10800262940 on February 26, 2020, the upper limit on investments in mainland China pursuant to the “Principle of Investment or Technical Cooperation in Mainland China” is not applicable.

TABLE 7

ASIA POLYMER CORPORATION

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

FOR THE YEAR ENDED DECEMBER 31, 2021

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

Investee Company	Transaction Type	Amount	%	Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized Gain (Loss)	Note
					Payment Terms	Comparison with Normal Transactions	Amount	%		
USI Trading (Shanghai) Co., Ltd	Sale	$ 126,417	1.36%	No significant difference	T/T 90 days	No significant difference	$ 13,111	0.92%	$ -	—
Fujian Gulei Petrochemical Co., Ltd.	Purchase	70,091	1.57%	No significant difference	Letter of credit	No significant difference	-	-	-	—

TABLE 8

ASIA POLYMER CORPORATION AND SUBSIDIARIES

INFORMATION ABOUT SUBSTANTIAL SHAREHOLDERS
DECEMBER 31, 2021

Name of substantial shareholders	Shares	
	Number of shares held	%
Union Polymer Int’l Investment Corp.	214,245,822	36.08%

Note: The information of major shareholders in this attachment refers to the information calculated by Nordic CSD on the last business day at the end of the current quarter of which the total number of common stocks and special stocks of the Company held, amounting to more than 5%, by the shareholder has been delivered without physical registration (including treasury shares). The capital stock recorded in the consolidated financial statements of the Company and the actual number of shares delivered without physical registration may be different or discrepant due to different compilation and calculation basis.

Asia Polymer Corporation

Person in charge: Quintin Wu