China Man-Made Fiber Corporation and Subsidiaries

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

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For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

Independent Auditor's Audit Report

To CHINA MAN-MADE FIBER CORPORATION:

Audit opinions

We have audited the accompanying individual balance sheet of China Man-Made Fiber Co., Ltd. and subsidiary as of December 31, 2021 and 2020, and the related individual statement of income, individual statement of changes in shareholders equity, individual statement of cash flows, and Note of the individual financial statements (including major accounting policy) for the years then ended.

In my opinion, the financial statements as referred to, on the basis of my audit findings and the audit reports compiled by other certified public accountants, present fairly, in all material aspects, the financial position of China Man-Made Fiber Co., Ltd. as of December 31, 2021 and 2020, and the results of its operation and cash flows for the year then ended in conformity to the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

The basis for opinions

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial statements by Certified Public Accountants and generally accepted auditing standards. Our responsibilities under those standards are further described in the responsibilities of auditors for the audit of the separate financial statements. We are independent of China Man-Made Fiber Co., Ltd. in accordance with the Code of Ethics for certified public accountants in the part relevant to the audit of the financial statements of China Man-Made Fiber Co., Ltd., and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believed 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 matter that, in our professional judgment, were of most significant in our audit of the individual financial statements of China Man-Made Fiber Co., Ltd. in 2021. These matters were addressed in the content of our audit of the individual financial statements as a whole and in forming our opinion thereon and we do not provide a separate opinion on those matters.

Key audit procedures of the individual financial statements of China Man-Made Fiber Co., Ltd. in 2021 included:

<u>Authenticity of specific sales revenue</u>

Notes to key audit matters

Within the Year 2021, China Man-made Fiber Corporation received NT$4,255,556 thousand sales revenues from specific customers, accounting for 40% of the net individual sale revenues. Besides, sales revenues from such specific customers prove relatively higher in gross profit margin. Accordingly, the authenticity of sales revenues from such specific customers is taken as the one of the very key points in audit. Please refer to Note 4 (14) of the financial statements for the accounting policies on sales revenue recognition.

Audit response

1. Awareness of the design and implementation of the internal control systems related to the recognition of sales revenues.
2. The efforts to obtain details of the sales revenues account for specific customers in Year 2021 and select samples to check the shipping-related forms and documents to test the authenticity of the sales facts.
3. Sampling inspection of the circumstances of sales returns and discounts and the collection after the periods to confirm the reasonableness of revenue recognition.

<u>Adopt the equity method to assess the impairment of discounting and advances.</u>

Notes to key audit matters

As stated in Note 13 of the standalone financial statements, the amount of investment in Taichung Commercial Bank by China Man-Made Fiber adopting the equity method was NT$13,837,165 thousand, accounting for 36% of the total assets as of December 31, 2021. Therefore, the financial performance of Taichung Commercial Bank will significantly impact China Man-Made Fiber's number in subsidiaries, affiliates and joint ventures by equity method.

For discounts and balances of the loans, Taichung Commercial Bank Co., Ltd. amortized the anticipated credit losses in the Year 2021 in the amounts of NT$479,806,373 thousand and NT$1,040,130 thousand, respectively. In comprehensive consideration for a decision to determine the loss from impairment by Taichung Commercial Bank Co., Ltd. involves the major estimate and judgment by its management, including the probability of default and the default loss rates where that Bank should faithfully comply with the laws and regulations concerned of the competent authority(ies) and the specifications of their decrees and letters. The outcome of the impairment evaluation would significantly affect the financial performance by Taichung Commercial Bank Co., Ltd. Accordingly, we, the certified public accountant, determine to take the anticipated credit loss for the Bank's discount and loans as the very key points in audit.

Audit response

1. Understand and test the internal control system adopted by Taichung Commercial Bank for assessing the expected credit loss from discounting and advances. The appropriated amount was inspected to check if it meets the requirements of related laws and regulations of the competent authority.
2. For the comprehensive evaluation of the expected credit loss adopted by Taichung Commercial Bank, understand and test key parameters used in the impairment model (probability of default and loss given default) in order to evaluate the reasonableness.

Other information

The financial statements of investees included in the standalone financial statements of China Man-Made Fiber adopting the equity method have not been audited by us. They are audited by other accountants. Therefore, we refer to the audited reports of other accountants in expressing our opinions in the standalone statement regarding the investments by equity method and subsidiaries, affiliates, joint ventures and other comprehensive gains and losses. The investments adopting the equity method in the other auditors' reports for years ended December 31, 2021 and 2020 are NT$1,128,072 thousand and NT$1,103,434 thousand, respectively, both accounting for 3% of the total assets. The gains and losses from subsidiaries, affiliates and joint ventures and other sources adopting the equity method in the other auditors' reports for 2021 and 2020 are NT$24,638 thousand and (NT$48,143) thousand, respectively, accounting for 5% and (5%) of the total comprehensive income, respectively. Meanwhile, certain information related to the re-investees' business disclosed under Note 35 of the individual financial statement is, as well, disclosed based on the audit reports of other certified public accountants.

Responsibilities of Management and Those in Charge with Governance of the Individual Financial Statements

Management is responsible for the preparation and fair presentation of the individual 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 individual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the individual financial statements, the management is responsible for assessing the ability of China Man-Made Fiber Co., Ltd. as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate China Man-Made Fiber Co., Ltd. or to create operations, or has no realistic alternative but to do so.

Those in charge of governance (including the Auditing Committee) are responsible for overseeing the reporting process of China Man-Made Fiber Co., Ltd..

Auditor's Responsibilities for the Audit of the Individual Financial Statements

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

As part of an audit in accordance with the accounting principles generally accepted in the Republic of China, we exercise professional judgment and maintain professional skepticism throughout the audit. We also perform the following works:

1. Identify and assess the risks of material misstatement of the individual financial statements, whether or not due to fraud or error, design and perform audit procedures responsive risks and obtain evidence that is sufficient and appropriate to provide a basis of 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 internal control effective in China Man-Made Fiber Co., Ltd..
3. Evaluate the appropriateness of accounting policies used and the reasonability of accounting estimates and related disclosures made by the management.
4. Conclude the appropriateness of the use of the going concern basis of accounting by the management, and, based on the audit evidence obtained, whether or not a material uncertainty exists related to events or conditions that may cast significant doubt on China Man-Made Fiber Co., Ltd. and its ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the individual financial statements or, if such disclosure are inappropriate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause China Man-Made Fiber Co., Ltd. to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and content of the individual statements, including related notes, whether the individual statements represent the underlying transactions and events in a matter that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence on the financial information of business entities within the China Man-Made Fiber Co., Ltd. in order to express an opinion on the individual financial statements. The independent auditor is responsible for guiding, supervising, and implementing the audit of the China Man-Made Fiber Co., Ltd.; also, is responsible for forming an opinion on the audit of the China Man-Made Fiber Co., Ltd..

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

From the matters communicated with those in charge of governance, we determine those matters that were of most significance in the audit of the individual financial statements of China Man-Made Fiber Co., Ltd. of 2021 and are therefore the key audit matters. We describe these matters in our auditor's 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 communications.

Deloitte and Touche

CPA: Wen-Ya Hsu	CPA: Su-Huan Yu
Securities and Futures Commission Approval No. Tai-Cai-Zheng (6) No. 0920123784	Securities and Futures Commission Approval No. Tai-Cai-Zheng (6) No. 0920123784

March 14, 2022

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

CHINA MAN-MADE FIBER CORPORATION
Individual Balance Sheets
December 31, 2021 and 2020

Unit: NTD thousand

Code	Assets	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 4, 6 and 30)	$ 1,433,954	4	$ 1,543,392	4
1110	Financial assets through profit and/or loss with measuring for the faire values-current (Note 4 and 7)	240,629	1	400,278	1
1150	Notes receivable (Note 4 and 10)	135,693	-	25,432	-
1170	Accounts receivable (Note 4 and 10)	1,682,749	4	700,927	2
1180	Accounts receivable - non-related parties (Note 4, 10 and 30)	130,201	-	96,470	-
1200	Other receivable (Note 4 and 10)	30,549	-	26,188	-
1210	Other receivable - related parties (Note 4, 10 and 30)	204	-	461	-
1220	Current income tax asset (Notes 4 and 25)	1,081	-	1,653	-
130X	Inventory (Note 4 and 11)	1,228,413	3	834,574	2
1410	Prepaid (Note 12)	605,696	2	493,443	2
1470	Other current assets (Note 18 and 31)	133,331	-	135,286	1
11XX	Total current assets	5,622,500	14	4,258,104	12
	Non-Current assets				
1517	Financial assets at fair value through other comprehensive income- non-current (Note 3, 8 and 31)	2,300,736	6	1,933,259	5
1550	Investment by equity method (Note 4, 13 and 31)	18,882,429	48	17,055,023	48
1600	Real estates, plant and equipment - net (Notes 4, 14 and 31)	9,173,654	24	9,622,004	27
1755	Right-of-use assets (Note 4 and 15)	2,690	-	12,629	-
1760	Real estate investments - net (Note 4, 16 and 31)	2,043,503	5	1,849,924	5
1780	Intangible assets – net (Note 4 and 17)	-	-	-	-
1840	Deferred income tax assets – net (Note 4 and 25)	651,043	2	650,514	2
1990	Other current non-assets (Note 18)	238,701	1	325,573	1
15XX	Total non-current assets	33,292,756	86	31,448,926	88
1XXX	Total assets	$ 38,915,256	100	$ 35,707,030	100

Code	Liabilities and equity	December 31, 2021 Amount	%	December 31, 2020 Amount	%
	Current liabilities				
2100	Short-term loans (Note 19 and 31)	$ 6,548,247	17	$ 4,313,689	12
2110	Short-term bills payable (Note 19)	848,431	2	748,824	2
2150	Payable notes	2,629	-	254	-
2160	Payable notes - related parties (Note 30)	5,587	-	-	-
2170	Accounts payable	689,548	2	763,358	2
2180	Accounts payable - related parties (Note 30)	361,746	1	-	-
2219	Other accounts payable (Note 20)	297,793	-	271,533	1
2280	Lease liabilities – current (Note 4 and 15)	1,531	-	10,057	-
2320	Long-term liability due in one year or one business cycle (Note 19 and 31)	1,869,028	5	2,578,238	8
2399	Other current liabilities	37,722	-	44,445	-
21XX	Total of current liabilities	10,662,262	27	8,730,398	25
	Non-current liabilities				
2540	Long-term loans (Note 19 and 31)	3,822,200	10	2,868,574	8
2550	Liability reserve (Note 4 and 21)	214,929	1	219,239	1
2570	Deferred tax liabilities (Note 4 and 25)	866,019	2	866,019	2
2580	Lease liabilities – non-current (Note 4 and 15)	1,188	-	2,719	-
2670	Other liabilities (Note 4 and 22)	21,574	-	22,071	-
25XX	Total non-current liability	4,925,910	13	3,978,622	11
2XXX	Total liabilities	15,588,172	40	12,709,020	36
	Equity (Note 23)				
3110	Common stock capital	16,862,097	44	16,213,672	45
3200	Capital surplus	1,656,687	4	1,663,531	5
	Retained earnings				
3310	Legal reserve	946,448	2	855,476	2
3320	Special reserve	1,934,645	5	1,940,822	5
3350	Undistributed earnings	2,256,427	6	3,125,590	9
	Other equity				
3410	Exchange differences from the translation of financial statements of foreign operations	(112,220)	-	(116,241)	-
3420	Unrealized gain or loss on financial assets at fair value through other comprehensive profit or loss	919,802	2	451,962	1
3500	Treasury stock	(1,136,802)	(3)	(1,136,802)	(3)
3XXX	Total equity	23,327,084	60	22,998,010	64
	Total Liabilities and Equity	$ 38,915,256	100	$ 35,707,030	100

The notes attached shall constitute an integral part of this individual financial statement.
(Refer to Auditor's Report presented by Deloitte & Touche dated March 14, 2022)

Chairman: Kuei-Hsien Wang   Manager: Ming-Shang Chuang   Accounting Supervisor: Kuo Hua Lin

CHINA MAN-MADE FIBER CORPORATION
Individual Income Statement
January 1 to December 31, 2021 and 2020

Unit: NTD thousands, except Earnings Per Share (NTD)

Code		2021 Amount	2021 %	2020 Amount	2020 %
4000	Operating income (Note 4 and 30)	$ 10,685,164	100	$ 7,476,601	100
5000	Operating expenses (Note 4, 11, 24 and 30)	(11,447,894)	(107)	(9,094,982)	(122)
5900	Gross losses	(762,730)	(7)	(1,618,381)	(22)
5910	Unrealized gain on the subsidiary, affiliated company and joint ventures (Note 4)	(960)	-	-	-
5920	Realized gain on the subsidiary, affiliated company and joint ventures (Note 4)	13	-	-	-
5950	Realized gross losses	(763,677)	(7)	(1,618,381)	(22)
	Operating expenses (Note 4, 10 and 24)				
6100	Marketing expenses	(383,568)	(4)	(352,158)	(5)
6200	Administrative and general affairs expenses	(147,776)	(1)	(192,670)	(2)
6450	Expected credit impairment loss (gains)	(1,022)	-	85,677	1
6000	Total operating expenses	(532,366)	(5)	(459,151)	(6)
6900	Operating losses	(1,296,043)	(12)	(2,077,532)	(28)
	Non-operating revenues and expenses				
7070	Amounts of profit and/or loss of subsidiaries recognized in equity method, associates and the share of the profit or loss of joint ventures (Note 4)	1,345,350	13	1,017,225	14
7100	Interest revenues (Note 4 and 30)	8,037	-	10,248	-
7130	Dividend income (Note 4)	28,510	-	40,546	1
7190	Other gains and losses (Note 24 and 30)	84,138	1	23,858	-
7215	Capital gain from disposition of investment property (Note 16)	-	-	2,863,685	38
7230	Foreign exchange gain (loss) – net	(31,651)	-	(60,496)	(1)
7235	Gain (loss) on financial assets and liabilities at fair value through profit and loss (Note 4 and 24)	57,437	-	24,814	-
7610	Gain (loss) in disposal of real estate, plant buildings, equipment & facilities	915	-	(2)	-
7673	Impairment loss of property, plant and equipment (Note 4 and 14)	(44,244)	(1)	(605,359)	(8)
7510	Financial cost (Note 4 and 24)	(146,750)	(1)	(173,128)	(2)
7000	Total non-operating revenues and expenses	1,301,742	12	3,141,391	42
7900	Income before tax from continuing operations	5,699	-	1,063,859	14
7950	Income tax expenses (Note 4 and 25)	-	-	(121,812)	(2)
8200	Net profits of the current year	5,699	-	942,047	12
	Other comprehensive profit or loss				
	The items that are not re-classified as profit or loss				
8311	Determined Benefit Plan Reevaluation (Note 4 and 21)	(2,645)	-	(8,509)	-
8316	Unrealized valuation of the capital gain/loss from equity instrument at fair value through comprehensive income statement as other comprehensive income	324,684	3	(148,504)	(2)
8330	The proportion of other comprehensive incomes from subsidiaries, associates, and equity joint-ventures accounted for under the equity method – not reclassified as profit and loss	231,140	2	190,468	3
8349	Income tax related to titles without reclassification (Notes 4 and 25)	529	-	1,702	-
8310		553,708	5	35,157	1
	Items that may be re-classified subsequently under profit or loss				
8361	Exchange differences from the translation of financial statements of foreign operations	4,021	-	(29,246)	(1)
8380	The proportion of other comprehensive income of subsidiaries, associates, and equity joint ventures accounted for under the equity method – may be reclassified as profit and loss.	(63,126)	-	56,180	1
8360		(59,105)	-	26,934	-
8300	Other comprehensive income of the current year (net amount after taxation)	494,603	5	62,091	1
8500	Total amount of comprehensive income of the current year	$ 500,302	5	$ 1,004,138	13
	Earnings per share (Note 26)				
9750	Basic earnings per share	$ -		$ 0.70	
9850	Diluted earnings per share	$ -		$ 0.70	

The notes attached shall constitute an integral part of this individual financial statement.
(Refer to Auditor's Report presented by Deloitte & Touche dated March 14, 2022)

Chairman: Kuei-Hsien Wang　　Manager: Ming-Shang Chuang　　Accounting Supervisor: Kuo Hua Lin

CHINA MAN-MADE FIBER CORPORATION
Individual Statements of Changes in Shareholders' Equity
January 1 to December 31, 2021 and 2020

Unit: NTD thousand

Code		Capital stock		Retained earnings			Other equity			
		Common stock	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange differences from the translation of financial statements of foreign operations	Unrealized gain or loss on financial assets at fair value through other comprehensive profit or loss	Treasury stock	Total equity
A1	Balance as of January 1, 2020	$ 16,213,672	$ 1,710,808	$ 855,476	$ 1,936,126	$ 2,220,569	($ 86,995)	$ 382,016	($ 1,227,909)	$ 22,003,763
	The 2019 appropriation and distribution of earnings									
B3	Special reserve appropriated	-	-	-	4,696	(4,696)	-	-	-	-
C7	Changes of the associates and joint ventures recognized under the Equity Method	-	-	-	-	452	-	(1,208)	-	(756)
D1	2020 Profit	-	-	-	-	942,047	-	-	-	942,047
D3	Other comprehensive net income in 2020 (after tax)	-	-	-	-	(15,146)	(29,246)	106,483	-	62,091
L1	Repurchase of treasury stock	-	-	-	-	-	-	-	(1,745)	(1,745)
M5	The differences between carrying amount and market price of disposal of shares in subsidiaries	-	(6,270)	-	-	(47,133)	-	-	92,852	39,449
M7	Changes in the ownership equity on a subsidiary	-	(41,007)	-	-	(5,832)	-	-	-	(46,839)
Q1	Disposal of equity instrument investments measured at fair value through other comprehensive income:	-	-	-	-	35,329	-	(35,329)	-	-
Z1	Balance as of December 31, 2020	16,213,672	1,663,531	855,476	1,940,822	3,125,590	(116,241)	451,962	(1,136,802)	22,998,010
	The 2020 appropriation and distribution of earnings									
B1	Legal reserve appropriated	-	-	90,972	-	(90,972)	-	-	-	-
B5	Cash dividends	-	-	-	-	(162,106)	-	-	-	(162,106)
B9	Stock dividends	648,425	-	-	-	(648,425)	-	-	-	-
B17	Reversal of special reserve	-	-	-	(6,177)	6,177	-	-	-	-
C7	Changes of the associates and joint ventures recognized under the Equity Method	-	-	-	-	606	-	(463)	-	143
D1	2021 Profit	-	-	-	-	5,699	-	-	-	5,699
D3	Other comprehensive net income in 2021 (after tax)	-	-	-	-	(3,187)	4,021	493,769	-	494,603
M1	Dividends distributed to the subsidiaries adjusted to the additional paid-in capital	-	15,826	-	-	-	-	-	-	15,826
M7	Changes in the ownership equity on a subsidiary	-	(22,670)	-	-	(2,421)	-	-	-	(25,091)
Q1	Disposal of equity instrument investments measured at fair value through other comprehensive income:	-	-	-	-	25,466	-	(25,466)	-	-
Z1	Balance as of December 31, 2021	$ 16,862,097	$ 1,656,687	$ 946,448	$ 1,934,645	$ 2,256,427	($ 112,220)	$ 919,802	($ 1,136,802)	$ 23,327,084

The notes attached shall constitute an integral part of this individual financial statement.
(Refer to Auditor's Report presented by Deloitte & Touche dated March 14, 2022)

Chairman: Kuei-Hsien Wang | Manager: Ming-Shang Chuang | Accounting Supervisor: Kuo Hua Lin

CHINA MAN-MADE FIBER CORPORATION
Individual Statements of Cash Flow
January 1 to December 31, 2021 and 2020

Unit: NTD thousand

Code		2021	2020
	Cash flow from operating activities		
A10000	Current year net profit before taxation	$ 5,699	$ 1,063,859
A20100	Depreciation expenses	587,305	646,732
A20300	Expected credit reversal benefit (loss)	1,022	(85,677)
A23900	Unrealized sales gain on the subsidiary, affiliated company and joint ventures	948	-
A20400	Gain (loss) on financial assets and liabilities at fair value through profit and loss	(57,437)	(24,814)
A20900	Financial costs	146,750	173,128
A21200	Interest revenue	(8,037)	(10,248)
A21300	Dividend income	(28,510)	(40,546)
A22400	Shareholding in profit of subsidiaries, affiliated company and joint ventures under the equity method	(1,345,350)	(1,017,225)
A22500	Gain (loss) in disposal of real estate, plant buildings, equipment & facilities	(915)	2
A22700	Capital gain from disposition of investment property	-	(2,863,685)
A23700	Loss in impairment of non-financial assets	51,676	585,505
	Net change in operating assets and liabilities		
A31115	Financial assets mandatorily measured at fair value through profit or loss	217,086	224,382
A31180	Accounts receivable	(1,131,963)	1,059,898
A31200	Inventory	(401,271)	354,456
A31230	Prepayments	(112,253)	116,373
A31240	Other current assets	826	(1,972)
A32180	Payables	321,681	(330,915)
A32200	Liability reserve	-	64,908
A32230	Other current liabilities	(6,723)	11,364
A32240	Net determined benefit liability	(6,955)	(16,580)
A33000	Cash generated from operating activities	(1,766,421)	(91,055)
A33100	Interest received	9,060	11,271
A33200	Dividends received	284,662	341,140
A33300	Interest payment	(146,273)	(174,038)
A33500	Income tax received (paid)	572	(119,305)
AAAA	Net cash outflow from operating activities	(1,618,400)	(31,987)
	Cash flow from investing activities		
B00010	Acquisition of financial assets at fair value through other comprehensive profit or loss	(59,925)	(1,763)
B00020	Disposal of financial assets at fair value through other comprehensive profit or loss	12,622	9,227
B00030	De-capitalization refunded monies of financial assets at fair value through other comprehensive profit or loss (decrease)	12,187	809
B01800	Acquisition of investment under the equity method	(617,998)	(446,524)
B01900	Disposal of long-term equity investments under the equity method	34,015	-
B02700	Acquisition of property, plant and equipment	(172,796)	(417,263)
B02800	Disposal of property, plant and equipment	1,669	-
B03700	Decrease (increase) in Refundable deposits	1,280	(540)
B05400	Acquisition of investment property	(194,797)	(264,154)
B05500	Disposition of investment property	-	3,633,295
B06800	Decrease (increase) in other assets	86,784	(228,017)
BBBB	Net cash inflow (outflow) from investing activities	(896,959)	2,285,070
	Cash outflow from financing activities		
C00200	Increase (decrease) in short-term loans	2,234,558	(2,127,324)
C00500	Increase in short-term notes payable	99,607	100,539
C01600	Proceeds from long-term loan	3,285,000	7,558,828
C01700	Re-payments of long-term borrowings	(3,040,584)	(8,129,839)
C03100	Decrease in guarantee deposits	(497)	(833)
C04020	Repayment of rental principal	(10,057)	(12,314)
C04500	Cash dividend released	(162,106)	-
C04900	Cost of treasury stock repurchase	-	(1,745)
CCCC	Net cash inflow (outflow) from financing activities	2,405,921	(2,612,688)
EEEE	Net decrease in cash and cash equivalents	(109,438)	(359,605)
E00100	Cash and cash equivalents balance – beginning of year	1,543,392	1,902,997
E00200	Cash and cash equivalents balance – end of year	$ 1,433,954	$ 1,543,392

The notes attached shall constitute an integral part of this individual financial statement.
(Refer to Auditor's Report presented by Deloitte & Touche dated March 14, 2022)

Chairman: Kuei-Hsien Wang Manager: Ming-Shang Chuang Accounting Supervisor: Kuo Hua Lin

Notes to the Individual Financial Statements

January 1 to December 31, 2021 and 2020

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

1. Company Profile

(1) The Company was founded on May 11, 1955 in accordance with the Company Act and other related regulations. The Company was approved to be traded on the TWSE on December 2, 1963. Over the years after several rounds of increase and decrease in cash capital, the paid-in capital as of December 31, 2021 is NT$16,862,097 thousand.

(2) The Company is primarily engaged in the following business lines:

1. Manufacturing, processing and buying and selling of man-made fiber, cellophane, polyamine fiber, polyester fiber, chemicals and the raw materials.
2. Development, manufacturing and buying and selling of machinery used for the above products.
3. Manufacturing and buying and selling of ethylene glycol, ethylene oxide, nonylphenol, ethylene, liquefied petroleum gas and the related petrochemical industry products.
4. Lease and sale of national housing and commercial buildings constructed by commissioned contractors;
5. Distribution, sorting and storage of various products.
6. Management of supermarkets, trading of fresh foods, vegetables, fish, dried merchandise and various seasonings;
7. Manufacturing and sales of steam and industrial and commercial electricity by cogeneration (electricity shall not be sold to energy users).
8. Agency, distribution and contract bidding for installation of cogeneration and pollution control equipment.
9. Manufacturing and sales of oxygen, liquid oxygen, nitrogen, liquid nitrogen, air argon, liquid argon, carbon dioxide and compressed air.
10. Gas station.

(3) This parent company only financial statement is denominated in NT Dollar, the functional currency of the Bank.

2. Financial reporting date and procedures

The individual financial statements were approved for publication by the board of directors on March 14, 2022.

3. Application of new and revised standards and interpretation

(1) The Company has applied the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC) and Standing Interpretations Committee (SIC) Interpretations (abbreviated collectively as “IFRSs”) endorsed and published by the Financial Supervisory Commission (abbreviated as “the FSC” in the following context) for the first time.

In addition to the descriptions below, the IFRSs to which the amendment is applicable and recognized and promulgated to take effect by the Financial Supervisory Commission, R.O.C. (Taiwan) will not cause major changes in the company’s accounting policy.

IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16 amended “Change in interest rate indicators-second stage.”

The Company has selected practical expedients provided in the amendments to deal with the changes in the basis for determining contractual cash flows of the financial assets, financial liabilities and lease liabilities as a result of interest rate benchmark reform. The changes are accounted for by updating the effective interest rate at the time the basis is changed, provided the changes are necessary as a direct consequence of the reform and the new basis is economically equivalent to the previous basis.

For the hedging relationships that are subject to the reform, the Company applies the following temporary exceptions:

1. The changes to the hedging relationship that are needed to reflect the changes required by the reform are treated as a continuation of the existing hedging relationship.
2. If an alternative benchmark rate that is reasonably expected to be separately identifiable within a period of 24 months, the consolidated companies designate the rate as a non-contractually specified risk component.
3. After a cash flow hedging relationship is amended, the amount accumulated in the gain/(loss) on hedging instruments of cash flow hedge is deemed to be based on the alternative benchmark rate on which the hedged future cash flows are determined.
4. The consolidated companies allocate the hedged items of a group hedge that is subject to the reform to sub-groups based on whether or not the hedged items have been changed to reference an alternative benchmark rate and designates the hedged benchmark rate separately.

(2) Applicable FSC-approved IFRSs as of 2022

The new / amended / revised standards or interpretation	Effective Date per IASB
“IFRSs 2018 – 2020 annual improvement”	January 1, 2022 (Note 1)
Amendment to IFRS 3 "Reference to the conceptual framework"	January 1, 2022 (Note 2)
IAS 16 amended “Real estate and plants and equipment: reaching the price before the scheduled use status.”	January 1, 2022 (Note 3)
IAS 37 amended “Onerous contracts-cost for contract fulfillment.”	January 1, 2022 (Note 4)

Note 1: An amendment of IFRS 9 is applicable to the exchange or clause modification of financial liabilities in the annual reporting period beginning after January 1, 2022; an amendment to IAS 41 “Agriculture” is applicable to the annual reporting period beginning after January 1, 2022 focusing on the fair value measurement. An amendment to IFRS 1 “adopting IFRSs for the first time” is applicable, retrospectively, to the annual reporting period beginning after January 1, 2022.

Note 2: This amendment applies to business merger of which the acquisition date starts after January 1, 2022 during the annual reporting period.

Note 3: The factory, real estate and equipment that are required to reach the necessary location and state of the management’s expected operating mode after January 1, 2021 are subject to this amendment.

Note 4: This amendment applies to contracts that have not been fulfilled for all obligations as of January 1, 2022.

The assessment of individual company on above IFRSs as of the day this individual financial statement was approved for release did not cause significant influence on the financial position and financial performance.

(3) The IFRSs released by the IASB but not yet approved and announcement effective by the Financial Supervisory Commission

The new / amended / revised standards or interpretation	IASB publication effective date (Note 1)
Amendment to IFRS 10 and IAS 28, “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture and Investment in Associates.”	Undecided
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendment 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	January 1, 2023

The new / amended / revised standards or interpretation	IASB publication effective date (Note 1)
Current or Non-current”	
IAS 1 amended “Disclosure of accounting policies.”	January 1, 2023 (Note 2)
IAS 8 amended “Definition of accounting estimations.”	January 1, 2023 (Note 3)
Amendments to IAS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023 (Note 4)

Note 1: Unless otherwise stated, the aforementioned new / revised / amended standards or interpretations become effective in the year after the respective date stated.

Note 2: This amendment is applicable for annual reporting period extension commenced after January 1, 2023.

Note 3: This amendment is applicable for changes in accounting estimation and accounting policy occurring during the annual reporting period after January 1, 2023.

Note 4: Except for temporary differences recognized under deferred income taxes between leases and ex-service obligations as of January 1, 2022, this amendment applies to transactions occurred after January 1, 2022.

IAS 1 amended “Disclosure of accounting policies.”

The said amendment expressly stipulates that the Company should determine the significant accounting policy information that should be disclosed based on the definition of materiality. If the accounting policy information can be reasonably expected to affect the main users of financial statements for general purpose who use the said financial statements as the basis for making decisions. Amendment and Clarification:

- The accounting policy information related to non-significant transactions, other issues or circumstances is attributed as non-significant and the Company is not required to disclose such information.
- The Company may judge and determine that the relevant accounting policy information is significant as a result of the attribute of the transaction, other issues or circumstances even if the amount is not significant.
- All accounting policy information not related to major transactions, other matters or situations is considered major.

In addition, the amendment also cites examples to explain if the accounting policy information is related to major transactions or others matters or situations and that the following situations occur, the said information may be considered major:

1. The Company changed its accounting policy during the reporting period where such change resulted in a significant change in the financial statement information;
2. The Company selects its own applicable accounting policy from the provided options allowed by the standard;
3. Amidst the inadequate specific standards, the Company has established accounting policies in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors;”
4. The Company discloses relevant accounting policies where it shall adopt significant judgments or assumptions to determine; or
5. Involves complex accounting disposal regulations and financial statement users’ dependence on information on the said information to understand major transactions, or other matters or situations.

Further to the above effects, as of the release date of the individual financial report, the company continues to evaluate the impact on the financial position and performance from the abovementioned standards and interpretations, and the relevant impacts will be disclosed when the evaluation is completed.

4. Summary of important accounting policies

(1) Statement of Compliance

The individual financial statements were prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers.”

(2) Basis of Preparation

Except for the financial instruments on the basis of fair value and the recognition of net defined benefit liabilities on the basis of the present value of net defined benefit obligation net of the fair value of planned assets, this individual financial statement was compiled on the basis of historical cost.

The evaluation of fair value could be classified into Level 1 to Level 3 by the observable intensity and importance of related input value:

1. Level 1 input value: refers to the quotation of the same asset or liability in an active market as of the evaluation (before adjustment).
2. Level 2 input: Referred to as those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (*i.e.,* as prices) or indirectly (i.e. derived from prices).
3. Level 3 input value: the unobservable input value of asset or liability.

The Company when preparing the individual financial statements has the investment in subsidiaries and affiliated companies processed under the equity method. To align the individual financial statements to be identical to the current year's loss or gain, other general loss or gain and equity and the company's consolidated statements belonging to company owner's current year's loss or gain, other general loss or gain and equity, under the individual basis and consolidation basis, those involving accounting processing variations pertain to adjusting "investment adopting the equity method," "share amounts of subsidiaries, affiliated enterprises adopting the equity method" and related equity items.

(3) Current and non-current assets and liabilities

Current assets including:

1. Assets held mainly for trading purpose:
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash and cash equivalents (not including those that are limited to exchange or repay liabilities exceeding 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held for trading purposes;
2. The liabilities to be liquidated upon due within 12 months after the balance sheet date (those with long-term refinancing or payment term rearrangement completed from the balance sheet date to the financial reports approved and published date are also classified as current liabilities), and
3. Liabilities with the repayment deadline that cannot be unconditionally deferred to at least 12 months after the balance sheet date. Where the liabilities might be paid off at the discretion of the other party through the tools of the issuance equity, the classification would remain unaffected.

For those that are not current assets or liabilities above are classified as non-current assets or liabilities.

(4) Foreign currencies

In the process of compiling the parent company only financial statement, all transactions conducted other than the functional currency of the Bank shall be converted into the functional currency for bookkeeping as of the exchange rate effective on the transaction date.

Foreign currency monetary items are translated at the closing rate on each balance sheet date. The exchange differences arising from the settlement of monetary items or translating monetary items are recognized in the current profit or loss.

The foreign non-currency items measured at fair value are translated in accordance with the exchange rate on the fair value determination date and the exchange difference is booked as current profit or loss. However, for the changes in fair value recognized in the other comprehensive profit or loss, the exchange difference is recognized in the other comprehensive profit or loss.

The foreign non-currency items measured at historic cost are translated in accordance with the exchange rate on the transaction date without the need for a translation again.

Upon preparation of the Individual Financial Report, the assets and liabilities of the Company's and overseas operating institutions (including the subsidiaries, associates, joint ventures or branches in the countries of business operation or those using currencies different from the Company's) were converted to New Taiwan Dollars based on the exchange rate quoted on every balance sheet date. The profits and losses are translated in accordance with the current average exchange rates, and the exchange differences resulted is booked in other comprehensive profit and loss and attributable to the Company's shareholders and non-controlling equity, respectively.

When liquidating an offshore operating entity and which also results in losing control or with critical impact to said offshore operating entity, equity related to said offshore operating entity that can be classified to company owner's equity will be reclassified as loss or gain.

(5) Inventories

Inventories include raw materials, supplies, work-in-progress, products contracted to be processed, finished goods and products. Inventory is valued in accordance with the lower of cost or net cash value. When comparing cost and net cash value, except for the homogeneous inventories, it is based on the itemized lower of cost or net cash value. Net realizable value refers to the estimated sale price under normal circumstances net of the estimated cost needed to complete the project and the estimated expenses needed to complete the sale. Inventory cost is determined by the weighted-average method.

The construction inventories were stated at the cost invested actually. The cost for available-for-sale housing and land was amortized based on weighted-average building coverage method, and stated at the lower of cost or net realizable value at the end of period.

(6) Investment under the equity method

The Company has the investment in subsidiaries and affiliated companies handled in accordance with the equity method.

1. Investment in subsidiaries

Subsidiaries are the entities controlled by the Company.

Under the equity method, investments were originally recognized at cost; the book value after the acquisition date fluctuates along with the distribution of profit or loss from the subsidiaries and other comprehensive profit or loss. In addition, for the changes in the affiliated company's equity, the Company is entitled to have it recognized proportionately to the shareholding.

When the Company’s change in the ownership of the subsidiary does not result in loss of control, it is treated as an equity transaction. The difference between the book amount of the investment and the fair value of the consideration paid or received shall be directly recognized as equity.

If the company’s loss share amount to a subsidiary equals to or exceeds said subsidiary’s equity (including the subsidiary’s book value amount using the equity method and said subsidiary’s other long-term equity in its investment makeup portion tangibly belonging to the company), it pertains to continuing to recognize as a loss by shareholding ratio.

Acquisition costs in excess of the Company's share of net identifiable assets and liabilities (i.e. fair value) in a subsidiaries on the date of acquisition are recognized as goodwill. This goodwill includes book value of the investment and is not amortized. Share of net identifiable assets and liabilities (*i.e.,* fair value) in subsidiaries that exceeds acquisition cost on the date of acquisition is recognized as gains for the current year. In the acquisition of a subsidiary that does not constitute business undertakings, the acquisition cost is allocated to identifiable assets acquired where appropriate (including intangible assets), as well as the share of liabilities assumed, without producing goodwill or current benefits.

In assessing impairment, the Company based on the cash drivers of the financial statements and compared the recoverable amount and book value. If the amount of recoverable assets increased in the future, the reversal of impairment shall be recognized as income. The book value of the reversal of impaired assets shall not exceed the book value before recognition for impairment net of amortization. Subsequent reversal of impairment loss is not allowed.

In the event of loss of control over the subsidiary, the Company shall measure the fair value of the residual investment in the subsidiary on the date loss of control over the subsidiary. The difference between the fair value of the residual investment and the amount of disposal and the book amount of the investment on the date loss of control over the subsidiary is recognized in the profit and loss of the year. In addition, the accounting treatment for the amounts recognized in the other consolidated gains and losses that are related to the subsidiary is same as the accounting principle to be complied with while the Company directly disposing the relevant assets or liabilities.

The unrealized concurrent trade between the company and the subsidiaries stated in the financial statement of individual entities shall be removed. The profit or loss resulting from the countercurrent, and side-stream transactions between the Company and the subsidiary are recognized in the individual financial statement within the range irrelevant with the Company’s interest in the subsidiary.

2. Investments in the affiliated company

The company has a significant influence on an affiliated company that is not a subsidiary or joint venture.

The Company adopts equity method for investment in associates.

Under the equity method, investments in the affiliated companies were originally recognized at cost; the book value after the acquisition date fluctuates along with the distribution of profit or loss from the affiliated company and other comprehensive profit or loss. In addition, the changes in the equity of affiliates shall be recognized in proportion to the proportion of shareholding.

When associates issue new shares, if the Company fails to subscribe stock share proportionally to their shareholding, resulting in changes in shareholding ratio and thus causing changes in net equity investment, the increase or decrease amount should be adjusted to the additional paid-in capital – recognizing changes in net equity of associates and joint under the equity method and investment under equity method. If the Consolidated Company' did not subscribe to the new shares pro rata to the shareholding percentages and led to a decrease of the shareholding percentages subscribed to or obtained from the associate, nevertheless, the amount of other comprehensive income so recognized was reclassified pro rata to the decrease ratio in the associate. The accounting management was on the grounds same as the grounds the associate must comply with if it directly disposed assets or liabilities. If the aforementioned adjustment must be debited into capital reserve where the balance of capital reserve yielded by the investment in equity method, the difference was debited as retained earnings.

In the event that the Company's shares of loss in the associates equal to or exceed its equity in the associates (including the book value of investment in the associates in equity method and other long-term interest of the Consolidated Company' in the investment composition of the associates), the Company' discontinued recognition of the further losses. The Company' recognized extra losses and liabilities only in the event of occurrence of legal obligations, presumed obligations or within the scope that the Consolidated Company' had made payment on behalf of the associate.

When the Company performs an impairment evaluation, the overall carrying amount of the investments are treated as one single asset and then the impairment test performed to compare its recoverable amount with the carrying amount. The recognized impairment loss will not be allocated to any asset that causes the components of the carrying amount of investments. Any reversal of the impairment loss can be recognized within the range of the recoverable amount of the subsequently increased investment.

Besides, all relevant amounts relevant to the associates recognized in other comprehensive income were managed on the accounting grounds same as the grounds which it should comply with if the associates directly disposed of the relevant assets or liabilities.

The profit or loss resulting from the countercurrent, downstream and side-stream transactions between the Company and the affiliated company is recognized in the individual financial statement within the range that is irrelevant to the Company's interest in the affiliated company.

(7) Property, plant and equipment

Real property, plant and equipment are recognized as costs, and they will be measured by the amount after the costs less the amount of accumulated depreciation and accumulated impairment afterwards.

Those real estate, plant buildings, equipment and facilities under construction were recognized at the amount of the costs after deducting the loss in the accumulated impairment. Costs include professional service expanses and loan costs that meet the capitalization conditions. When such assets are completed and reach expected use status, such assets will be classified to proper items under real property, plant and equipment and the provision of depreciation shall begin.

Proprietary land is not depreciated.

The depreciation of each material part of real estate, plants and equipment should be appropriated independently in accordance with the useful year and a straight-line method. The Company shall review the estimation of life span, residual value and depreciation method at least once a year and extend the effect of changes in applicable accounting policy.

In the case of delisting real estate, plants and equipment, the difference between the net disposal price and the book value of the asset is recognized in profit or loss.

(8) Investment property

Investment property is the real property held for purpose of earning of rental income or appreciation or both. Investment property includes lands held at present without determination of future use.

Investment property is measured on the basis of initial cost (including transaction cost) and subsequent measurement shall be based on the subtraction of accumulated depreciations and accumulated impairment from cost. The Company has depreciation appropriated in accordance with the straight-line method

In removing investment property, the difference between the net proceeds of disposition and the book value shall be recognized as income.

(9) Intangible assets

1. Acquired separately

The intangible asset with limited useful life acquired separately was originally measured at cost and subsequently measured at cost, net of accumulated amortization and accumulated impairment losses. Intangible assets shall be subject to amortization under the straight-line method during its life span, and the estimation of life span, residual value and depreciation method shall be subject to review at least once a year and extend the effect of changes in applicable accounting policy.

2. Derecognition

In removing intangible assets, the difference between the net proceeds of disposition and the book value shall be recognized as income.

(10) The impairment of real estate, plants and equipment, right-of-use assts, and intangible assets (except goodwill)

The company evaluates whether there are any signs of impairment in real estate, plants and equipment, right-of-use assets and intangible assets (other than goodwill) on every balance sheet date. If there is any indication of impairment occurring, the recoverable amount of the asset should be estimated. If the recoverable amount of an individual asset cannot be estimated, the Company is to estimate the recoverable amount of the respective cash-generating unit. The common asset is amortized to each cash-generating unit in accordance with a consistent and reasonable sharing basis.

The intangible asset with indefinite useful lives and not yet available for use should be tested for impairment at least annually or should be tested when there is an indication of impairment.

The recoverable amount is the fair value net of cost or the value in use whichever is higher. When the recoverable amount of an individual asset or cash-generating unit is less than its book amount, the book amount of the asset or cash-generating unit should be reduced to its recoverable amount. The impairment loss is recognized in the profit or loss.

When the impairment loss was reversed subsequently, the book amount of the asset or cash-generating unit is increased to the adjusted recoverable amount, but the increased book amount may not exceed the book amount of the asset or cash-generating unit without recognizing the impairment loss in prior periods (net of amortization or depreciation). The reversed impairment loss is recognized in the profit or loss.

(11) Financial instruments

When the Company has become a party to the instrument contract, the financial assets and financial liabilities are to be recognized in the individual balance sheet.

For the initial recognition of the financial assets and financial liabilities, if the financial assets or financial liabilities are not measured at fair value through profit or loss, it is measured at fair value plus transaction cost that is directly attributable to the acquisition or issuance of financial assets or financial liabilities. The transaction cost directly attributable to the acquisition or issuance of financial assets or financial liabilities that are measured at fair value through profit or loss is immediately recognized in the profit or loss.

1. Financial Assets

The customary transaction of financial assets is recognized and de-recognized in accordance with the trade date accounting.

(1) Classification of measurement

The financial assets held by the Company are financial assets at fair value through income statements, financial assets on the basis of cost after amortization, investment of debt instruments at fair value through other comprehensive income statements, and equity instruments at fair value through other comprehensive income.

A. Financial assets at fair value through profit and loss

Financial assets measured at fair value through profits or losses are financial assets that are mandatorily measured at fair value through profits or losses. Financial instruments designated at fair value through income statements included the investment of equity instruments not designated at fair value through other comprehensive income and those not conforming to the standard of debt instruments on the basis of cost after amortization or at fair value through other comprehensive income.

The financial assets measured at fair value though profit or loss is measured at fair value; also, the profit or loss of revaluation (including any dividends or interest arising from the financial asset) is recognized in the profit and loss. Please refer to Note 29 for the determination of fair value.

B. Financial assets on the basis of cost after amortization

If the financial assets of the Company met both of the following conditions, classify as financial assets on the basis of cost after amortization:

a. Financial assets held under particular mode of operation and the purpose of holding is for the collection of cash flow from contracts; and

b. Cash flow generated on particular dates deriving from the contacts and the cash flow is wholly for the payment of principal and interest accrued from the outstanding amount of the principal.

Financial assets on the basis of cost after amortization (including cash and cash equivalents, notes receivable on the basis of cost after amortization, accounts receivable and other receivables) shall be determined for the total book value under the effective interest rate method after the initial recognition net of the cost of any impairment after amortization for measurement. Any exchange gains or loss will be recognized as income.

Interest income will be the product of effective interest rate and total book value of financial assets except under the following two conditions:

a. The interest income of financial assets procured or initiated under credit impairment will be the product of the effective interest rate after credit adjustment and the cost of financial assets after amortization.

b. Financial asset that has subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset.

The term "credit-impaired financial assets" refers to financial assets whose active market has disappeared due to significant financial difficulty or breach of contract of the issuer or borrower, possible declaration of bankruptcy or other financial reorganization of the borrower, or any other financial difficulty.

Cash equivalents are time deposits within 3 months from the date of acquisition, with high liquidity, can be converted into cash with marginal risk on the change in value, and are used for the fulfillment of short-term commitment in cash settlement.

C. Debt instrument investments measured at fair value through other comprehensive income

If the investment of debt instruments by the Company met both the two conditions below, classify as financial instruments at fair value through comprehensive income:

a. Financial assets held under the particular mode of operation and the purpose of holding being for collection of cash flow from contracts; and

b. Cash flow generated on particular dates deriving from the contacts and the cash flow is wholly for the payment of principal and interest accrued from the outstanding amount of the principal.

Other investment of debt instruments at fair value through comprehensive income should be measured at fair value. Changes in the book value shall be recognized as income under the calculation of interest income under the effective interest rate method and exchange gain and loss and impairment or reversal benefits shall be recognized as income. Other changes shall be recognized as other comprehensive income and reclassified as income at the disposition of investment.

D. Equity instrument investments measured at fair value through other comprehensive income

The Company may make an irrevocable choice at the time of initial recognition for designating the investment of equity instruments not available-for-sale and not recognized by the consolidated acquirer under corporate acquisition or with consideration at fair value through other comprehensive income for measurement.

The investment of equity instruments at fair value through other comprehensive income is measured at fair value. Subsequent changes in fair value will be recognized as other comprehensive income and accumulated into other equity. In the disposition of assets, accumulated gains or loss shall be directly transferred to retained earnings without classification as income.

The dividends of the investment of equity instruments at fair value through other comprehensive income shall be recognized as income when the right of the Company in the collection of dividends is ascertained, unless the dividend is obviously representing the recovery of the cost of investment in part.

(2) Impairment of financial assets

The company measures its amortized financial assets (including accounts receivable) measured by cost and other general loss or gain by fair value on investments' impairment loss measured by debt instruments with anticipated credit loss assessment on every balance sheet date.

Notes receivable and receivable accounts shall be recognized for provisions for loss on the basis of anticipated credit loss within the perpetuity of the assets. Other financial assets shall be evaluated for any significant increase of risk from the day of initial recognition. If none is found, recognize for provision for anticipated credit loss along a period of 12 months. If it is, recognize for provision of anticipated credit risk within the perpetuity of the assets.

Anticipated credit loss is the weighted average loss of credit on the basis of the weight of the risk of default. Anticipated credit loss in a period of 12 months means the expected loss of credit from the financial instruments within 12 months due to default. Anticipated credit loss with the perpetuity of the financial instruments means the expected loss of credit from the financial instruments within the perpetuity of these financial instruments.

For internal credit risk management purpose, the Company, without considering the collateral, determines the following circumstances indicating that a default has occurred on the financial instrument:

A. There is internal or external information indicating that the debtor is no longer able to pay off a debt.

B. Payments are overdue for more than 90 days, unless there are reasonable and supporting information showing that the delayed default benchmark is more appropriate.

All impairment of financial assets is recognized through the reduction of the book value of the provisioned account. However, the provision for loss of investment of debt instruments at fair value through comprehensive income shall be recognized as other comprehensive income without the reduction of its book value.

(3) The de-recognition of financial assets

The Company's financial assets are de-recognized only when the contractual rights from the cash flows of a financial asset becomes invalid, or when the financial assets are transferred and almost all the risks and rewards of the asset ownership have been transferred to other enterprises.

Derecognition of financial asset measured at amortized costs in its entirety, the difference between the asset's carrying amount and the consideration received is recognized in profit or loss. When particular debt instruments measured at fair value through comprehensive income is entirely removed, the total sum of any other accumulated gains or loss of the difference between book value and consideration recognized as other comprehensive income shall be recognized as income. When particular equity instruments measured at fair value through comprehensive income are entirely removed, the accumulated gains of loss shall be directly transferred to retained earnings without being classified as income.

2. Financial Liabilities

(1) Subsequent measurement

All financial liabilities are evaluated at the amortized cost using the effective interest method.

(2) De-recognition of financial liabilities

When de-recognizing financial liabilities, the difference between the book amount and the consideration paid (including any transferred non-cash assets or assumed liabilities) is recognized as profit or loss.

(12) Provision for liabilities

The recognized liability reserve amount is with the risk and uncertainty of the obligation considered, and it is the optimum estimate of the expenditure required to settle the obligations on the balance sheet date. Provision for liabilities shall be measured based on the discount value of the estimated cash flow for the settlement of obligation.

(13) Treasury stock

Treasury stock was stated at cost and shown as a deduction in shareholders' equity when the Company repurchased the stock, while it was stated at fair value if it was donation accepted by the Company.

The gains resulting from disposal of the treasury stock, if any, were higher than the book value, the difference thereof was stated under “capital surplus - treasury stock”. If gains were lower than the book value, the difference should first be offset against capital surplus from the same class of treasury stock transactions, and the remainder, if any, should be debited to retained earnings.

When the Company retired treasury stock, the treasury stock was written off, and against the “capital surplus – stock premium” and “capital stock” on a pro rata basis. When the book value of the treasury stock exceeded the total of the “capital stock” and “capital surplus-capital stock premium”, the difference was charged to capital surplus generated from the same class of treasury stock transactions and to retained earnings for any remaining amount. When the book value was lower than the total, the difference was credited to capital surplus arising from the same class of treasury stock transactions.

(14) Recognition of revenue

The Company, after identifying the performance obligations, had the transaction price amortized to each performance obligation and recognized as income when the performance obligations were fulfilled.

Contracts of which the time interval between the transfer of goods or services and the consideration is less than one year shall not have its major financial components, such as transaction price, adjusted.

1. Revenue through sale of products

When income on goods sold having had a price and utilization right defined by the customer and who also shoulders the primarily resale liability and who also assumes the goods’ shelfing and dating risk, the company recognizes the income and accounts receivable at said timing point.

When the material is supplied for processing, the ownership of the processed product is not transferred; therefore, the income is not recognized when the material is supplied.

2. Interest revenue

Interest income of financial assets is recognized when the economic benefit is likely to flow to the Company and the amount of revenues can be measured reliably. Dividend revenues are recognized by the outstanding capital by the passage of time and the applicable effective interest rate on an accrual basis.

For a single or a group of similar financial asset that is reduced due to impairment losses, the subsequently recognized interest income is calculated in accordance with the interest rate that is used for the discounting of future cash flow when measuring the impairment loss.

3. Labor revenue

Labor service income is recognized at the time the service is provided.

Revenues yielded by the labor services rendered in accordance with the contract were recognized based on the progress degrees set forth under the contract.

4. Dividends income

Dividend income from investments is recognized when the shareholders’ right to receive payment is established; however, it is under the pre-conditions that the economic benefits associated with the transaction system are likely to flow into the Company and the amount of revenues can be measured reliably.

(15) Leasing

The Company assesses whether or not the arrangement is (or includes) a lease arrangement on the agreement date

1. The Company is the lessor

When the lease term is to have all risks and returns attached to the ownership of assets transferred to the lessee, it is classified as a financing lease. All other leases are classified as operating leases. All lease agreements of the Company are currently operating leases.

Lease payments for operating leases upon deduction of lease incentives are recognized as income on a straight-line basis in relevant lease periods.

When leases include both land and building elements, the Company assesses whether or not different element categories are finance or operating leases based on whether almost all risks and returns associated with the ownership rights pertaining to each element have been transferred to the lessee. Lease payments are allocated proportionally to land and buildings based on the fair value of lease rights for land and buildings on the date of contract conclusion. If lease payments can be allocated to these two elements in a reliable manner, each element shall be handled in accordance with the applicable lease category. If lease payments cannot be allocated to these two elements in a reliable manner, the entire lease shall be classified as a finance lease. However, if it is evident that these two elements meet the operating lease standards, the entire lease shall be classified as an operating lease.

2. The Company is the lessee.

Except for recognizing low-value asset leases applying to exemption and lease payments for short-term leases being recognized as an expense on a straight-line basis over the lease term, other leases will be recognized as right-of-use assets and lease liabilities at lease commencement date.

The right-of-use asset is measured at cost (including the amount equal to the lease liability at its initial recognition, lease payments made before the commencement of the lease less any received, any incurred by the lessee, and an estimate of costs to be incurred by the restoring the underlying asset to the condition required) less any depreciation and any accumulated impairment losses. Additionally, the cost is subsequently adjusted for any . Right-of-use assets are separately expressed on the individual balance sheet.

The right-of-use assets were depreciated on a straight-line basis over the period from the commencement date of the lease to expiration of its useful life or expiration of the lease term, whichever date is earlier.

Lease liabilities are measured initially based on the present value of lease payments (incl. fixed payments, in-substance fixed lease payments, and variable lease payments determined by indices or rates). If the implied interest rate of the lease is easily determined, the lease payments will be discounted to their present value using that interest rate. If such interest rate is not easily determined, the incremental borrowing rate will be used.

Subsequently, the lease liabilities are measured at amortized cost using effective interest method and the interest expenses are amortized over the lease term. If changes in indices or rates utilized to determine lease payments lead to changes in future lease payments, the Company should remeasure lease liabilities and adjust right-of-use assets correspondingly. However, if right-of-use asset carrying amounts have already dropped to zero, remaining remeasurement amounts are recognized as profit or loss. Lease liabilities are separately expressed on the individual balance sheet.

(16) Borrowing cost

Borrowing costs directly belonging to acquiring, building or producing assets that meet the requirements are part of the costs of such assets until the completion of all necessary activities that the assets reaching the status of expected use or sale.

The income of a temporary investment with a specific loan that has not yet met the essential requirement of capital expenditure is deducted from the loan cost that meets the essential requirement of capitalization.

In addition to the transaction stated in the preceding paragraph, all other loan costs are recognized as profit and loss upon occurring.

(17) Governmental subsidies

The government subsidies shall only be recognized, provided that it can be reasonably convicted the company will comply with the supplementary terms for government subsidies and that the subsidies can be received.

If the government subsidies are used for compensating expenses or losses that have already incurred, or if the purpose is to provide the company with immediate financial support and if there are no related costs in the future, they shall be recognized as profit or loss during the collection period.

(18) Employee benefits

1. Short-term employee benefits

Liabilities relating to short-term employee benefits are measured by the non-discounted amount of the expected payment in exchange for employee services.

2. Retirement benefits

Under the defined contribution pension plan, the pension amount appropriated during the service years of the employees is recognized as an expense.

The determined cost of benefit for determined benefit retirement plan (including the cost of service, net interest, and reevaluation) is based on the actuary of projected unit method. The net interest arising from the cost of services (including current service costs and net defined benefit liabilities) is recognized as an employee benefits expense when incurred. The value of second measurement (including the profits and loss under actuary and the return on assets of the plan net or interest) shall be recognized as other comprehensive incomes and as retained earnings, if realized. No reclassification as profits and loss in subsequent periods.

Net defined benefit liability (asset) is the appropriation deficit (surplus) of the defined benefit pension plan. Net determined benefit asset shall not exceed the refund of the appropriated fund or decrease the present value of appropriation of fund in the future.

(19) Income tax

Income tax expense is the sum of the current income tax and deferred income tax.

1. Income tax expenses in the current period

Based on the regulations set by each income tax reporting jurisdiction, the company shall determine the current income (loss), based on which the payable (recoverable) income tax is calculated.

Additional income tax on unappropriated earnings is calculated in accordance with the provisions of the Income Tax Act of the Republic of China, to be recognized in the year of the shareholder resolution meeting.

The adjustment to prior period income tax payable is booked as current income tax.

2. Deferred tax

Income tax is computed in accordance with the temporary differences between the book value of assets and liabilities and the tax bases of taxable income.

Deferred income tax liabilities are generally recognized for all taxable temporary differences. Deferred income tax assets are recognized when there is a likelihood to have taxable income available for income tax credit resulting from the expenses of deductible temporary differences and tax loss carryforwards.

The taxable temporary differences related to the investment in the equities of the subsidiaries, affiliates, and joint ventures are recognized as deferred income tax liabilities, except for those that the Company can control the timing of reversing the temporary difference and the temporary difference is unlikely reversible in the foreseeable future. The deferred income tax asset arising from deductible temporary differences associated with such investment and equity is recognized within the range of earnings that are with sufficient taxable income to realize temporary differences and are expected to be reversed in the foreseeable future.

The book amount of deferred income tax asset must be reviewed at each balance sheet date. The book amount of those that no longer have any sufficient taxable income to recover all or part of the asset, should be adjusted down. Those that are not originally recognized as deferred income tax assets should also be reexamined at each balance sheet date. The book amount of those that are likely to generate taxable income in the future for the recovery of all or part of its assets should be adjusted up.

Deferred income tax assets and liabilities are measured in accordance with the expected liability liquidation or the tax rate in the period when the asset is realized. The tax rate is based on the tax rate and tax laws that are legislated or substantively legislated at the balance sheet date. The measurement of deferred income tax liabilities and assets reflects the tax effect resulting from the book amount of the assets and liabilities expected to be recovered or liquidated at the balance sheet date.

3. Current and deferred income taxes

Current and deferred income taxes are recognized in the profit or loss, except for the current and deferred income taxes related to the items recognized in other comprehensive profit or loss or directly included in the equity are recognized in the other comprehensive profit or loss or directly included in the equity. If the current period’s income tax or deferred income tax is incurred from acquiring a subsidiary, the income tax impact sum is streamlined into the invested subsidiary’s accounting processing.

5. Main source of significant accounting judgment, estimates and assumptions uncertainty

When the accounting policies stated in Note 4 adopted by the company, for the information that is hard to collect from other sources, the management should have the relevant judgments, estimates, and assumptions made in accordance with the historical experience and other relevant factors. Actual results may differ from the estimates.

The Company have taken into account the recent pandemic development situation in Taiwan and its impacts on the economic environment in the cash flow projection, growth rate, lease liabilities, profitability and related significant accounting estimates. The management continues to review the estimates and basic assumptions. If the correction of estimates affects only the current period, it is recognized upon amendment. If the amended estimate affects both current and future periods, it is recognized in the current and future periods.

Estimates and assumptions with regard to the main source of uncertainty

Impairment of real property, plant and equipment

The evaluation of real-estate, plant, and equipment impairment is based on the recoverable amount of the said equipment (i.e. the fair value of the said assets deducted by sales costs and higher value of use). The market price or changes in future cash flow will affect the recoverable amount of the said assets, which may result in the company's need to recognize impairment costs or reverse recognized impairment losses.

6. Cash and cash equivalents

	December 31, 2021	December 31, 2020
Cash on hand	$ 603	$ 603
Bank checks and demand deposits	1,433,351	1,542,789
	$ 1,433,954	$ 1,543,392

The market interest rate interval of bank deposit on the balance sheet date was as follows:

	December 31, 2021	December 31, 2020
Bank deposits	0%~0.05%	0%~0.05%

7. Financial instrument at fair value through profit and loss

	December 31, 2021	December 31, 2020
Financial assets - current		
Measured at fair value through income under compulsion		
Non-derivative financial assets		
- Shares traded on the Taiwan Stock Exchange or OTC exchange	$ 8	$ 8
- Beneficiary certificate	240,621	400,270
	$ 240,629	$ 400,278

8. Financial assets at fair value through other comprehensive profit or loss

	December 31, 2021	December 31, 2020
Non-current		
Equity investment	$ 2,190,736	$ 1,823,259
Debt instrument	110,000	110,000
	$ 2,300,736	$ 1,933,259

(1) Equity investment

	December 31, 2021	December 31, 2020
Non-current		
Domestic investment		
Listed stocks and emerging stock		
Hua Nan Financial Holding Company common shares	$ 1,485,172	$ 1,245,624
Taiwan Tea Corp. common shares	349,160	289,532
Maxigen Biotech Inc. common shares	26,948	13,974
Bank of Kaohsiung Preferred Stock A	29,100	-
	1,890,380	1,549,130
Unlisted/OTC		
Sunny Commercial Bank Co. common shares	27,642	24,996
WK Technology Fund Co. common shares	293	9,674
WK Technology Fund Co. common shares	254	5,598
Common stock of Minchali Metal Industrial Co., Ltd.	95,880	84,300
Taiwan Silk & Filament Weaving Development Co. common shares	23,497	28,047

Taiwan Silk & Filament Weaving Development Co. Preferred shares	4,407	-
Common stock of TWSE	135,862	110,209
Everterminal Co. common shares	5,014	3,440
	292,849	266,264
Foreign investments		
Unlisted/OTC		
Common stock of UNFON CONSTRUCTION CO., LTD (Hong Kong)	7,507	7,865
	$ 2,190,736	$ 1,823,259

1. The Company invested in the aforementioned common shares of companies in line with its long-term investment strategic objective with the anticipation of return from long-term investment. The management of the Company holds that the short-term fluctuation in the fair value of these investments shall be recognized as income or loss and is not congruent with the aforementioned long-term investment plan, therefore they chose to designate these investments as financial assets at fair value through other comprehensive income.
2. For more information on pledge of equity instrument investments measured at fair value through other comprehensive gains and losses, please refer to Note 31.

(2) Debt instrument

	December 31, 2021	December 31, 2020
Non-current		
Domestic investment		
Bank debentures of Taichung		
Commercial Bank	$ 110,000	$ 110,000

Refer to Note 9 for further information on investment of debt instruments measured at fair value through other comprehensive income and related risk management and evaluation of impairment.

9. Credit risk management for investment in debt instruments

The company has invested of debt instruments are classified as financial assets measured by fair value under other general loss or gain.

	December 31, 2021	December 31, 2020
Total Book Value	$ 110,000	$ 110,000
Loss allowance	-	-
Cost after amortization	110,000	110,000
Fair value adjustment	-	-
	$ 110,000	$ 110,000

The company has adopted of policy for merely investing in debt instruments with an investment grade or higher (inclusive) and with loss assessment being low in credit risk. Bonds are classified in accordance with the initial credit rating classification from MOODY's, FITCH, S&P and Taiwan Ratings. The company would continue to follow up on external assessment information, through which to monitor the credit risk fluctuations on its invested debt instruments, and also monitors the bond yield ratio curve and creditors' critical information among other information, to assess whether the debt instruments' credit risk has apparently increased following the initial recognition.

The company takes into consideration of outside assessment entities-supplied various levels of history default loss ratios, debtors' current financial standing and the industries' future forecasts, to measure the debt instrument investment's 12-month expectant credit loss or expectant credit loss during the sustaining period.

The current credit risk evaluation approach of the Company and the total carrying amount of debt instrument investments with various credit ratings are shown as below:

Credit rating	Definition	Basis for recognizing expected credit losses	Expected credit loss rate	Total book value of December 31, 2021
Normal	The debtors' credit risk is low and also has sufficient capability to pay off contractual cash flows.	Anticipated credit loss in 12 months	0%~0.5%	$ 110,000

Credit rating	Definition	Basis for recognizing expected credit losses	Expected credit loss rate	Total book value of December 31, 2020
Normal	The debtors' credit risk is low and also has sufficient capability to pay off contractual cash flows.	Anticipated credit loss in 12 months	0%~0.5%	$ 110,000

10. Notes receivable, accounts receivable and other receivables

	December 31, 2021	December 31, 2020
Notes receivable		
Measured on the basis of cost after amortization		
Notes receivable	$ 135,693	$ 25,432
Less: Allowance for losses	-	-
	$ 135,693	$ 25,432
Accounts receivable		
Measured on the basis of cost after amortization		
Accounts receivable	$ 1,818,019	$ 835,175
Accounts receivable - related parties	130,201	96,470
Less: Allowance for losses	(135,270)	(134,248)
	$ 1,812,950	$ 797,397
Other receivables		
Receivable tax refund	$ 12,769	$ 8,406
Other receivable - related parties	204	461
Others	19,712	19,714
Less: Allowance for losses	(1,932)	(1,932)
	$ 30,753	$ 26,649

(1) Accounts receivable and notes receivable

The company's average credit period of product sales is 30-90 days. No interest will be calculated for accounts receivable; if the credit condition of 30 days is exceeded, the unpaid balances of some customers will be computed at 3% interest rate per annum. The company has adopted of policy pertains to merely conducting transactions with subjects surpassing company internal credit check, and would cease to ship the goods or obtain a guarantee check under necessary circumstances, through which to mitigate the risk of financial loss incurred due to overdue payment. The Company will use other publicly available financial information and historical transaction records to rate major customers. The company would continue to monitor credit exposure and the transaction opponents' credit rating, and would also spread transaction amounts to varied customers with satisfactory credit rating; in addition, company management would manage credit exposure per approved empowerment on revalidation and approving the transaction opponents' line of credit.

To mitigate credit risk, company management has assigned designated personnel to be responsible for determining the line of credit, credit approval and other monitoring procedures, through which to ascertain that adequate action has been taken on recalling overdue payments receivable. In addition, the Company will review the recoverable amount of receivables on each balance sheet date to ensure that appropriate impairment loss has been appropriated for the uncollectible receivables. Under the circumstance, the Company's management believes that the Company's credit risk is significantly reduced.

The Company adopts the preparation matrix to measure the allowance loss for notes and accounts receivable (including related party) as follows:

December 31, 2021

	Not overdue	Overdue 1 to 30 days	Overdue 31 to 60 days	Overdue 61 to 120 days	Overdue over 120 days	Total
Expected credit loss rate	0%~10%	20%~50%	50%~100%	75%~100%	100%	
Total Book Value	$1,569,347	$ 465,099	$ 49,467	$ -	$ -	$2,083,913
Allowance for loss (expected credit loss of the given duration)	(17,517)	(93,020)	(24,733)	-	-	(135,270)
Cost after amortization	$1,551,830	$ 372,079	$ 24,734	$ -	$ -	$1,948,643

December 31, 2020

	Not overdue	Overdue 1 to 30 days	Overdue 31 to 60 days	Overdue 61 to 120 days	Overdue over 120 days	Total
Expected credit loss rate	0%~10%	20%~50%	50%~100%	75%~100%	100%	
Total Book Value	$ 770,193	$ 154,076	$ 32,808	$ -	$ -	$ 957,077
Allowance for loss (expected credit loss of the given duration)	(38,510)	(62,930)	(32,808)	-	-	(134,248)
Cost after amortization	$ 731,683	$ 91,146	$ -	$ -	$ -	$ 822,829

Loss allowance of receivables (including related party) as follows:

	2021	2020
Balance, beginning of year	$ 139,118	$ 224,795
Add: Impairment loss appropriated in this year	1,022	-
Reduction: Impairment reversal benefits in the current year	-	(85,677)
Balance, end of year	$ 140,140	$ 139,118

The foresaid receivables' loss reserve includes loss reserve for notes receivable, accounts receivable, other receivables and collection.

11. Inventory

	December 31, 2021	December 31, 2020
Merchandise	$ 505,774	$ 68,921
Finished goods	359,112	343,320
Work in process	114,860	54,455
Raw materials	229,004	344,301
Supplies	19,663	23,577
Available-for-sale housing	-	-
	$ 1,228,413	$ 834,574

(1) The inventories of finished goods included the finished goods, by-products, supplies in transit by the Company, primarily the finished goods produced by Kaohsiung petrifaction plant, ethylene glycol, and the finished goods of the polyester plant, polyester silk, *et al.*

(2) The company's building/land available for sale on December 31, 2021 and 2020 are both are NT$65,775 thousand, which pertains to the He Ti co-development case located in Sanchung District, New Taipei City, in a three-way joint collaboration among the company, Hung Chou Fiber Industrial Co., Ltd. and San Feng Construction Co., Ltd. in 1997, which has been completed in 2000 and provided as allowance for bad debt in whole.

(3) The Company's cost of goods sold related to inventory in 2021 and 2020 were NT$11,447,894 thousand and NT$9,094,982 thousand, respectively. Cost of goods sold include inventory losses (revaluation gains) of NT$7,432 thousand and NT$(19,854) thousand, respectively, and the loss from work stoppage were NT$630,384 thousand and NT$924,024 thousand, respectively.

(4) As of December 31, 2021 and 2020, the allowance for inventory losses was NT$237,669 thousand and NT$230,237 thousand, respectively.

12. Pre-payments

	December 31, 2021	December 31, 2020
Pre-paid expenses	$ 329,173	$ 337,326
Pre-paid materials purchases	83,550	5,110
Tax credit	192,973	151,007
	$ 605,696	$ 493,443

13. Investment under the equity method

	December 31, 2021	December 31, 2020
Investment in subsidiaries	$ 17,754,357	$ 15,951,589
Investments in the affiliated company	1,128,072	1,103,434
	$ 18,882,429	$ 17,055,023

(1) Investment in subsidiaries

	December 31, 2021	December 31, 2020
Listed (OTC) company		
Taichung Commercial Bank Co.	$ 13,837,165	$ 12,639,058
Pan Asia Chemical Corporation	1,487,752	1,331,530
Non-listed (OTC) company		
Deh Hsing Investment Co., Ltd.	1,778,230	1,471,812
Chou Chin Industrial Co., Ltd.	627,825	448,607
Taichung Securities Investment Trust Co., Ltd.	12,664	12,516
EUREKA INVESTMENT COMPANY LIMITED	-	34,028
Melasse	10,721	14,038
	$ 17,754,357	$ 15,951,589

The Company's ownership and voting rights in the equity of the subsidiary at the balance sheet date is as follows:

	December 31, 2021	December 31, 2020
Taichung Commercial Bank Co.	22%	22%
Pan Asia Chemical Corporation	44%	44%
Deh Hsing Investment Co., Ltd.	100%	100%
Chou Chin Industrial Co., Ltd.	47%	47%
Taichung Securities Investment Trust Co., Ltd.	3%	3%
EUREKA INVESTMENT COMPANY LIMITED	-	100%
Melasse	50%	50%

1. The above ratio is indicated by individual shareholding percentage.
2. The Eureka Investment Co., Ltd. proceeded with settlement after approval by the Board on March 10th, 2021.
3. The company participated in the cash capital increase of De-Hsin Investment in September 2021, adding 25,000 thousand shares at the cost of NT$250,000 thousand.
4. The Company participated in the cash capital increase of Taichung Commercial Bank in 2021 and 2020, with 33,004 thousand shares and 43,777 thousand shares of new investment and the investment cost of NT$367,998,000 and NT$446,524,000, respectively.
5. The Melasse company proceeded with settlement after approval by the shareholders general meeting on December 6th, 2021.
6. The 2021 and 2020 profit or loss and other comprehensive profit or loss of the subsidiary under the equity method was recognized in accordance with the audited financial statements during the same period of the subsidiary.

7. For the disclosure of the Company's disposal of subsidiary of indirect control, please refer to the Company's 2021 Consolidated Financial Statements, Note 37 and 35.
8. For subsidiaries the company invests in by designated mortgage lien as the loan guarantee, please refer to Note 31.

(2) Investments in the affiliated company

1. The balance the company investing in affiliated enterprises is as follows:

	December 31, 2021	December 31, 2020
A major affiliated company		
Nan Chung Petrochemical Corp.	$ 1,128,072	$ 1,103,434

2. A major affiliated company

Company name	Nature of the operations	Main places of business operations	Shareholding and voting right ratio December 31, 2021	December 31, 2020
Nan Chung Petrochemical Corp.	Petrochemical business	Yunlin County	50%	50%

Summary financial information of Nan-Chung Petrochemical:

	December 31, 2021	December 31, 2020
Total assets	$ 3,157,477	$ 2,318,077
Total Liabilities	901,334	111,210
Equity	2,256,143	2,206,867
The company's shareholdings ratio	50%	50%
Book value of investment	$ 1,128,072	$ 1,103,434

	2021	2020
Operating income - current	$ 6,326,962	$ 4,144,306
Net income or loss for current period	$ 51,560	($ 98,496)
Current period other comprehensive profit or loss	($ 2,285)	$ 2,210

The 2021 and 2020 profit or loss and other comprehensive profit or loss of the affiliated company under the equity method was recognized in accordance with the audited financial statements during the same period of the affiliated company.

3. For the share amount on affiliated enterprises the company designating mortgage lien as the loan guarantee, please refer to Note 31.

14. Real property, plant and equipment

	December 31, 2021	December 31, 2020
The book amount of each category		
Land	$ 2,926,476	$ 2,926,476
House and Building	977,364	1,028,441
Machine and Equipment	5,001,812	5,441,873
Transportation Equipment	5,668	4,667
Office Equipment	125,361	134,650

Construction in process and prepayment for machinery purchase	136,973	85,897
	$ 9,173,654	$ 9,622,004

	Land	House and Building	Machine and Equipment	Transportation Equipment	Office Equipment	Uncompleted construction and equipment pending inspection	Total
Cost							
Balance as of January 1, 2021	$2,926,476	$2,339,577	$11,013,859	$ 20,816	$ 191,609	$ 85,897	$ 16,578,234
Increase in current period	-	6,483	112,232	2,330	675	51,076	172,796
Decrease in current period	-	-	(4,806)	(4,200)	(1,187)	-	(10,193)
Balance as of December 31, 2021	$2,926,476	$2,346,060	$11,121,285	$ 18,946	$ 191,097	$ 136,973	$ 16,740,837
Accumulated depreciation							
Balance as of January 1, 2021	$ -	$ 925,658	$5,088,998	$ 15,365	$ 50,650	$ -	$ 6,080,671
Increase in current period	-	57,385	507,860	939	9,964	-	576,148
Decrease in current period	-	-	(4,016)	(4,200)	(1,187)	-	(9,403)
Balance as of December 31, 2021	$ -	$ 983,043	$5,592,842	$ 12,104	$ 59,427	$ -	$ 6,647,416
Accumulated impairment							
Balance as of January 1, 2021	$ -	$ 385,478	$ 482,988	$ 784	$ 6,309	$ -	$ 875,559
Increase in current period	-	175	43,679	390	-	-	44,244
Decrease in current period	-	-	(36)	-	-	-	(36)
Balance as of December 31, 2021	$ -	$ 385,653	$ 526,631	$ 1,174	$ 6,309	$ -	$ 919,767
Net amount - January 1, 2021	$2,926,476	$1,028,441	$5,441,873	$ 4,667	$ 134,650	$ 85,897	$ 9,622,004
Net amount - December 31, 2021	$2,926,476	$ 977,364	$5,001,812	$ 5,668	$ 125,361	$ 136,973	$ 9,173,654
Cost							
Balance as of January 1, 2020	$ 2,926,476	$ 2,339,875	$10,991,918	$ 20,711	$ 190,949	$ 166,092	$ 16,636,021
Increase in current period	-	-	19,552	1,024	660	396,027	417,263
Decrease in current period	-	-	(168)	(919)	-	-	(1,087)
Reclassification in current period	-	(298)	2,557	-	-	(476,222)	(473,963)
Balance as of December 31, 2020	$ 2,926,476	$ 2,339,577	$11,013,859	$ 20,816	$ 191,609	$ 85,897	$ 16,578,234
Accumulated depreciation							
Balance as of January 1, 2020	$ -	$ 849,842	$ 4,542,960	$ 15,239	$ 39,805	$ -	$ 5,447,846
Increase in current period	-	75,816	546,206	914	10,845	-	633,781

Decrease in current period	-	-	(168)	(788)	-	-	(956)
Reclassification in current period	-	-	-	-	-	-	-
Balance as of December 31, 2020	$ -	$ 925,658	$ 5,088,998	$ 15,365	$ 50,650	$ -	$ 6,080,671
Accumulated impairment							
Balance as of January 1, 2020	$ -	$ 168,759	$ 100,109	$ 913	$ 548	$ -	$ 270,329
Increase in current period	-	216,719	382,879	-	5,761	-	605,359
Decrease in current period	-	-	-	(129)	-	-	(129)
Reclassification in current period	-	-	-	-	-	-	-
Balance as of December 31, 2020	$ -	$ 385,478	$ 482,988	$ 784	$ 6,309	$ -	$ 875,559
Net amount as of January 1, 2020	$2,926,476	$1,321,274	$6,348,849	$ 4,559	$ 150,596	$ 166,092	$ 10,917,846
Net amount as of December 31, 2020	$ 2,926,476	$ 1,028,441	$ 5,441,873	$ 4,667	$ 134,650	$ 85,897	$ 9,622,004

(1) As mentioned in Note 33, the Company adjusted the 2021 and 2020 capacity based on market conditions. The Company anticipates reduced future economic benefits from plants and equipment. As a result, the recoverable amount will fall below the book value. The 2021 and 2020 recognized impairment loss amounted to NT$44,244,000 and NT$605,359,000 respectively. The impairment loss has been included under other income and expenses in the consolidated income statement.

The company determines the recoverable amount of plants and equipment after deducting the fair value from cost of disposal. Relevant fair values are determined through comprehensive evaluation using the cost method and market approach. The main assumptions include replacement cost under cost method, market approach functionality, economic loss, and other necessary adjustments, which fall under Level 3 fair value measurement.

(2) Property, plant and equipment are depreciated in accordance with the straight-line method over the following respective useful years:

House and Building	
Buildings	20 to 60 years
Renovation engineering	8 to 30 years
Machine and Equipment	2 to 47 years
Transportation Equipment	5 to 15 years
Miscellaneous equipment	3 to 30 years

(3) The company's uncompleted projects and equipment pending inspection in December 31, 2021 mainly include projects involving the addition of equipment improvement and replacement, wastewater plant, sludge drying treatment systems.

(4) The company's 2021 and 2020 capitalized finance cost at NT$152,198 thousand and NT$173,128 thousand respectively, and tis real estate, plant and equipment's capitalized financial cost amounts are at NT$5,448 thousand and NT$0 thousand respectively, with the yearly capitalization interest rates at 1.27%~1.52% and 0%, respectively.

(5) Buildings belonging to the Company are leased out as operating leases for a period of 1–2 years The lessee has no preferential purchase option with regard to the asset when the lease period ends. Total receivable lease payments for operating leases are as follows:

	December 31, 2021	December 31, 2020
First year	$ 800	$ 133
Second year	133	-
	$ 933	$ 133

(6) For the state of real estate, plant and equipment pledged as collateral guarantee, please refer to Note 31.

15. Lease Agreements

(1) Right-of-use assets

	December 31, 2021	December 31, 2020
Carrying amount of the right-of-use asset		
Land	$ 22	$ 381
Transportation Equipment	2,668	12,248
	$ 2,690	$ 12,629

	2021	2020
Addition of right-of-use assets	$ -	$ 4,509
Depreciation expense of the right-of-use asset		
Land	$ 360	$ 361
Transportation Equipment	9,579	11,932
	$ 9,939	$ 12,293

(2) Lease liabilities

	December 31, 2021	December 31, 2020
Carrying amount of the lease liabilities		
Current	$ 1,531	$ 10,057
Non-current	$ 1,188	$ 2,719

The range of discount rates for lease liabilities is as follows:

	December 31, 2021	December 31, 2020
Land	1.53%	1.53%
Transportation Equipment	1.65%～1.85%	1.65%～1.85%

(1) Main lease activities and provisions

The Company has leased different types of transportation equipment for production and operations for an original period of 2–3 years. The lease agreement does not stipulate renewal of the lease or purchase options at the time of expiry of the lease.

The Company has leased several plots of land as storage sites for an original period of 5–7 years. When the leasing period ends, the company does not have the priority purchasing right on the leased land.

(4) Other lease-related information

For more details on operating lease agreements for self-owned buildings and investment property of the Company, please refer to Note 14 and 16.

	2021	2020
Short-term lease expense	$ 18,169	$ 37,856
Low-value asset lease expense	$ 252	$ 250
Total cash of leases outflow	($ 28,589)	($ 50,665)

The Company chose the machinery and transportation equipment qualifying for short-term lease and office equipment qualifying for low-value asset lease to apply the recognition exemption, and did not recognize such leases as related right-of-use assets and lease liabilities.

16. Investment property

	Land at Chihsing Section, Wanhua, Taipei City	Land in Yunlin Spinning Industrial Park	Real estate at Toulou Section, Yunlin	House and land at Erh Chung Pu Section, Sanchung District, New Taipei City	Land in Xiaogang, Kaohsiung	Buildings in Xiaogang, Kaohsiung	Total
Cost							
Balance as of January 1, 2021	$ 156,712	$ 34,943	$ 18,094	$ 1,223,398	$ 390,563	$ 45,824	$ 1,869,534
Increase in current period	-	-	-	194,797	-	-	194,797
Balance as of December 31, 2021	$ 156,712	$ 34,943	$ 18,094	$ 1,418,195	$ 390,563	$ 45,824	$ 2,064,331
Accumulated depreciation							
Balance as of January 1, 2021	$ -	$ -	$ -	$ 957	$ -	$ 559	$ 1,516

	Land at Chihsing Section, Wanhua, Taipei City	Land in Yunlin Spinning Industrial Park	Real estate at Toulou Section, Yunlin	House and land at Erh Chung Pu Section, Sanchung District, New Taipei City	Land in Xiaogang, Kaohsiung	Buildings in Xiaogang, Kaohsiung	Total
Increase in current period	-	-	-	100	-	1,118	1,218
Balance as of December 31, 2021	$ -	$ -	$ -	$ 1,057	$ -	$ 1,677	$ 2,734
Accumulated impairment							
Balance as of January 1, 2021	$ -	$ -	$ 18,094	$ -	$ -	$ -	$ 18,094
Increase in current period	-	-	-	-	-	-	-
Balance as of December 31, 2021	$ -	$ -	$ 18,094	$ -	$ -	$ -	$ 18,094
Net amount - January 1, 2021	$ 156,712	$ 34,943	$ -	$ 1,222,441	$ 390,563	$ 45,265	$ 1,849,924
Net amount - December 31, 2021	$ 156,712	$ 34,943	$ -	$ 1,417,138	$ 390,563	$ 44,147	$ 2,043,503
Cost							
Balance as of January 1, 2020	$ 156,712	$ 34,943	$ 18,094	$ 921,668	$ -	$ -	$ 1,131,417
Increase in current period	-	-	-	264,154	-	-	264,154
Decrease in current period	-	(769,610)	-	-	-	-	(769,610)
Reclassification in current period	-	769,610	-	37,576	390,563	45,824	1,243,573

	Land at Chihsing Section, Wanhua, Taipei City	Land in Yunlin Spinning Industrial Park	Real estate at Toulou Section, Yunlin	House and land at Erh Chung Pu Section, Sanchung District, New Taipei City	Land in Xiaogang, Kaohsiung	Buildings in Xiaogang, Kaohsiung	Total
Balance as of December 31, 2020	$ 156,712	$ 34,943	$ 18,094	$ 1,223,398	$ 390,563	$ 45,824	$ 1,869,534
Accumulated depreciation							
Balance as of January 1, 2020	$ -	$ -	$ -	$ 858	$ -	$ -	$ 858
Increase in current period	-	-	-	99	-	559	658
Balance as of December 31, 2020	$ -	$ -	$ -	$ 957	$ -	$ 559	$ 1,516
Accumulated impairment							
Balance as of January 1, 2020	$ -	$ -	$ 18,094	$ -	$ -	$ -	$ 18,094
Increase in current period	-	-	-	-	-	-	-
Balance as of December 31, 2020	$ -	$ -	$ 18,094	$ -	$ -	$ -	$ 18,094
Net amount as of January 1, 2020	$ 156,712	$ 34,943	$ -	$ 920,810	$ -	$ -	$ 1,112,465
Net amount as of December 31, 2020	$ 156,712	$ 34,943	$ -	$ 1,222,441	$ 390,563	$ 45,265	$ 1,849,924

Investment property is leased out for a period of 1–2 years. Upon closure of the leasehold duration, the lessee was not entitled to preferential leasehold power over the real estate.

As of December 31, 2021 and 2020, total receivable lease payments for operating leases of investment property are as follows:

	December 31, 2021	December 31, 2020
First year	$ 3,862	$ 1,234
Second year	286	114
	$ 4,148	$ 1,348

The Company has adopted general risk management policies to reduce residual asset risks of leased out investment property at the time of lease expiry.

Investment property of the appreciated in accordance with the straight line method over the useful years as follows:

House and Building	
Buildings	30 to 60 years
Renovation engineering	2 to 29 years

(1) The assessed fair value of the investment property as of December 31, 2021 and 2020 was NT$ 2,642,382,000 and 2,079,134,000, respectively, (NT$ 634,504,000 and NT$ 301,729,000 were not valuated by independent appraisers; the remaining value was classified by an independent appraisal company as Level 3 inputs on December 31, 2021 and 2020, respectively; valuations were carried out with reference to market evidence of similar real property transaction prices). Key assumptions and valuated fair values are as follows:

	December 31, 2021	December 31, 2020
Asset earning power	15%～22%	14%～20%
The overall capital interest rate during development	1.17%	1.09%

(2) The company, as resolved by the board of directors on April 20, 2020, was to set up solar power generation equipment (recognized as real estate, factory and equipment, later reclassified into investment real estate). However, in order to activate assets, the board of directors resolved to sell the idle assets on August 2020. The sale price was NT$3,644,503,000. After deducting related fees in the amount of NT$11,208,000, the disposed benefit generated amounted to NT$2,863,685,000.

(3) All investment properties of the Company are self-owned assets. For the amounts of the Company's investment in real estate, which had been pledged by the Consolidated Company' to collateralize loans, please refer to Note 31.

17. Intangible asset

	December 31, 2021	December 31, 2020
Shell Royalty	$ -	$ -

	2021	2020
Cost		
Balance, beginning of year	$ 159,052	$ 159,052
Amortized in current period	-	-
Balance, end of year	159,052	159,052
Accumulated impairment		
Balance, beginning of year	(159,052)	(159,052)

	December 31, 2021	December 31, 2020
Balance, end of year	(159,052)	(159,052)
Balance - net	$ -	$ -

Royalties pertain to relevant patented technology the company has acquired for building the ethylene plant, by signing an EO/EG production method patent utilization right agreement with Shell Research Limited to secure relevant technology, where said patent's utilization period spans 5 years effective from the agreement execution date, and later due to environmental issues on the anticipated development site, resulting in a severe lagging of building the ethylene plant, although said patent can still be used continually per the content of the agreement with Shell Research Limited, but through assessment, the entire amount has been classified as impairment; subsequently the company has, per the amended cash reinvestment plan, plan to build a new ethylene plant separately, and has thus signed with Shell Research Limited of an EO/EG production method patent utilization right agreement in May, 2021 (where said EO/EG production method patent right varies from the foresaid initially signed processing technology) and per contractual terms agreement, pays royalties on technical services rendered fee totaling US$5,323 thousand.

18. Other assets

	December 31, 2021	December 31, 2020
Restricted assets	$ 130,878	$ 132,070
Refundable deposit	117,445	118,725
Others	123,709	210,064
Collections - Net	-	-
	$ 372,032	$ 460,859
Current	$ 133,331	$ 135,286
Non-current	238,701	325,573
	$ 372,032	$ 460,859

The collection detail is as follows:

	December 31, 2021	December 31, 2020
Overdue receivables	$ 2,938	$ 2,938
Less: loss reserve – collection	(2,938)	(2,938)
	$ -	$ -

(1) Restricted current assets are earmarked for Customs Office clearance procedures and pledged collateral for short-term loans – please refer to Note 31.

(2) For loss allowances for non-accrual loans, please refer to Note 10.

19. Borrowing

(1) Shot-term borrowings

	December 31, 2021	December 31, 2020

Secured loans		
Bank loan	$ 1,700,000	$ 1,200,000
Unsecured loans		
Credit loan	2,105,000	2,215,000
Material procurement loan	2,743,247	898,689
	4,848,247	3,113,689
	$ 6,548,247	$ 4,313,689

1. The bank loan interest rate in 2021 and 2020 are at between 1.10%~1.50% and 1.07%~1.50% respectively.
2. For the foresaid loan collateral information, please refer to Note 31.

(2) Short-term notes payable

	December 31, 2021	December 31, 2020
Payable commercial paper	$ 850,000	$ 750,000
Less: Discount of short-term notes and bills payable	(1,569)	(1,176)
	$ 848,431	$ 748,824

The commercial notes payable's interest rate as of December 31, 2021 and 2020 are at between 1.07%~1.10% and 1.08%~1.10%, respectively.

(3) Long-term borrowings

	December 31, 2021	December 31, 2020
Secured loans		
Bank loan	$ 5,291,228	$ 5,046,812
Unsecured loans		
Credit loan	400,000	400,000
Less: Amount due in one year	(1,869,028)	(2,578,238)
Long-term borrowings	$ 3,822,200	$ 2,868,574

1. The company's joint long-term borrowing from the Taiwan Cooperative bank as of December 31, 2021 and 2020 amounted to NT$1,721,500,000 and NT$1,900,000,000. The borrowing rate of interest is currently1.80%. The borrowing is to be repaid on schedule every year according to the loan contract. NT$1,138,000,000 will mature within one year. The company's Kaohsiung plant land and building premises are provided as borrowing collateral.
2. As of December 31, 2021 and 2020, CMFC had intermediate- and long-term borrowings from Taiwan Business Bank at NT$198,400 thousand and NT$215,600 thousand, for both year, with the borrowing rate currently at 1.12%. Starting March 2019, CMFC will repay the borrowings periodically based on the loan agreement and a total of $17,200 thousand will be due in the next year. The company headquarters and related land and building are used as the collateral for the borrowing.
3. The long-term borrowing of the Company from the Mizuho Bank Ltd. amounted to NT$300,000,000 in 2021 and on December 31, 2020. The borrowing rate of interest is currently 1.22%, paid by monthly. The contract is renewed every six months.
4. As of December 31, 2021 and 2020, the Company had long-term borrowings from Land Bank of Taiwan at NT$175,000 thousand and NT$47,384 thousand respectively, with the borrowing interest rate currently at 1.20%, paid by monthly. The contract is renewed every three months. The land and buildings of the Company's headquarters in Taipei are used as the collateral for the borrowing.
5. As of December 31, 2021 and 2020, the company's long-term loans with Union Bank of Taiwan amounted to NT$ 450,000 thousand and 350,000 thousand, respectively, with a borrowing rate of interest of 1.28%. The original loan payment start date of May 2019 was extended to November 2020. Loan payments will be made in a timely manner as prescribed in the loan agreements. In the upcoming year, a loan of NT$ 200,000 thousand will reach maturity. Said loans serve as collateral for 97,000 thousand shares of Taichung Bank.
6. The long-term borrowing of the company from the Bank of Panhsin on December 31, 2021 and 2020 amounted to NT$728,828,000 and NT$500,000,000. The borrowing rate of interest is currently 1.27%–1.52%. The borrowing is to be repaid on schedule every year. NT$398,828,000 will mature within one year. China Man-Made Fiber Corporation's land and building premises in Xiaogang District, Kaohsiung City are provided as borrowing collateral.
7. The company's long-term borrowing from the Sunny Bank in 2021 and on December 31, 2020 amounted to NT$600,000,000 and NT$400,000,000. The borrowing rate of interest is currently 1.25%, paid by monthly. The contract is renewed every year. The 95,000 thousand shares of Taichung Commercial Bank Co., Ltd. are provided as borrowing collateral.
8. The long-term borrowing of the Company from the JihSun Bank in 2021 and on December 31, 2020 amounted to NT$1,025,000,000 and NT$905,000,000, respectively. The borrowing rate of interest is currently 1.25%, the contract was renewed in advance in April 2021, interest paid by monthly. The contract is renewed every year. 130,000,000 shares of the Taichung Commercial Bank Co., Ltd. and 15,000,000 shares of the Taiwan Tea Corporation shall be provided as borrowing collateral.

9. The company's borrowing from the Shanghai Commercial Bank on December 31, 2021 and 2020 amounted to NT$392,500,000 and NT$500,000,000 respectively. The borrowing rate of interest is currently 1.25%–1.30%. The borrowing is will be repaid on schedule beginning January 2021. NT$115,000,000 will be due within the next year. 25,050 thousand shares of Taichung Commercial Bank Co., Ltd. and land and buildings in Xiaogang, Kaohsiung are provided as borrowing collateral.
10. The long-term borrowing of the Company from the Bank of Kaohsiung amounted to NT$100,000,000 on December 31, 2021 and 2020. The borrowing rate of interest is currently 1.20%, paid monthly. The contract is renewed every three months.
11. Please refer to Note 31 for the collateral of the long-term borrowings:

20. Other payables

	December 31, 2021	December 31, 2020
Payable salary and bonus	$ 118,531	$ 119,219
Payable repair and maintenance expense	25,718	33,535
Payable export expense	25,699	9,602
Payable unloading fee	25,665	21,289
Payable insurance premium	8,623	8,183
Payable utilities expense	6,304	6,043
Payable pension	5,099	5,080
Others	82,154	68,582
	$ 297,793	$ 271,533

21. Provision for liabilities

	December 31, 2021	December 31, 2020
Net determined benefit liability	$ 150,021	$ 154,331
Pending litigation reserve (Note 32)	64,908	64,908
	$ 214,929	$ 219,239

(1) Defined contribution plan

The pension system of the "Labor Pension Act" that is applicable to the Company is a defined contribution pension plan subject to government management with an amount equivalent to 6% of the monthly salary appropriated and contributed to the personal account with the Bureau of Labor Insurance.

(2) Defined benefit plan

The company within the Company has a pension plan arranged in accordance with the "Labor Standard Law" of the Republic of China that was a defined benefit pension plan. Pension payment is calculated in accordance with the years of service and the average salary six months prior to the authorized retirement date. The company has a pension appropriated for an amount equivalent to 2% of the monthly salary and the proceeds are deposited in the designated account with Taiwan Bank in the name of the Labor Pension Reserve Commission. If the account balance before yearend is expected to be insufficient for paying the retiring employees of the year, the amount of difference should be appropriated in a lump sum before the end of March in the following year. The special account has been commissioned to the Bureau of Labor Fund of the Ministry of Labor Affairs for management. The Company contained in the financial statements exercises no influence on the right of the bureau in its investment management strategy.

The amount of determined benefit plan recognized in the individual balance sheet is shown below:

	December 31, 2021	December 31, 2020
Present value of the defined benefit obligations	$ 252,308	$ 256,823

The fair value of plan assets	(102,287)	(102,492)
Appropriation shortage	150,021	154,331
Net determined benefit liability	$ 150,021	$ 154,331

Change in net determined benefit liability is shown below

	Present value of the defined benefit obligations	The fair value of plan assets	Net determined benefit liability
January 1, 2020	$ 253,985	($ 91,583)	$ 162,402
Service cost			
Current service cost	2,547	-	2,547
Interest expenses (revenues)	2,032	(761)	1,271
Recognized in the profit or loss	4,579	(761)	3,818
Reevaluation			
Return on plan assets	-	(3,406)	(3,406)
Actuarial loss – change in the assumption of the census	926	-	926
Actuarial loss – change in financial assumptions	4,629	-	4,629
Actuarial loss – adjustment through experience	6,360	-	6,360
Recognized in the other comprehensive profit of loss	11,915	(3,406)	8,509
Employer appropriation	-	(6,742)	(6,742)
Company account payment	(13,656)	-	(13,656)
December 31, 2020	256,823	(102,492)	154,331
Service cost			
Current service cost	2,433	-	2,433
Interest expenses (revenues)	899	(371)	528
Recognized in the profit or loss	3,332	(371)	2,961
Reevaluation			
Return on plan assets	-	(1,409)	(1,409)

Actuarial loss – change in the assumption of the census	11,347	-	11,347
Actuarial gain – change in financial assumptions	(7,878)	-	(7,878)
Actuarial loss – adjustment through experience	585	-	585
Recognized in the other comprehensive profit of loss	4,054	(1,409)	2,645
Employer appropriation	-	(6,551)	(6,551)
Benefits paid	-	8,536	8,536
Company account payment	(11,901)	-	(11,901)
December 31, 2021	$ 252,308	($ 102,287)	$ 150,021

The pension fund system of the company contained in the financial statements is exposed to the following risks due to the "Labor Standards Act:"

1. Investment risk: The Bureau of Labor Fund of the Ministry of Labor Affairs uses the labor pension fund for investment in domestic and foreign equity securities and debt securities and as bank deposits through proprietary trade or commissioned third parties. However, the amount attributable to the planned asset of the Company contained in the financial statements shall not fall below the interest rate offered by the banks in the regions or countries of investment for 2-year time deposit as return.
2. Interest risk: the decline of the interest rate for government/corporate bonds will cause an increase in the present value of determined benefit obligation. However, the ROI of the debt of the planned assets will also increase accordingly. The effect of the two on net determined benefit liability is mutually offsetting.
3. Salary risk: the calculation of the present value of determined benefit obligation is based on the salaries of the members in the plan of the future. As such, an increase of the salaries of the members of the plan is bound to increase the present value of determined benefit obligation.

The determined benefit obligation of the company contained in the financial statements is based on the actuarial calculation of the actuary and the major assumption as of the evaluation day is shown below:

	December 31, 2021	December 31, 2020
Discount rate	0.75%	0.35%
The expected rate of increase in salaries	2%	2%

In case of reasonable and possible change in the major actuarial assumptions, and other assumptions remained unchanged, the amount of increase (decrease) in the present value of determined benefit obligation will be:

	December 31, 2021	December 31, 2020
Discount rate		
Increase by 0.25%	($ 5,017)	($ 5,404)
Decrease by 0.25%	$ 5,183	$ 5,589
The expected rate of increase in salaries		
Increase by 0.25%	$ 4,963	$ 5,336
Decrease by 0.25%	($ 4,830)	($ 5,187)

Actuarial assumptions may be inter-related. The possibility of change in specific assumption is not high. The aforementioned sensitivity analysis may not be able to reflect the actual change in the present value of determined benefit obligation.

	December 31, 2021	December 31, 2020
Amount projected for appropriation in 1 year	$ 6,551	$ 6,741
Average maturity of determined benefit obligation	9 years	10 years

22. Other liabilities

	December 31, 2021	December 31, 2020
Deferred loan item	$ 19,210	$ 19,210
Deposits received	2,364	2,861
	$ 21,574	$ 22,071

Deferred loan item pertains to the company and its second subsidiary company's downstream trading's deferred unearned profit, with relevant details as follows:

	December 31, 2021	December 31, 2020
Jin-Bang-Ge Industry	$ 19,210	$ 19,210

23. Equity

(1) Paid-in capital

	December 31, 2021	December 31, 2020
Authorized number of shares (thousand shares)	2,100,000	1,680,000
Authorized capital	$ 21,010,000	$ 16,800,000
Number of shares issued with fully paid-in capital (thousand shares)	1,686,210	1,621,367
Outstanding capital	$ 16,862,097	$ 16,213,672

Common stock shares issued at NTD 10 Par and each share is entitled to one voting right and dividends.

As of December 31st, 2020, the Company's paid-in capital was NT$16,213,672 thousand, consisting of 1,621,367 thousand shares of common stock, with a par value of $10 per share. On July 29th, 2021, the shareholder meeting resolved to recapitalize the undistributed earnings of NT$648,425 thousand to 64,843 thousand shares, at a par value of NT$10 per share, all of which were common stocks. As of December 31, 2021, the paid-in capital of the Company has increased to NT$16,862,097 thousand, consisting of 1,686,210 thousand shares of common stock at a par value of NT$10 per share.

(2) Capital surplus

	December 31, 2021	December 31, 2020
For covering loss carried forward, payment in cash or capitalization as equity shares (Note)		
Shares issued in excess of par value	$ 590,001	$ 590,001
Assets received	2,129	2,129
Treasury stock transactions	772,194	772,194
For covering loss carried forward only.		
Changes in the ownership equity on a subsidiary	120,561	143,231
Transaction of treasury stock (cash dividends paid to subsidiaries)	169,202	153,376
May not be used for any purpose.		
Invalid ESO	2,600	2,600

	$ 1,656,687	$ 1,663,531

Note: Such additional paid-in capital can be used to make up for losses; also, when the company is without any loss, it can be applied for cash distribution or capitalization. However, it is limited to a certain percentage of the annual paid-in capital for the purpose of capitalization.

(3) Retained earnings and Dividend Policy

According to the Articles of Incorporation, the policy for the distribution of earnings stated that if there is a surplus after account settlement of the fiscal year, the company shall pay applicable taxes and cover loss carried forward, followed by the allocation of 10% of the remainder as legal reserve, and appropriate for special reserve or reverse special reserve. If there is still a balance, it will be pooled up with the undistributed earnings carried forward from previous years for distribution as shareholder dividends under a proposal prepared by the Board subject to the final approval of the General Meeting of Shareholders. The policy of remuneration to employees and Directors and Supervisors to the Articles of Incorporation is elaborated in Note 24 (7) to the financial statement, on Remuneration to Employees and Directors and Supervisors.

The Company's dividend policy shall be drafted subject to the Company's future investment environment and long-term financial planning, and also takes the shareholders' equity into consideration. The dividends shall be allocated in the form of cash dividend as the first priority per year, and may be allocated in the form of stock dividend, provided that the ratio of allocation of stock dividends shall be no more than 95% of the total dividends.

The Company has a special reserve appropriated and reversed in accordance with FSC.Certificate.Issue.Tzi No. 1010012865 Letter, FSC.Certificate.Issue.Tzi No. 1010047490 Letter, and "Special reserve appropriation Q&A after the adoption of International Financial Reporting Standards (IFRSs)." If the amount debited to the other shareholders' equity is reversed subsequently, the reversed amount can be distributed.

The legal reserve should be contributed until its balance reaches the Company's total paid-in capital. The legal reserve may be applied to make up loss. If there is no loss, the amount of legal reserve in excess of the paid-in capital by 25% could be allocated as capital stock and paid out as cash dividend.

The Company held General Shareholders Meetings on July 29, 2021 and June 2, 2020, which adopted resolutions with regard to the 2020 and 2019 surplus distribution proposals as follows:

	Earnings Distribution Proposal		Dividends Per Share (NTD)	
	2020	2019	2020	2019
Legal reserve	$ 90,972	$ -	$ -	$ -
Special reserve	(6,177)	4,696	-	-
Cash dividends	162,106	-	0.1	-
Stock dividends	648,425	-	0.4	-

The Company had resolved in the board meeting the earnings distribution of 2021 on March 14, 2022 as follows:

	Earnings Distribution Proposal	Dividends Per Share (NTD)
Legal reserve	$ 2,616	$ -

The proposal for the distribution of earnings in 2021 is pending on the resolution of the General Meeting of shareholders scheduled to be held in June 2022.

For more information on the proposal approved by the board of directors of the Company and the surplus distribution proposal adopted by resolution of the General Shareholders Meeting, please refer to the TWSE Market Observation Post System.

(4) Other equity

1. Exchange differences from the translation of financial statements of foreign operations

	2021	2020
Balance, beginning of year	($ 116,241)	($ 86,995)
Subsidiaries' conversion differential amount adopting the equity method	4,021	(29,246)
Balance, end of year	($ 112,220)	($ 116,241)

2. Unrealized gain or loss on financial assets at fair value through other comprehensive profit or loss

	2021	2020
Balance, beginning of year	$ 451,962	$ 382,016
Accrued in current year		
Unrealized gain or loss		
Debt instruments	(63,126)	56,180
Equity instruments	556,895	50,303
Recognized share of the subsidiary adopting the equity method.	(463)	(1,208)
The accumulated gain/loss from the disposition of equity instruments will be transferred to retained earnings.	(25,466)	(35,329)
Balance, end of year	$ 919,802	$ 451,962

(5) Treasury stock

The statement and changes of the Company's treasury stock in 2021 and 2020:

Cause	Transferring stocks to employees (Thousand Shares)	Shares of parent company held by subsidiaries (in thousand shares)	Total (thousand shares)
Number of shares on January 1, 2021	304	330,985	331,289
Increase in current period	-	13,241	13,241
Decrease in current period	-	-	-

Number of shares as of December 31, 2021	304	344,226	344,530
Number of shares on January 1, 2020	-	330,985	330,985
Increase in current period	304	-	304
Decrease in current period	-	-	-
Number of shares as of December 31, 2020	304	330,985	331,289

1. The Company repurchased the Company's stock totaling 304 thousand shares, at the price of NT$1,745 thousand, pursuant to the Securities and Exchange Act in 2020.
2. As of December 31, 2021 and 2020, relevant information on company shares held by its subsidiaries is as follows:

Name of Subsidiary	Quantity of Shares (Thousand Shares)	Book Value	Market Value
December 31, 2021			
Pan Asia Chemical Corporation	261,501	$ 879,074	$1,178,479
Deh Hsing Investment Co., Ltd.	11,619	25,787	117,938
Chou Chin Industrial Co., Ltd.	61,488	195,060	307,744
Chou Chang Corporation (subsidiary of Chou Chin Industrial CO., LTD.)	9,618	35,136	36,697
		$1,135,057	$1,640,858
December 31, 2020			
Pan Asia Chemical Corporation	251,443	$ 879,074	$1,250,375
Deh Hsing Investment Co., Ltd.	11,172	25,787	125,133
Chou Chin Industrial Co., Ltd.	59,123	195,060	313,540
Chou Chang Corporation (subsidiary of Chou Chin Industrial CO., LTD.)	9,247	35,136	38,936
		$1,135,057	$1,727,984

3. The company's Treasury stock may not be pledged in accordance with the Security and Exchange Law; moreover, it is without the privilege of dividend and voting right. Company shares held by its subsidiaries are deemed as shares held in vault in processing, and besides regulations set forth under the Corporate Law article 167 and article 179, the rest of which are the same as general shareholders' entitlements.

24. Business units in continuing operating income

Income from continuing operations department includes the following items

(1) Other income and earnings and expense and loss

	2021	2020
Income derived from sales of substandard goods and scraps	$ 13,276	$ 1,453
Rental revenue	5,103	6,041
Others	65,759	16,364
	$ 84,138	$ 23,858

(2) Gain (loss) on financial assets and liabilities at fair value through profit and loss

	2021	2020
The realized gain (loss) of financial assets and liabilities measured at fair value through profit or loss		
Stock	$ 3,184	$ 14,260
Bonds	-	601
Beneficiary certificate	2,456	-
	5,640	14,861
The valuation gain (loss) of financial assets and liabilities measured at fair value through profit or loss		
Stock	2,122	(77,668)
Beneficiary certificate	49,675	87,621
	51,797	9,953
	$ 57,437	$ 24,814

(3) Financial costs

	2021	2020
Interest from bank borrowings	$ 152,087	$ 172,883
Lease liability interest expenses	111	245
	152,198	173,128
Less: classified real estate, plant and equipment (Note 14)	(5,448)	-
	$ 146,750	$ 173,128

(4) Financial assets impairment loss (reversal gain)

	2021	2020
Accounts receivable (included in operating expenses)	$ 1,022	($ 85,677)

(5) Depreciation and amortization

	2021	2020
Property, plant and equipment	$ 576,148	$ 633,781
Investment property	1,218	658
Right-of-use assets	9,939	12,293
	$ 587,305	$ 646,732

Consolidation of depreciation expenses based on functions		
Operating cost	$ 571,797	$ 627,290
Operating expenses	15,508	19,442
	$ 587,305	$ 646,732

(6) Employee benefits expenses

2021

	Operating cost	Operating expenses	Total
Short-term employee benefits			
Salary & wage	$ 364,792	$ 59,163	$ 423,955
Labor insurance and national health insurance	39,874	5,915	45,789
Remuneration to Directors	-	6,143	6,143
Other employee benefits expenses	21,160	16,916	38,076
	425,826	88,137	513,963
Pension expenses			
Defined contribution pension plan	15,180	2,404	17,584
Determined Benefit Plan (Note 21)	2,312	649	2,961
	17,492	3,053	20,545
Total employee benefits expenses	$ 443,318	$ 91,190	$ 534,508

2020

	Operating cost	Operating expenses	Total
Short-term employee benefits			
Salary & wage	$ 367,235	$ 73,472	$ 440,707
Labor insurance and national health insurance	38,584	6,112	44,696
Remuneration to Directors	-	6,074	6,074
Other employee benefits expenses	20,256	13,049	33,305
	426,075	98,707	524,782
Pension expenses			
Defined contribution pension plan	$ 15,627	$ 2,529	$ 18,156
Determined Benefit Plan (Note 21)	2,874	944	3,818
	18,501	3,473	21,974
Total employee benefits expenses	$ 444,576	$ 102,180	$ 546,756

The average numbers of company employees in 2021 and 2020 accounted for 657 and 690 people, respectively. Among them, seven are board of directors not con-currently serving as employees.

In 2021 and 2020 average employee benefit expenses amounted to NT$ 813,000 and 792,000, respectively; employee salary expenses amounted to NT$ 652,000 and 645,000, which represents an adjustment by 1.09%.

The company has set up the Audit committee. No supervisors are hired. Therefore, no remunerations for supervisors are allocated.

The company's remuneration policy is as follows:

1. The remunerations for directors are in accordance with provisions in Article 22 and Article 40 of the company charter.
   (1) The board of directors shall authorize remunerations for directors based on their level of participation in company operations and value contributed. Remunerations are set with reference to the standard of payment adopted by companies in the same trade.
   (2) If the company has made profits during the year, remunerations for directors not exceeding 0.3% shall be granted upon resolution by the board of directors and shall be resolved at the shareholders' meeting
2. Remunerations for managers and employees are conducted in accordance with the company's Charter Article 40, the Company Remuneration Committee Organizational Rules and related company regulations (including the Remunerations Management Guidelines, Assessment Guidelines, End-of-Year Bonus Distribution Guidelines, etc.)
   (1) Remunerations for managers are set by the company's Remuneration Committee and are periodically assessed. In reference to the usual payment standard of the same industry, considerations are also given to personal performance, corporate operation performance, and the reasonability of association with future risks, which shall be submitted to the board of directors for resolution.

(2) Remunerations for employees are conducted in accordance with the company's regulations. In addition, considerations are given to personal work performance, and degree of corporate operation contribution. The reasonability of remunerations are periodically assessed.

(3) If the company has made profits during the year, 1%–5% will be allocated as remunerations for employees. The distribution ratio and distribution in shares or cash shall be resolved by the board of directors and shall be submitted to the shareholders' meeting for resolution.

(7) Remuneration to employees, Directors and Supervisors

According to the Articles of Incorporation, the Company appropriated 1% to 5% and no more than 0.3% of the earnings before taxation before the deduction of remuneration to the employees, Directors and Supervisors of the same year. Estimated 2021 and 2020 remuneration to employees, directors/supervisors as below:

Estimate on ratio

	2021	2020
Remuneration to employees	1.0%	1.0%
Remuneration to directors/ supervisors	0.3%	0.3%

Amount

	2021	2020
Remuneration to employees	$ 58	$ 10,778
Remuneration to directors/ supervisors	$ 17	$ 3,234

If there are still changes in the amount specified in the financial statement after announcement, proceed to the accounting of change and adjusted for booking in the next fiscal year.

China Man-Made Fiber Corporation held board meetings on March 5, 2021 and March 16, 2020, which adopted resolutions to approve the 2020 and 2019 employee and director/supervisor compensations as follows:

Amount

	2020		2019	
	Remuneration to employees	Remuneration to directors/ supervisors	Remuneration to employees	Remuneration to directors/ supervisors
Amount resolved by the Board of Directors for release	$ 10,778	$ 3,234	$ -	$ -

Amount recognized in financial statements of respective years	$ 10,778	$ 3,234	$ -	$ -

The actual amount for remuneration to employees, Directors and Supervisors in 2020 and 2019 did not vary from the amount recognized in the individual financial statements of 2020 and 2019.

For further information on the appropriation of remuneration to the employees and Directors and Supervisors by the Board of Taichung Commercial Bank in 2021 and 2020, visit the "MOPS" website of Taiwan Stock Exchange Corporation.

(8) Loss in impairment of non-financial assets

	2021	2020
Inventory (included in the operating costs)	($ 7,432)	$ 19,854
Property, plant and equipment	(44,244)	(605,359)
	($ 51,676)	($ 585,505)

25. Continuing department income tax

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

	2021	2020
Income tax expenses in the current period		
Accrued in current year	$ -	$ 121,815
Prior years' adjustment	-	(3)
	-	121,812
Income tax expense recognized in the profit or loss	$ -	$ 121,812

Adjustment of accounting income and income tax expense are as follows:

	2021	2020
Income before tax from continuing operations	$ 5,699	$ 1,063,859
Income tax expense of net income before tax at the statutory tax rate (20%)	$ 1,140	$ 212,772
Non-deductible expenses and losses for tax purposes	26	413
Non-taxable income	(138,168)	(667,220)
Unrecognized deductible temporary differences and loss credit	137,002	454,035
Land revaluation increment tax	-	121,815

Income tax expense of prior years' adjusted in the current year	-	(3)
Income tax expense recognized in the profit or loss	$ -	$ 121,812

(2) Income tax benefits recognized in the other comprehensive profit or loss

	2021	2020
Deferred tax		
Accrued in current year		
- Re-evaluation of determined benefit plan	$ 529	$ 1,702

(3) Current income tax asset

	December 31, 2021	December 31, 2020
Current income tax asset		
Tax refund receivable	$ 1,081	$ 1,653

(4) Deferred income tax assets and liabilities

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

2021

	Balance, beginning of year	Recognized in the profit or loss	Recognized in the other comprehensive profit of loss	Balance, end of year
Deferred income tax assets				
Temporary difference				
Property, plant and equipment	$ 18,318	$ -	$ -	$ 18,318
Inventory	23,134	-	-	23,134
Defined benefit pension plans	63,110	-	529	63,639
Loss allowance	39,256	-	-	39,256
Others	38,291	-	-	38,291
	182,109	-	529	182,638
Loss credit	468,405	-	-	468,405
	$ 650,514	$ -	$ 529	$ 651,043
Deferred tax liabilities				
Temporary difference				

	Balance, beginning of year	Recognized in the profit or loss	Recognized in the other comprehensive profit of loss	Balance, end of year
Allowance for land increment value tax	$ 866,019	$ -	$ -	$ 866,019

2020

	Balance, beginning of year	Recognized in the profit or loss	Recognized in the other comprehensive profit of loss	Balance, end of year
Deferred income tax assets				
Temporary difference				
Property, plant and equipment	$ 18,318	$ -	$ -	$ 18,318
Inventory	23,134	-	-	23,134
Defined benefit pension plans	61,408	-	1,702	63,110
Loss allowance	39,256	-	-	39,256
Others	38,291	-	-	38,291
	180,407	-	1,702	182,109
Loss credit	468,405	-	-	468,405
	$ 648,812	$ -	$ 1,702	$ 650,514
Deferred tax liabilities				
Temporary difference				
Allowance for land increment value tax	$ 866,019	$ -	$ -	$ 866,019

(5) The deductible temporary differences of deferred income tax assets not recognized on the balance sheet

	December 31, 2021	December 31, 2020
Deductible temporary differences		
Allowance to reduce inventory to market	$ 114,314	$ 114,314
Defined benefit pension plans	7,550	7,550
Loss credit	2,955,185	2,270,174
	$ 3,077,049	$ 2,392,038

(6) Unused losses credit related information

Loss deduction as at December 31, 2021:

Uncredited balance	Last year of credit
$ 58,648	2022
505,260	2026
1,743,326	2029
1,474,481	2030
1,515,496	2031
$ 5,297,211	

(7) Income tax audit

The declared cases before 2019 have been approved by the taxation collection agency before the deadline of the company's business income tax declaration.

26. Earnings per share

Unit: NTD per share

	2021	2020
Basic earnings per share	$ -	$ 0.70
Diluted earnings per share	$ -	$ 0.70

When calculating earnings per share, the impact of the stock dividend had been retroactively adjusted. The payment date of bonus shares is on November 2, 2021. Due to retrospective adjustment, the 2020 basic and diluted earnings per share changes are as follows:

Unit: NTD per share

	Cum-dividend	Ex-dividend
Basic earnings per share	$ 0.73	$ 0.70
Diluted earnings per share	$ 0.73	$ 0.70

The earnings and weighted average common stock shares used in calculating the earnings per share are as follows:

Net income

	2021	2020
Net profit attributable to the company	$ 5,699	$ 942,047

Quantity

Unit: Thousand Shares

	2021	2020
Weighted average common stock shares used to calculate basic earnings per share	1,341,680	1,341,806
Effect of dilutive potential common stock:		
Remuneration to employees	220	1,251
Weighted average common stock shares used to calculate diluted earnings per share	1,341,900	1,343,057

27. Equity Transactions

Company subsidiary Tackhsin disposed 5% of shares held by subsidiary Pan Asia Chemical Corporation from March to May, 2020, resulting in shareholding ratio change. The above transactions are equity transactions. The company adjusted the equity transaction difference to the additional paid-in capital and undistributed surplus. See Note 36 of the 2021 Consolidated Financial statement.

28. Capital risk management

Under the premise of capital management for assuring sustainable operation, the Company seeks to maximize return to shareholders through the optimization of debts and equity balance.

The company capital structure is made up of company net debt (meaning the borrowing minus cash and cash equivalent) and those belonging to company owner’s equity (meaning its capitalization, capital reserve, retained earnings and other equity items).

The Company’s management reviews the capital structure yearly, and the reviews include taking into consideration the cost of capital and the risks associated with each class of capital. The Company based on the suggestions of management has the overall capital structure balanced by paying dividends, issuing new shares, buying back shares and issuing new debts or paying back old debts.

29. Financial instruments

(1) Fair value information- Financial instruments that are not measured at fair value

The management of the Company believes that the carrying amount of financial assets and liabilities not measured by fair values approaches their fair values.

(2) Information on fair value – financial instruments at fair value on repetition.

1. Fair-value hierarchy

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss				
Shares traded on the Taiwan Stock Exchange or OTC exchange	$ 8	$ -	$ -	$ 8
Beneficiary certificates of funds	240,621	-	-	240,621
Financial assets at fair value through other comprehensive profit or loss				
Equity investment				
- Listed stocks – domestic and emerging stock	1,890,380	-	-	1,890,380
- Domestic non-listed (OTC) stocks	-	-	292,849	292,849
- Foreign TSEC/GTSM unlisted shares	-	-	7,507	7,507
Debt instrument				
- Domestic corporate bonds	-	110,000	-	110,000
	$2,131,009	$ 110,000	$ 300,356	$2,541,365

December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit and loss				
Shares traded on the Taiwan Stock Exchange or OTC exchange	$ 8	$ -	-	$ 8
Beneficiary certificates of funds	400,270	-	-	400,270
Financial assets at fair value through other comprehensive profit or loss				
Equity investment				
- Listed stocks – domestic and emerging stock	1,549,130	-	-	1,549,130
- Domestic non-listed (OTC) stocks	-	-	266,264	266,264
- Foreign TSEC/GTSM unlisted shares	-	-	7,865	7,865
Debt instrument				
- Domestic corporate bonds	-	110,000	-	110,000
	$1,949,408	$ 110,000	$ 274,129	$2,333,537

The transfer between Level 1 and Level 2 fair value did not occur in 2021 and 2020.

2. Financial instruments are adjusted according to Level 3 fair value.

2021

Financial Assets	Financial assets at fair value through other comprehensive profit or loss: Equity instruments	Debt instruments	Total
Balance, beginning of year	$ 274,129	$ -	$ 274,129
Recognized in the other comprehensive profit of loss	37,533	-	37,533
- Purchase	881	-	881
- Capital reduction and return	(12,187)	-	(12,187)
Balance, end of year	$ 300,356	$ -	$ 300,356

2020

Financial Assets	Financial assets at fair value through other comprehensive profit or loss: Equity instruments	Debt instruments	Total
Balance, beginning of year	$ 270,592	$ -	$ 270,592
Recognized in the other comprehensive profit of loss	2,722	-	2,722
- Purchase	815	-	815
Balance, end of year	$ 274,129	$ -	$ 274,129

3. Evaluation techniques and an input value of Level 2 fair value measurement

Categories of financial instruments	Evaluation techniques and input values
Non-derivatives	The bid price in active markets is not taken as fair value.

4. Evaluation techniques and an input value of Level 3 fair value measurement

Categories of financial instruments	Evaluation techniques and input values
Investment equity not listed at TWSE (TPEx)	Market multiple method: The fair value of the subject matter may be evaluated by comparison with the bid price of the stocks in the industry in the active market with liquidity discount ratio taken into account and the corresponding net value of multiples.

5. The measurement of Level 3 fair value is the sensitivity analysis of the reasonable substituted assumption of fair value

The significant unobservable input value under the market multiple method adopted by the company is the liquidity discount ratio. When the ratio increases, the fair value of the investment decreases. Sensitivity analysis is compiled as follows:

Risk factors	Changes	Effects
Liquidity Discount Ratio	10%	($ 12,561)

(3) Categories of financial instruments

	December 31, 2021	December 31, 2020
Financial Assets		
Measured at fair values through profit and/or loss		
Measured at fair value through income under compulsion	$ 240,629	$ 400,278
Financial assets on the basis of cost after amortization (Note 1)	3,661,673	2,643,665
Financial assets at fair value through other comprehensive profit or loss		
Equity investment	2,190,736	1,823,259
Debt instrument	110,000	110,000
Financial Liabilities		
Measured at cost after amortization (Note 2)	14,445,209	11,544,470

Note 1: the balance includes cash and cash equivalent, notes receivable, accounts receivable, other receivables (excluding tax rebates receivable), withheld guarantee (classified as other asset in the account) and restricted asset – liquid (classified as other liquid asset in the account) and related financial assets measured by cost.

Note 2: The balances included short-term loans, short-term bills payable, notes payable, accounts payable, other payables, long-term loans and such financial liabilities measured at post-amortization costs.

(4) Purpose and policy of financial risk management

The main financial tools of the Company include equity and debt investments, accounts receivable, other receivables, accounts payable, loans and other payables. The company's financial management department shall provide services to each business unit, to plan and coordinate operations in the domestic financial markets, and to monitor and manage the company's operation-related financial risks with the internal risk report, with the risk exposure analyzed in accordance with the degree and breadth of risks. The risks include market risk, credit risk and liquidity risk.

1. Market risk

The company's operating activities subjecting the company to shoulder key financial risks being the foreign exchange rate fluctuation risk, interest rate fluctuation risk and equity securities pricing fluctuation risk.

The exposure of market risk of the financial instruments of the Company and the management and measurement of this risk remained unchanged.

(1) Exchange rate risk

The company incurs exchange rate fluctuation exposure for engaging in foreign currency-priced sales transactions. Approximately 49% of the company's sales amount is priced by nonfunctional currency. The company's exchange rate exposure management is within the permitted scope of the policies and with the use of forward foreign exchange contract to manage risk.

Sensitivity analysis

The company is mainly affected by the changes in the exchange rate of USD.

The Branch's sensitivity analysis for the exchange rate of NT dollar (the functional currency) to each relevant foreign currency increased or decreased by 3% is detailed as follows. The 3% sensitivity rate is used for the Branch's reporting exchange rate risk to management; also, it is management's reasonable estimation of the possible fluctuation in exchange rates.

The sensitivity analysis includes only the outstanding foreign currency monetary items; also, the translation at yearend is adjusted with the change in exchange rate by 3%. The positive figures in the below table indicate that when various relevant currencies devaluating at 3%, which will affect the pretax net earnings' amount; when NTD appreciating by 3% to various relevant currencies, its impact to the pretax net earnings will be at the same amount but in a negative figure.

	The impact of the U.S. dollar	
	2021	2020
Profit and loss	$ 19,976	$ 19,145

(2) Interest rate risk

The Company is exposed to interest rate risks due to funds borrowed at floating interest.

The carrying amount of financial assets and liabilities of the Company under interest rate exposure on balance sheet date is as follows:

	December 31, 2021	December 31, 2020
With fair value interest rate risk		
- Financial Assets	$ 130,878	$ 132,070
Contain cash flow interest rate risk		
- Financial Assets	110,000	110,000
- Financial Liabilities	13,087,906	10,509,325

Sensitivity analysis

The following sensitivity analyses are based on the interest rate risk exposure of the derivative and non-derivative instruments on the balance sheet date. For liabilities with floating rate, it is analyzed by assuming the liabilities on the balance sheet date are outstanding throughout the reporting period. The fluctuation rate used on the interest rate in company internal report to key management level is at the interest rate plus or minus 100 base points, which also represents company management's assessment on rational probable fluctuation range on the interest rate.

If the interest rate increasing/decreasing by 100 base points, and under the circumstance that all other variables remain unchanged, the company's pretax net earnings in 2021 and 2020 will also be decreased/increased by NT$130,895 thousand and NT$105,105 thousand.

(3) Other price oriented risks.

The company has incurred equity pricing exposure for investing in OTC equity securities investment and beneficiary certificates. The equity investments (except for financial assets at fair value through profit or loss) are not held for trading and are considered strategic. The Company has not actively traded such investments. The company's equity pricing risk primarily concentrates on equity instructions at Taiwan Stock Exchange.

Sensitivity analysis

The below listed sensitivity analysis has been sought by equity pricing exposure on the balance sheet date.

If equity prices rise/fall by 15%, pre-tax profits/losses of the Company in 2021 and 2020 will increase/decrease by NT$ 36,094,000 and NT$ 60,046,000, while equity will increase/decrease by NT$ 328,610,000 and NT$ 232,370,000, respectively.

2. Credit risk

Credit risk refers to the risk that the customer or counter party delays the contractual obligation resulting in the financial loss of the Company. As of the balance sheet date, the Company's maximum credit risk exposure of financial loss due to the counterparty's failure in fulfilling contractual obligations is mainly derived from the book value of the financial assets recognized on the individual balance sheet.

To mitigate the credit risk, the company management has assigned designated personnel responsible for determining the line of credit cap, loan approval and adopting other adequate monitoring procedure, through which to ascertain that adequate action has been taken on recalling overdue receivables. In addition, the Company will review the recoverable amount of receivables on each balance sheet date to ensure that appropriate impairment loss has been appropriated for the uncollectible receivables. Under the circumstance, the Company's management believes that the Company's credit risk is significantly reduced.

The company continues to assess the financial condition of the customers of accounts receivable.

Except for the major customer Company A of the consolidated company, the company does not have a significant credit exposure to any single counterparty or any group counterparty with similar characteristics. When the counterparty is an affiliated company, the company has it defined as a counterparty with similar characteristics. State of credit risk concentration on Company A in 2021 and 2020 are at 12% and 0% respectively to the total monetary-based assets; state of other transaction opponents' credit risk concentration in 2021 and 2020 are at 34% and 25% to the total monetary-based assets, respectively.

3. Liquidity risk

The company has supported the Group's business operations and mitigated the impact of changes in cash flow by managing and maintaining sufficient cash and cash equivalent position. The Company's management monitors the use of banking facilities and ensures the compliance of loan agreement.

Bank loan is a main source of liquidity to the company. Please refer to Note (2) "introduction of financing quota" for the Company's unused financial quota as of December 31, 2021 and 2020.

(1) Liquidity risk table for non-derivative financial liabilities

Non-derivative financial liabilities remaining contract maturity analysis is prepared in accordance with the consolidated company's undiscounted cash flow of financial liabilities on the possible earliest repayment date upon request. The following table shows the earliest times that the Company may be demanded to make immediate repayment of bank loans, without considering the likelihood of such demands. Maturity analysis of other non-derivative financial liabilities is prepared based on the agreed repayment date.

December 31, 2021

	0~30 days	31~90 days	91~180 days	181 days to 1 year	More than 1 year	Total
Non-derivative financial liabilities						
Shot-term borrowings	$ 693,368	$2,908,357	$ 515,096	$2,431,426	$ -	$6,548,247
Short-term notes payable	150,000	700,000	-	-	-	850,000
Long-term borrowings	25,000	963,800	196,300	683,928	3,822,200	5,691,228
Payables	1,248,144	57,025	45,334	6,800	-	1,357,303
Deposits received	-	-	-	-	2,364	2,364
Lease liabilities	151	257	386	771	1,196	2,761

December 31, 2020

	0~30 days	31~90 days	91~180 days	181 days to 1 year	More than 1 year	Total
Non-derivative financial liabilities						
Shot-term borrowings	$ 302,939	$1,559,324	$ -	$2,451,426	$ -	$4,313,689
Short-term notes payable	100,000	650,000	-	-	-	750,000
Long-term borrowings	-	617,685	1,647,685	312,868	2,868,574	5,446,812
Payables	926,997	49,612	43,836	14,700	-	1,035,145
Deposits received	-	-	-	-	2,861	2,861
Lease liabilities	1,087	2,174	3,099	3,808	2,761	12,929

(2) Financing amount

	December 31, 2021	December 31, 2020
Bank loan amount (renewal must be with the mutual agreement)		
- The loan quota used	$ 13,087,906	$ 10,509,325
- The loan quota not yet used	3,457,361	6,895,931
	$ 16,545,267	$ 17,405,256

30. Related Party Transactions

(1) Name and affiliation of related parties

Name	Affiliation
Taichung Commercial Bank	Subsidiary of the Company
Pan Asia Chemical Corporation	Subsidiary of the Company
Deh Hsing Investment Co., Ltd.	Subsidiary of the Company
Taichung Securities Investment Trust Co., Ltd.	Subsidiary of the Company
Chou Chin Industrial Co., Ltd.	Subsidiary of the Company
Melasse	Subsidiary of the Company
Xiang-Feng Development	Indirect subsidiary of the Company
Tou-Ming Industry	Indirect subsidiary of the Company
Jin-Bang-Ge Industry	Indirect subsidiary of the Company
IOLITE COMPANY LTD.	Indirect subsidiary of the Company

Name	Affiliation
Precious Wealth International Limited	Indirect subsidiary of the Company
Hammock (Hong Kong) Company Limited	Indirect subsidiary of the Company
Hebei Hanoshi Contact Lens Co., Ltd.	Indirect subsidiary of the Company
Taichung Bank Insurance Agency Co., Ltd.	Indirect subsidiary of the Company
Taichung Commercial Bank Lease Enterprise	Indirect subsidiary of the Company
Taichung Commercial Bank Securities Co., Ltd.	Indirect subsidiary of the Company
TCCBL Co., Ltd.	Indirect subsidiary of the Company
Taichung Commercial Bank Lease Enterprise (Suzhou) Ltd	Indirect subsidiary of the Company
Taichung Bank Venture Capital Co., Ltd.	Indirect subsidiary of the Company
GREENWORLD FOOD CO., LTD.	Indirect subsidiary of the Company
Chou Chang Corporation	Indirect subsidiary of the Company
Bomy Enterprise	Indirect subsidiary of the Company
Bomy Shanghai	Indirect subsidiary of the Company
Yuju Universal Corporation	Indirect subsidiary of the Company
Noble House Glory	Indirect subsidiary of the Company
Shanghai Bangyi International Trading Co., Ltd.	Indirect subsidiary of the Company
Shanghai Bomy Consultancy Management Co., Ltd.	Indirect subsidiary of the Company
Chung Chien Investment Co., Ltd.	Investors with control
Pan Asia Investment Co., Ltd.	Investors with control
Nan Chung Petrochemical Corp.	Affiliated enterprises
Wei-Kang International	Affiliated enterprises
Storm Model Management	Affiliated enterprises
BONWELL PRAISE Co., Ltd	Affiliated enterprises
Qian Teng PR Planning (Shanghai), Co., Ltd.	Affiliated enterprises
Shanghai Nianjia Cultural Diffusion Co., Ltd.	Affiliated enterprises
FunTeam Industrial CO., LTD	Substantial related party
Hua Nan Financial Holding	Substantial related party
Hua Nan Bank	Substantial related party
Hua Nan Insurance	Substantial related party
Hsu Tian Investment Co., Ltd	Substantial related party
TAIWAN FILAMENT WEAVING DEVELOPMENT CO., LTD.	Substantial related party
TA YI DEVELOPMENT CO., LTD.	Substantial related party
Midea	Substantial related party
Formosa Imperial Wineseller Corp.	Substantial related party
Formosawine Vintners Corporation	Substantial related party

Name	Affiliation
Da Fa Investment Company	Substantial related party
Sheng Jen Knitted Textiles Co., Ltd.	Substantial related party
Reliance Consolidated Securities Co., Ltd.	Substantial related party
Wang Wan Chin Education Foundation	Substantial related party
Sheng Yuan Cher Investment Company	Substantial related party
Chao-Qing Investment	Substantial related party
Peng Hsu Investment Company	Substantial related party
General Pride Enterprise Co., Ltd.	Substantial related party
Shield Bright Investment Limited	Substantial related party
Feng Chi Investment Co., Ltd.	Substantial related party
Lei Fu Life Enterprise Co., Ltd.	Substantial related party
Shen Ching Investment Co., Ltd.	Substantial related party
FU HING INVESTMENT LIMITED	Substantial related party
Yao Shang Investment Co., Ltd.	Substantial related party
Chi Ta Investment Co., Ltd.	Substantial related party
Hsu Yi Investment Co., Ltd.	Substantial related party
Chung Chien Recreation Investment Co., Ltd.	Substantial related party
Others	Key management personnel of the company and their spouses and relatives within the second degree of kinship

(2) Important transactions between the Company and related parties:

Except as disclosed in other notes, transactions between the Companies and related parties, are also as follows:

1. Goods sold

Name	2021	2020
Pan Asia Chemical Corporation	$ 790,366	$ 632,507

(1) The terms and conditions of the Company's sale to said related parties are as same as that to the general customers, other than some sales which no similar sales may be comparable to. The general customers apply the A/R settlement from 1 month ~2 months.
(2) The Company's sales to Pan Asia Chemical Corporation primarily refer to the eto ethylene oxide and nonylphenol produced by the Company's Kaohsiung Plant.
(3) The Company entered into the sale contract for the eto ethylene oxide, which is outlined as following:
A. Contract period: from July 1, 2020 to June 30, 2025, subject to renegotiation upon expiry.
B. Quantity: To be supplied based on the scheduled quantity requested by Pan Asia Chemical Corporation, provided that the Company may adjust the quantity subject to its production.
C. Purchasing price: to be settled based on the pricing method agreed by both parties.

2. Purchases

Name	2021	2020
Nan Chung Petrochemical Corp.	$ 3,132,235	$ 2,053,199
Pan Asia Chemical Corporation	851	3,424
	$ 3,133,086	$ 2,056,623

The terms and conditions of the Company's purchase from said related parties are as same as that to the general suppliers. The general suppliers apply the A/R settlement 1 month~2 months.

3. Bank deposits and interest revenue

Name	2021 Balance - ending	2021 Interest revenue	2020 Balance - ending	2020 Interest revenue
Hua Nan Bank	$ 73,683	$ 10	$ 88,304	$ 35
Taichung Commercial Bank	79,817	4,303	83,726	4,382
	$ 153,500	$ 4,313	$ 172,030	$ 4,417

4. Receivable (payable) accounts from related parties

Name	December 31, 2021	December 31, 2020
Accounts receivable		
Pan Asia Chemical Corporation	$ 130,201	$ 96,470
Payable accounts and notes		
Pan Asia Chemical Corporation	$ 164	$ -
Nan Chung Petrochemical Corp.	367,169	-
	$ 367,333	$ -
Other payables		
Substantial related party	$ -	$ 11
Subsidiaries	59	64
	$ 59	$ 75
Other receivables		
Subsidiaries	$ 204	$ 461

5. Rental revenue

Name	2021	2020
Pan Asia Chemical Corporation	$ 3,187	$ 3,187
Others	176	227
	$ 3,363	$ 3,414

The rental was negotiated and agreed based on the rental prevailing in the neighborhood and payable per month.

6. Disposal of property, plant and equipment

Name	Disposal price 2021	Disposal price 2020	Disposal profit 2021	Disposal profit 2020
Pan Asia Chemical Corporation	$ 960	$ -	$ 960	$ -

The Company's Board has decided on the sale of houses and buildings on No. 8, Jingjian Rd., Dashe Dist., Kaohsiung City 815 to Pan Asia Chemical Corporation on January 18th, 2021. The contract price is $960,000, and the transfer registration has been completed on July 13th, 2021.

7. Other income

Name	2021	2020
Hua Nan Bank	$ 4,989	$ 8,984
Pan Asia Chemical Corporation	3,847	3,847
TAIWAN FILAMENT WEAVING DEVELOPMENT CO., LTD.	96	96
Chou Chin Industrial Co., Ltd.	240	240
	$ 9,172	$ 13,167

The company's 2021 and 2020 other income from Hua Nan Commercial Bank Company pertains to the company serving as Hua Nan Commercial Bank Co.'s institutional director has received of director/auditor remuneration and director/auditor attendance travel expense income.

8. Pre-paid expenses

Name	2021	2020
Substantial related party	$ 981	$ 1,083

(3) Lease agreements

Name	2021	2020
Interest expenses		
Pan Asia Chemical Corporation	$ 3	$ 8

(4) Remuneration to the management

	2021	2020
Short-term employee benefits	$ 17,550	$ 16,611
Retirement benefits	443	393
	$ 17,993	$ 17,004

The salaries and remunerations to directors and other key management were determined by the Salary Committee in accordance with the personal performances and trends in the markets:

(5) Other related party transaction

1. The company participated in the cash capital increase of Taichung Commercial Bank in 2021 and 2020. The new investment in the amount of NT$367,998,000 and NT$446,524,000 respectively. The shareholding ratio decreased from 22% to 21.76% and 22.29% to 22% respectively due to failure to subscribe according to the shareholding ratio.
2. The company has in 2021 participated in De Hsing Investment Co.'s cash reinvestment, by newly investing in 25,000,000 shares, with investment cost at $250,000 thousand and with the shareholding percentage remains unchanged.

31. Pledged assets

The details of the company pledging its assets as bank loan's mortgaging collateral, import duty guarantee payment, guarantee for hiring foreign workers is as follows (shown by book value):

	December 31, 2021	December 31, 2020
Restricted assets-current-pledged time deposit	$ 130,878	$ 132,070
Common share investment (financial asset classified in the account as other general loss or gain, measured by fair value – non-liquid)	328,838	289,451
Investment under the equity method	4,975,286	5,027,646
Investment in real estate-Land of Yunlin Spinning Industrial Park	34,943	34,943
Investment-based real estate – the land and building at Erchungpu Section, Sanchung District	704,177	704,376

Property, plant and equipment- Land	2,863,895	2,863,895
Real estate, plant and equipment – property and building	319,166	337,280

The fund and investment-common stock furnished as security is stated as following:

	December 31, 2021	December 31, 2020
The financial assets measured for the fair values through other comprehensive income- non-current- Hua Nan Financial Holding	1,148 thousand shares	1,148 thousand shares
The financial assets measured for the fair values through other comprehensive income- non-current- Taiwan Tea Corporation	15,000 thousand shares	15,000 thousand shares
Investment adopting the equity method – Nan Chung Petrochemical Corp.	10,000 thousand shares	10,000 thousand shares
Investment adopting the equity method – Taichung Commercial Bank Company, Limited	347,050 thousand shares	355,400 thousand shares

32. Significant contingent liabilities and unrecognized contractual commitments

In addition to those disclosed in other notes, the significant commitments and contingencies of the Company as of balance sheet date were as follows:

(1) The guarantee notes already issued by the Company are stated as following:

	December 31, 2021	December 31, 2020
Banking facility	$ 14,253,511	$ 15,551,230
Advance payment and performance bond	-	320,000
	$ 14,253,511	$ 15,871,230

(2) As of December 31, 2021 and 2020, the Company had opened unused credit line of letter of credit at NT$1,911,489 thousand and NT$1,339,770 thousand, respectively.

(3) The company and Air Liquide Company have signed of gas purchasing contract, where the contract specifies a minimum purchasing volume for oxygen and nitrogen, with purchasing price, besides at monthly cost of approximately $13,800 thousand, which is subject to adjustment per wholesale price index in April every year, and is calculated at the contract price on oxygen and nitrogen purchasing volumes, with said purchasing contract period set to 240 months and will be automatically extended for 36 months at contract expiry if the two parties made no contest, and if the contract needs to be terminated, a 24-month advance notice is required, with the two parties determining said contract's starting date as July 1, 2014.

(4) O-Bank and Yuanta Bank filed a litigation in February and November, 2020 by reason of several employees receiving the aforementioned bank's assignment of claim notice and serving as the contact window in cooperation with the New Site Industries Inc., resulting in bank clerks' error and mistakenly believing the company, Yijinyang Industries Co., Ltd. and New Brite Industries Inc. incurred transactions and continuing to lend and allocate funds, and claiming the company and employees shall be jointly and severally liable for compensation. The Company has commissioned a defense attorney to represent the Company in this lawsuit. Based on the lawyer's opinion, this case subjectively possesses no external form of duties performed by employed persons. After the trial, the court deemed the bank's entitlement to seek compensation from the company. If the bank is at fault shall also be determined, which will reduce or exempt the company from

compensation liability (*i.e.,* the compensation amount). The company has provisioned for liability reserve for the pending litigation. See Note 21.

33. Other matters

The Company is affected by the global COVID-19 (Coronavirus) pandemic, although there are recoveries for downstream of textile industry but the pandemic situation varies for different countries, the demands still have not return to the level before the pandemic. It is mainly due to the huge increase in the ethylene glycol global output capacity in 2021.

In coping with the impact of the pandemic, the company has adjusted its operational strategies and has implemented strict control on inventory. In terms of raw materials, procurements are made based on order demand quantity, while the safe stock is reduced. In addition, production is scheduled based on actual orders placed by customers or agents, thereby reducing finished product stock and timely adjusting price strategies to achieve balanced production and sales. Furthermore, the company plans to actively differentiate products on some production lines to increase revenues and profits. This is to avoid the price disadvantages of bulk specifications and competition from China and ASEAN countries. Meanwhile, impacts brought about by oil price fluctuations are reduced, including planned exports to make up for impacts arising from short-term domestic work suspension.

In view of the above, the company shall evaluate the business and financial aspects have not been subject to major impacts. In addition to the above-mentioned measures, the company shall continue to evaluate its ability to continue operating and possible effects arising from impairment of assets and funding risks.

34. Information about foreign exchange of foreign currency financial assets and liabilities

The information about foreign currency financial assets and liabilities rendering material effect on the Company:

December 31, 2021

	Foreign Currency	Foreign Exchange Rate	Book Value
Financial Assets			
Monetary Items			
USD	$ 72,235	27.68	$ 1,999,465
EURO	1,928	31.32	60,385
JPY	9,952	0.24	2,388

December 31, 2020

	Foreign Currency	Foreign Exchange Rate	Book Value
Financial Assets			
Monetary Items			
USD	$ 40,491	28.48	$ 1,153,193
EURO	2,266	35.02	79,369
JPY	44,695	0.28	12,349
Financial Liabilities			
Monetary Items			
USD	61	28.48	1,745

The merged company's 2021 and 2020 foreign currency exchange loss or gain (loss) (including realized and unrealized) is at (NT$31,651) thousand and (NT$60,496) thousand respectively, and since the foreign currency transaction types are innumerable, thus it is unable to disclose the impact of loss or gain by foreign currency type.

35. Disclosures

1. Loans to others:

Unit: NTD thousand, unless otherwise noted

	Lender	Borrower											Collateral			

Item No. (Note 1)			Transaction title (Note 2)	Are they related parties	Maximum Balance in Current Period (Note 3)	Balance - ending (Note 8)	The actual amounts disbursed	Interest Rate Collars	Nature of Loan (Note 4)	Amount of Business Transaction (Note 5)	Reasons necessary for offering short-term loan (Note 6)	Amount of allowance for bad debt	Name	Value	Limit of loan to particular borrower (Note 7)	Total limit of financing (Note 7)	Remark
1	Taichung Commercial Bank Lease Enterprise	Megaful Co., Ltd.	Other receivables	No	$ 121,829	$ 51,018	$ 51,018	4%-10%	Necessary for offering short-term loan	$ -	Working capital	$ 510	Property	$ 8,610	$ 203,533	$ 814,130	Note 9
1	Taichung Commercial Bank Lease Enterprise	DA FANG SKILL COLOR MARKETING CONSULTANT CO., LTD.	”	”	180,000	176,294	176,294	4%-10%	”	-	”	1,763	Property	180,000	203,533	814,130	”
1	Taichung Commercial Bank Lease Enterprise	TRYIIT CO., LTD.	”	”	180,000	174,424	174,424	4%-10%	”	-	”	1,744	Property	326,301	203,533	814,130	”
1	Taichung Commercial Bank Lease Enterprise	TCCBL Co., Ltd. (B.V.I.)	Other receivable - related parties	Yes	9,534	9,250	9,250	-	”	-	”	93	N/A	-	203,533	814,130	”
2	TCCBL Co., Ltd. (B.V.I.)	CROSS BORDER PROFITS LIMITED	Other receivables	No	5,395	-	-	4%-10%	”	-	”	-	Refundable deposits	2,768	82,629	330,518	Note 10
3	Chou Chin Industrial Co., Ltd.	Noble House Glory	Related party receivables	Yes	43,000	43,000	43,000	2%	”	-	”	-	N/A	-	343,500	686,999	Note 11
3	Chou Chin Industrial Co., Ltd.	Noble House Glory	”	”	42,000	-	-	2%	”	-	”	-	N/A	-	343,500	686,999	Note 11
4	Bomy Shanghai	Shanghai Bangyi International	”	”	129,840	51,936	51,936	5%	”	-	”	-	N/A	-	243,123	243,123	Note 12

		Trading Co., Ltd.															

Note 1: The column for numbering is elaborated below:

(1) Fill in 0 for the issuer.

(2) The investees are sequentially numbered from 1 and so forth.

Note 2: The receivables-affiliates, receivables-related parties, shareholders accounts, prepayments, temporary payments and others as stated in book shall be filled in here if they are classified as financing.

Note 3: Maximum balance of financing a third party in current period.

Note 4: Specify if the nature of financing is for business transactions or short-term financing is necessary.

Note 5: If the nature of financing is for business transactions, specify the amount of business transactions. The amount of business transactions shall be the amount of business conducted between the lender and the beneficiary of financing.

Note 6: If it is necessary for short-term financing, specify the reasons and the beneficiary of financing and the use of the fund, such as: retirement of loans, procurement of equipment, and working capital.

Note 7: Specify the Procedure for Financing Third Parties and the upper limit of financing in favor of particular beneficiary and the total limit of financing, and also the method for the calculation of the upper limit of financing in favor of particular beneficiary and the total limit of financing in the space provided in this field.

Note 8: For public companies proposed the lending of funds before the Board for resolution case by case pursuant to Article 14-1 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies,” the amount approved by the Board but not yet being drawn shall still be included in the amount for announcement for the disclosure of risk being assumed. If the loans are being retired in the future, disclose the outstanding balance to reflect the adjustment of risk. For public companies proposed the lending of funds before the Board for resolution case by case pursuant to Article 14-2 of the “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies” whereby the Board resolved to authorize the Chairman to effect the drawdown or in revolving credit in tranches within specific limit and in the year, the amount and the limit approved by the Board shall still be announced as the outstanding balance. In subsequent retirement of loans, repeated drawdown shall still be considered and the amount and the limit approved by the Board shall still be announced as the outstanding balance.

Note 9: The loaning of TCB Leasing Co., Ltd. to a particular enterprise shall be up to 10% of the net worth of the Company. The total amount of loaning of funds shall not exceed 40% of the net worth of TCB Leasing Co., Ltd.

Note 10 : TCCBL Co., Ltd. The total amount of loaning of funds by (B.V.I.) to any particular enterprise shall not exceed to that of TCCBL Co., Ltd. Limited to 10% of net worth of (B.V.I.) The total amount of loaning of funds shall not exceed 40% of the net worth of TCCBL Co., Ltd. (B.V.I.).

Note 11: The total amount of funds lent by Chou Chin Industrial Co., Ltd. to a single enterprise must not exceed 20% of the net worth of Chou Chin. Total loan amounts must not exceed 40% of the net worth of Chou Chin.

Note 12: The total amount of funds lent by Shanghai Bomy Food to a single enterprise must not exceed 80% of the net worth of Shanghai Bomy Food. Total loan amounts must not exceed 80% of the net worth of Bomy Shanghai.

2. Endorsements/guarantees to others:

Unit: NTD thousand, unless otherwise noted

Item No.	Name of Endorser/ Guarantor	Endorsed/Guaranteed		Limit of endorsement/ guarantee to a single enterprise (Note 1)	Maximum balance in current period (Note 3)	Balance-ending	The actual amounts disbursed	Endorsement / guarantee with collateral	Accumulated amount of endorsement/ guarantee in proportion to the net worth stated in the financial statements of	Upper limit of endorsement/ guarantee (Note 2)	Guarantee and endorsement of parent company to subsidiary	Guarantee and endorsement by subsidiary to parent company (Note)	Guarantee and endorsement in Mainland China (Note)
		Company name	Affiliation										

									the most recent period		(Note 4)		
1	Chou Chin Industrial Co., Ltd.	GREENWORLD FOOD CO., LTD.	Subsidiary of Chou Chin Industrial Co., Ltd.	$ 1,017,976	$ 15,000	$ 15,000	$-	$ -	0.74	$ 2,035,952	—	—	—
2	Taichung Commercial Bank Lease Enterprise	TCCBL Co., Ltd. (B.V.I.)	100% and directly owned subsidiary	12,211,950	632,228	539,780	-	-	26.52	20,353,250	—	—	—
2	Taichung Commercial Bank Lease Enterprise	Taichung Commercial Bank Leasing (Suzhou) Ltd.	100% and indirectly owned subsidiary	12,211,950	2,587,868	2,438,244	1,627,280	-	119.80	20,353,250	—	—	Y

Note 1: Chou Chin Industrial stipulated in its Operating Procedures for Endorsement Guarantee that its endorsement guarantee for an enterprise shall not exceed 50% of the net value of the latest financial statements. If the guarantee is for business transaction relationships, the amount shall not exceed the total transaction in the most recent year. Taichung Bank Leasing stipulated in its Operating Procedures for Endorsement Guarantee that its endorsement guarantee for an enterprise shall not exceed six times the net value of the latest financial statements.

Note 2: Chou Chin Industrial stipulated in its Operating Procedures for Endorsement Guarantee that its total endorsement guarantee shall not exceed the net value of the latest financial statements. Taichung Bank Leasing stipulated in its Operating Procedures for Endorsement Guarantee that its total endorsement guarantee shall not exceed ten times the net value of the latest financial statements.

Note 3: The highest balance of endorsements and/or guarantees in the current year.

Note 4: For guarantee and endorsement from parent company to subsidiaries, from subsidiaries to parent company, and to Mainland China, as in the case of TWSE/GTSW-listed companies, fill in Y.

3. Marketable securities held – end of year

Unit: thousand shares/ NTD thousand

Account Title	Type and Name of Securities	Holder of Securities	Affiliation with Securities Issuer	Ending				Remark
				Quantity	Book Value	Shareholding %	Fair value	
Financial assets at fair value through profit or loss- current	<u>Shares traded on the Taiwan Stock Exchange or OTC exchange</u>							
	Taiwan Business Bank	CHINA MAN-MADE FIBER CORPORATION	N/A	1	$ 8	-	$ 8	
	<u>Non listed (OTC) domestic stock</u>							
	EVERSOL CORP.	”	N/A	35	-	1	-	
	<u>Beneficiary certificate</u>							
	Chinese Selected Growth Equity Fund	”	Fund managed by Taichung Securities Investment Trust Co., Ltd.	3,154	52,511	-	52,511	
	The RSIT Digital Fund	”	”	1,000	55,060	-	55,060	
	Dah-Fa Fund	”	”	1,000	54,330	-	54,330	
	Taiwan Main Stream Small and Medium cap Fund	”	”	2,000	78,720	-	78,720	
	<u>Beneficiary certificate</u>							
	Reliance Taiwan Main Stream Small & Medium Cap Fund	Pan Asia Chemical Corporation	Fund managed by Taichung Securities Investment Trust Co., Ltd.	743	29,251	-	29,251	
	TAROBO Robotics Quantitative Chinese Fund	”	”	1,319	24,146	-	24,146	
	The RSIT Digital Fund		”	420	23,141	-	23,141	
	<u>Beneficiary certificate</u>							
	The RSIT Enhanced Money Market Fund	Taichung Securities Investment Trust Co., Ltd.	Fund managed by Taichung Securities Investment Trust Co., Ltd.	1,563	18,867	-	18,867	
	Dah-Fa Fund	”	”	30	1,654	-	1,654	
Financial assets at fair value through profit or loss- current	The RSIT Digital Fund	Taichung Securities Investment Trust Co., Ltd.	Fund managed by Taichung Securities Investment Trust Co., Ltd.	23	1,253	-	1,253	
	Chinese Selected Growth Equity Fund	”	”	1,118	18,606	-	18,606	
	Taiwan Main Stream Small and Medium cap Fund	”	”	37	1,469	-	1,469	
	<u>Beneficiary certificate</u>							
	Neuberger Berman Disruptive Innovation Equity Securities Investment Trust Fund	Chou Chin Industrial Co., Ltd.	N/A	450	4,495	-	4,495	
					$ 363,511		$ 363,511	Note

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Account Title	Type and Name of Securities	Holder of Securities	Affiliation with Securities Issuer	Ending				Remark
				Quantity	Book Value	Shareholding %	Fair value	
Equity instrument investments measured at fair value through other comprehensive income- non-current	<u>Shares traded on the Taiwan Stock Exchange or OTC exchange</u>							
	Hua Nan Financial Holding	CHINA MAN-MADE FIBER CORPORATION	CHINA MAN-MADE FIBER CORPORATION is its corporate supervisor.	70,055	$ 1,485,172	1	$ 1,485,172	1,148 thousand shares pledged
	Maxigen Biotech Inc.	”	N/A	519	26,948	1	26,948	
	Taiwan Tea Corporation	”	Chou Chin Industrial Co., Ltd., a subsidiary of China Man-Made Fiber Corporation	17,200	349,160	2	349,160	15,000 thousand shares pledged
	Bank of Kaohsiung Preferred Stock A	”	N/A	1,200	29,100	2	29,100	
	<u>Non listed (OTC) domestic stock</u>							
	Sunny Bank	”	N/A	2,876	27,642	-	27,642	
	Formosa Imperial Wineseller Corp.	”	Affiliate	1,900	-	10	-	
	Taiwan Silk & Filament Weaving Development Co. (common shares)	”	CHINA MAN-MADE FIBER CORPORATION is its corporate director.	10,878	23,497	19	23,497	
Equity instrument investments measured at fair value through other comprehensive income- non-current	Taiwan Silk and Filament Weaving Development Co. (Preferred shares)	CHINA MAN-MADE FIBER CORPORATION	CHINA MAN-MADE FIBER CORPORATION is its corporate director.	332	4,407	9	4,407	
	WK Technology Fund	”	N/A	30	293	3	293	
	Pu Shih Joint Venture	”	”	170	254	2	254	

	Minchali Metal Industrial Co., Ltd.	”	”	7,193	95,880	3	95,880	
	TWSE	”	”	1,492	135,862	-	135,862	
	Everterminal Co., Ltd.	”	”	149	5,014	-	5,014	
	China Trade and Development Corp.	”	”	756	-	1	-	
	Chia Hsin Food and Synthetic Fiber Co., Ltd.	”	”	103	-	-	-	
	Taitung Business Bank	”	”	4,027	-	1	-	
	Non-listed (OTC) overseas stock							
	UNFON CONSTRUCTION CO., LTD (Hong Kong)	”	Affiliate	3,250	7,507	18	7,507	
	Shares traded on the Taiwan Stock Exchange or OTC exchange							
	CHINA MAN-MADE FIBER CORPORATION	Deh Hsing Investment Co., Ltd.	Parent company of Deh Hsing Investment Co., Ltd.	11,620	117,938	1	117,938	
	Pan Asia Chemical Corporation	”	A subsidiary of CHINA MAN-MADE FIBER CORPORATION	-	2	-	2	

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Account Title	Type and Name of Securities	Holder of Securities	Affiliation with Securities Issuer	Ending				Remark
				Quantity	Book Value	Shareholding %	Fair value	
Equity instrument investments measured at fair value through other comprehensive income- non-current	Taiwan Tea Corporation	”	Chou Chin Industrial Co., Ltd., a subsidiary of China Man-Made Fiber Corporation	13,177	$ 267,494	2	$ 267,494	
	Non listed (OTC) domestic stock							
	Formosa Imperial Wineseller Corp.	”	Affiliate	2,000	-	10	-	
	Wan Tai Lease Co., Ltd.	”	N/A	628	-	3	-	
	FunTeam Industrial CO., LTD	”	Affiliate	18	108	18	108	
	Chung Chien Recreation Investment Co., Ltd.	”	”	90	900	18	900	
	Shares traded on the Taiwan Stock Exchange or OTC exchange							
	CHINA MAN-MADE FIBER CORPORATION	Pan Asia Chemical Corporation	Parent company of Pan Asia Chemical Corporation	261,501	2,654,233	16	2,654,233	77,954 thousand shares pledged
	Shares traded on the Taiwan Stock Exchange or OTC exchange							
	Taiwan Tea Corporation	”	Chou Chin Industrial Co., Ltd., a subsidiary of China Man-Made Fiber Corporation	11,800	239,540	1	239,540	
	Non listed (OTC) domestic stock							
	TWSE	”	N/A	309	28,098	-	28,098	
	Chung Chien Investment Co., Ltd.	”	Affiliate	12,000	75,000	18	75,000	
	Chung Shing Textile Co., Ltd.	”	N/A	120	-	-	-	
	Non listed (OTC) domestic stock	Taichung Securities Investment Trust Co., Ltd.						
	Taiwan Futures Exchange		N/A	1,470	136,709	-	136,709	
	Shares traded on the Taiwan Stock Exchange or OTC exchange							
	Taiwan Business Bank	Chou Chin Industrial Co., Ltd.	N/A	1,101	10,896	-	10,896	
	Taichung Commercial Bank Co.	”	A subsidiary of CHINA MAN-MADE FIBER CORPORATION	8,768	106,536	-	106,536	2,000 thousand shares pledged
	CHINA MAN-MADE FIBER CORPORATION	”	Ultimate parent of Chou Chin Industrial Co., Ltd.	61,488	624,101	4	624,101	45,000 thousand shares pledged
	Hua Nan Financial Holding	”	CHINA MAN-MADE FIBER CORPORATION is its corporate supervisor.	27,407	581,025	-	581,025	19,500 thousand shares pledged
	Taiwan Tea Corporation	”	Chou Chin Industrial Co., Ltd., a subsidiary of China Man-Made Fiber Corporation	21,215	430,665	2	430,665	15,200 thousand shares pledged

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Account Title	Type and Name of Securities	Holder of Securities	Affiliation with Securities Issuer	Ending				Remark
				Quantity	Book Value	Shareholding %	Fair value	
Equity instrument investments measured at fair value through other	Non listed (OTC) domestic stock							
	Sunny Bank	Chou Chin Industrial Co., Ltd.	N/A	1,438	$ 13,821	-	$ 13,821	

comprehensive income- non-current								
	Shares traded on the Taiwan Stock Exchange or OTC exchange							
	Taichung Commercial Bank Co.	Chou Chang Corporation	A subsidiary of CHINA MAN-MADE FIBER CORPORATION	15,139	183,940	-	183,940	10,000 thousand shares pledged
	CHINA MAN-MADE FIBER CORPORATION	”	Ultimate parent of Chou Chin Industrial Co., Ltd.	9,618	97,618	1	97,618	
	Non listed (OTC) domestic stock							
	Hsin Tung Yang	”	N/A	64	691	-	691	
	Chou Chin Industrial Co., Ltd.	”	The investor evaluating Chou Chang Corporation under equity method	514	2,603	1	2,603	
					7,762,654		7,762,654	Note
Debt instrument investments measured at fair value through other comprehensive income- non-current	Domestic corporate bonds							
	Taichung Commercial Bank financial bonds	CHINA MAN-MADE FIBER CORPORATION	A subsidiary of CHINA MAN-MADE FIBER CORPORATION	110,000	110,000	-	110,000	
	Domestic corporate bonds							
	Taichung Commercial Bank financial bonds	Pan Asia Chemical Corporation	A subsidiary of CHINA MAN-MADE FIBER CORPORATION	200,000	200,000	-	200,000	
	Domestic corporate bonds							
	Taichung Commercial Bank financial bonds	Chou Chin Industrial Co., Ltd.	A subsidiary of CHINA MAN-MADE FIBER CORPORATION	850,000	853,255	-	853,255	NT$790,000 thousand pledge
	Domestic corporate bonds							
	Taichung Commercial Bank financial bonds	Chou Chang Corporation	A subsidiary of CHINA MAN-MADE FIBER CORPORATION	350,000	356,797	-	356,797	NT$ 350,000 thousand pledge
					$ 1,520,052		$ 1,520,052	Note

Note: Taichung Commercial Bank and its subsidiaries are exempt from disclosure due to that they are in the financial, insurance and securities businesses.

4. Cumulative amount of the same marketable securities purchased or sold reaching NT$300 million or more than 20% of the Paid-in shares capital.

Unit: NTD thousand\ thousand shares

Buyer/Seller	Type and Name of Securities	Account Title	Trading Counterpart	Affiliation	Beginning		Bought		Sold				End of period (Note 1)	
					Quantity (Thousand Shares)	Amount	Quantity (Thousand Shares)	Amount	Quantity (Thousand Shares)	Amount	Cost	Gain (loss) from disposal	Shares (in Thousand shares)	Amount
Hammock (Hong Kong) Company Limited	Hebei Hanoshi Contact Lens Co., Ltd. common shares	Investments adopting the equity method / consolidated and individual	Bomy Shanghai	Affiliated enterprises	15,000	$ 346,411 (RMB 79,143)	-	$ -	- (Note 1)	$ -	$ -	$ -	15,000	$ 346,411 (RMB 78,126) (Note 2)
CHINA MAN-MADE FIBER CORPORATION	Taichung Commercial Bank common stocks	Investments adopting the equity method / consolidated and individual	Taichung Commercial Bank Co.	Subsidiaries	913,493	12,639,058	33,004	367,998	-	-	-	-	987,604 (Note 3)	13,837,165 (Note 3)

Note 1: It is adjustments to the investment framework among the groups. The original acquisition agreement price is US$18,000 thousand, the adjusted price is US$16,000 thousand, a total of 15,000 thousand shares. Due to the need to conform to review by local legislations, official announcement is to be made after the State Administration of Foreign Exchange completed all procedures for the review and approval. After the payment is completed for the full amount, Bonny Shanghai can officially take over the management rights of Hebei Hanoshi. Bomy Shanghai had paid US$15,000 thousand. The remaining balance was cleared on January 11th, 2022 and has obtained the management rights of Hebei Hanoshi.

Note 2: End of period amount includes the recognized amount for the investment profit and loss, and exchange effects for the current period.

Note 3: The number of shares at the end of period includes stock dividends allocated in the period. The amount at the end of period includes the profit and loss and the other comprehensive income of subsidiaries, associate companies and joint venture adopting the equity method.

5. Acquisition amount of real estate reaching NT$300 million or more than 20% of the Paid-in shares capital (None)
6. Amount on disposal of real estate reaching NT$300 million or more than 20% of the Paid-in shares capital. (None)

7. Amount on purchase from and sale to related parties reaching NT$100 million or more than 20% of the Paid-in shares capital

Unit: NTD thousand

Purchaser/Seller	Trading Counterpart	Affiliation	Status				Distinctive terms and conditions of trade and the reasons		Receivable (payable) accounts/notes		Remark
			Purchase (sale)	Amount	Percentage in total purchase (sale) amount %	Duration	Unit Price	Duration	Balance	Percentage in total receivable (payable) accounts/notes %	
CHINA MAN-MADE FIBER CORPORATION	Nan Chung Petrochemical Corp.	The Company's investee under equity method	Purchase	$ 3,132,235	31%	30~60 days	Not distinctive	30~90 days for the general transactions	($ 367,169)	34%	
CHINA MAN-MADE FIBER CORPORATION	Pan Asia Chemical Corporation	A subsidiary of CHINA MAN-MADE FIBER CORPORATION	Sale	(790,366)	(7%)	30~60 days	”	”	130,201	7%	
Pan Asia Chemical Corporation	CHINA MAN-MADE FIBER CORPORATION	Parent company of Pan Asia Chemical Corporation	Purchase	790,366	52%	30~60 days	”	”	(130,201)	(76%)	
Chou Chin Industrial Co., Ltd.	GREENWORLD FOOD CO., LTD.	Subsidiary of Chou Chin Industrial Co., Ltd.	Sale	(1,334,991)	(47%)	A/C 120 days	-	-	207,793	57%	
GREENWORLD FOOD CO., LTD.	Chou Chin Industrial Co., Ltd.	Parent company of GREENWORLD FOOD CO., LTD.	Purchase	1,334,991	73%	A/C 120 days	-	-	(207,793)	(82%)	

Note: The above transactions have been written off in the consolidated statement.

8. Accounts receivable-related party reaching NT$100 million or more than 20% of the Paid-in shares capital. Unit: NTD thousand

Company of receivables on book	Trading Counterpart	Affiliation	Balance of receivables with related party	Turnover Rate	Overdue receivables with related party		Receivables with related party after period collection	Amount of allowance for bad debt
					Amount	Mode of Processing		
CHINA MAN-MADE FIBER CORPORATION	Pan Asia Chemical Corporation	A subsidiary of CHINA MAN-MADE FIBER CORPORATION	$ 130,201	6.97	$ -	—	$ 126,616	$ -
Chou Chin Industrial Co., Ltd.	GREENWORLD FOOD CO., LTD.	A subsidiary of Chou Chin Industrial Co., Ltd.	207,793	6.66	-	—	207,503	-

Note: The above transactions have been written off in the consolidated statement.

9. Transactions in engaging in derivative financial instruments. (Note 8)

10. Other: Business relationship and main dealings between the parent and its subsidiaries Unit: NTD thousand

Item No. (Note 1)	Trader's name	Counterparty	Relationship with trader (Note 2)	Transactions: Title	Transactions: Amount (Note 3)	Transactions: Terms and conditions	Transactions: Percentage in consolidated total revenue or total assets (Note 4)
	2021						
0	CHINA MAN-MADE FIBER CORPORATION	Pan Asia Chemical Corporation	1	Sales revenue	$ 790,336	No significant difference from the general customer	2%
0	CHINA MAN-MADE FIBER CORPORATION	Pan Asia Chemical Corporation	1	Accounts receivable	130,201	No significant difference from the general customer	-
0	CHINA MAN-MADE FIBER CORPORATION	Taichung Commercial Bank Co.	1	Cash and cash equivalents	79,817	No significant difference from the general customer	-
1	Taichung Commercial Bank Co.	Taichung Commercial Bank Insurance Broker Co., Ltd.	3	Customer deposits and remittances	1,397,479	No significant difference from the general customer	-
1	Taichung Commercial Bank Co.	Taichung Commercial Bank Insurance Broker Co., Ltd.	3	Income from handling fees	200,000	No significant difference from the general customer	1%
1	Taichung Commercial Bank Co.	Taichung Commercial Bank Securities Co., Ltd.	3	Customer deposits and remittances	574,319	No significant difference from the general customer	-
1	Taichung Commercial Bank Co.	Taichung Commercial Bank Lease Enterprise	3	Customer deposits and remittances	174,719	No significant difference from the general customer	-
1	Taichung Commercial Bank Co.	Taichung Bank Venture Capital Co., Ltd.	3	Customer deposits and remittances	119,955	No significant difference from the general customer	-
1	Taichung Commercial Bank Co.	Taichung Securities Investment Trust Co., Ltd.	3	Customer deposits and remittances	114,944	No significant difference from the general customer	-
2	Chou Chin Industrial Co., Ltd.	GREENWORLD FOOD CO., LTD.	3	Sales revenue	1,334,991	No significant difference from the general customer	4%
2	Chou Chin Industrial Co., Ltd.	GREENWORLD FOOD CO., LTD.	3	Royalty revenue	152,463	No significant difference from the general customer	-
2	Chou Chin Industrial Co., Ltd.	GREENWORLD FOOD CO., LTD.	3	Accounts receivable	207,793	No significant difference from the general customer	-
2	Chou Chin Industrial Co., Ltd.	GREENWORLD FOOD CO., LTD.	3	Other income	92,714	No significant difference from the general customer	-
3	GREENWORLD FOOD CO., LTD.	Chou Chin Industrial Co., Ltd.	3	Lease liabilities	62,450	No significant difference from the general customer	-
4	Bomy Shanghai	Hammock (Hong Kong) Company Limited	3	Prepayments	418,170	No significant difference from the general customer	-

Note 1: The information about transactions between parent company and subsidiaries shall be numbered and noted in the following manner in the box of numbers:

1. 0 is for the Parent Company.
2. Subsidiaries are numbered from number 1.

Note 2: The relationship with the trade party is classified into three categories as follows:

1. Parent Company to subsidiaries.
2. Subsidiaries to Parent Company.
3. Subsidiaries to subsidiaries.

Note 3: Written-off upon consolidation.

Note 4: For computing the ratio of trade amount to total sales revenue or total assets, if it is for asset and liability account, the computation is based on the ratio of ending balance to total consolidated assets; however, if it is for income and expense account, the computation is based on the ratio of interim cumulative amount to total consolidated revenue.

Note 5: Major transactions refer to those reaching NT$60,000 thousand and shall be disclosed.

11. Information about the investee’s name, location….. Unit: NTD thousand

Investor	Investor	Location	Major Business Lines	Initial Investment Amount		Equity Ownership by the Company			Current period net gain (loss) of the investee	Investment gain (loss) recognized in current period	Remark
				Current period-ending	Previous period-ending	Quantity	Percentage %	Book Value			
CHINA MAN-MADE FIBER CORPORATION	Taichung Commercial Bank	Taichung City	Banking business	$ 7,170,165	$ 6,802,167	987,604	22	$ 13,837,165	$ 4,796,274	$ 1,054,225	347,050 thousand shares pledged
	Pan Asia Chemical Corporation	Taipei City	Petrochemical business	968,472	968,472	145,651	44	1,487,752	343,038	141,145	
	Nan Chung Petrochemical Corp.	Yunlin County	Petrochemical business	1,000,002	1,000,002	100,000	50	1,128,072	51,560	25,780	10,000 thousand shares pledged
	Deh Hsing Investment Co., Ltd.	Taipei City	General investment business	1,800,000	1,550,000	180,000	100	1,778,230	15,154	14,037	
	Taichung Securities Investment Trust Co., Ltd.	Taipei City	Securities investment trust business	6,295	6,295	922	-	12,664	(1,649)	(49)	
	Chou Chin Industrial Co., Ltd.	New Taipei City	Manufacturing and trading	176,430	176,430	35,235	47	627,825	250,129	113,542	
	EUREKA INVESTMENT COMPANY LIMITED	Taipei City	General investment business	-	37,500	-	-	-	(13)	(13)	
	Melasse	Taipei City	Cosmetics and cleaning appliances manufacturing	14,500	14,500	1,450	50	10,721	(6,633)	(3,317)	
Pan Asia Chemical Corporation	Taichung Commercial Bank	Taichung City	Banking business	1,551,763	1,457,394	253,261	6	3,541,067	4,796,274	270,402	
	Taichung Securities Investment Trust Co., Ltd.	Taipei City	Securities investment trust business	15,738	15,738	979	3	13,481	(1,649)	(51)	

Investor	Investor	Location	Major Business Lines	Initial Investment Amount		Equity Ownership by the Company			Current period net gain (loss) of the investee	Investment gain (loss) recognized in current period	Remark
				Current period-ending	Previous period-ending	Quantity	Percentage %	Book Value			
	Melasse	Taipei City	Cosmetics and cleaning appliances manufacturing	14,500	14,500	1,450	50	10,721	(6,633)	(3,316)	
Taichung Commercial Bank	Taichung Commercial Bank Lease Enterprise	Taipei City	Leasing industry	1,800,000	1,800,000	198,964	100	2,035,325	100,258	100,258	
	Taichung Bank Insurance Agency Co., Ltd.	Taichung City	Insurance agency	6,000	6,000	128,600	100	1,901,022	217,094	217,094	
	Taichung Commercial Bank Securities Co., Ltd.	Taichung City	Securities business	1,500,000	1,500,000	146,748	100	1,962,752	462,797	462,797	
	Taichung Securities Investment Trust Co., Ltd.	Taipei City	Securities investment trust business	120,000	120,000	12,000	38	165,124	(1,649)	(592)	
Taichung Commercial Bank Lease Enterprise	TCCBL Co., Ltd.	British Virgin Islands	Financing, leasing and investments.	893,373	893,373	30,000	100	826,294	41,185	41,185	
Taichung Commercial Bank Securities Co., Ltd.	Taichung Bank Venture Capital Co., Ltd.	Taipei City	Venture Investment	210,000	210,000	21,000	100	208,594	(6,138)	(6,138)	
Deh Hsing Investment Co., Ltd.	Taichung Commercial Bank	Taichung City	Banking business	86,017	86,017	13,527	-	194,870	4,796,274	14,403	4,500 thousand shares pledged

Investor	Investor	Location	Major Business Lines	Initial Investment Amount		Equity Ownership by the Company			Current period net gain (loss) of the investee	Investment gain (loss) recognized in current period	Remark
				Current period-ending	Previous period-ending	Quantity	Percentage %	Book Value			
	Taichung Securities Investment Trust Co., Ltd.	Taipei City	Securities investment trust business	20,162	20,162	1,716	6	23,613	(1,649)	(91)	
	Chou Chang Corporation	Taipei City	Distribution and warehousing of beverages	44,000	44,000	4,000	15	52,074	13,486	1,967	
	Chou Chin Industrial Co., Ltd.	New Taipei City	Manufacturing and trading	10,243	10,243	1,883	1	51,455	250,129	6,254	
	Xiang-Feng Development	Taipei City	General investment business	313,000	313,000	60,300	100	581,746	(1,291)	(1,291)	
	Wei-Kang International	Taipei City	Retail	5,000	5,000	300	30	4,756	1,602	481	
	IOLITE COMPANY Ltd.	Samoa	General investment business	595,750	595,750	19,005	100	448,340	(5,613)	(5,613)	
	Storm Model Management	Taipei City	General Advertising Services	8,000	8,000	400	40	6,132	(3,270)	(1,308)	
IOLITE COMPANY Ltd.	Hammock (Hong Kong) Company Limited	Hong Kong	General investment business	470,685	470,685	15,000	100	345,591	(4,450)	(4,450)	
	Precious Wealth International Limited	Samoa	General investment business	10,969	10,969	USD 375	100	9,531	(1,127)	(1,127)	
Xiang-Feng Development	Tou-Ming Industry	Taipei City	Real estate trading and leasing industry	251,900	251,900	25,190	99	277,658	(1,077)	(1,068)	
Tou-Ming Industry	Jin-Bang-Ge Industry	Taipei City	Real estate trading and leasing industry	$172,000	$172,000	17,200	99	$ 195,703	$ (931)	$ (922)	

Investor	Investor	Location	Major Business Lines	Initial Investment Amount		Equity Ownership by the Company			Current period net gain (loss) of the investee	Investment gain (loss) recognized in current period	Remark
				Current period-ending	Previous period-ending	Quantity	Percentage %	Book Value			
Chou Chin Industrial Co., Ltd.	GREENWORLD FOOD CO., LTD.	Taichung City	Food manufacturing, and distribution and warehousing of beverages	233,530	233,530	17,567	99	174,598	63,943	58,524	
	Chou Chang Corporation	Taichung City	Distribution and warehousing of beverages	308,796	307,977	13,142	49	171,114	13,486	6,550	
	Pan-Feng Industry	Taipei City	Restaurant industry	-	14,897	1,500	100	-	(599)	(599)	
	Bomy Enterprise	British Virgin Islands	General investment business	223,248	223,248	10,000	49	227,699	167,970	78,287	
	Yuju Universal Corporation	Samoa	General investment business	24,573	24,573	810	90	7,016	(5,994)	(5,401)	
	BONWELL PARISE Co., Ltd.	Samoa	International trade	3,218	3,218	104	40	633	15	6	
Yuju Universal Corporation	Noble House Glory	Japan	Short-term accommodation service	24,345	24,345	1,800	100	7,016	(5,401)	(5,401)	
GREENWORLD FOOD CO., LTD.	Chou Chang Corporation	Taichung City	Distribution and warehousing of beverages	1,470	1,470	51	-	328	13,486	-	
	Bomy Enterprise	British Virgin Islands	General investment business	52,306	52,306	2,650	13	60,362	167,970	21,667	
Chou Chang Corporation	GREENWORLD FOOD CO., LTD.	Taichung City	Food manufacturing, and distribution and	11,224	11,224	1,133	6	13,822	63,943	3,718	

Investor	Investor	Location	Major Business Lines	Initial Investment Amount		Equity Ownership by the Company			Current period net gain (loss) of the investee	Investment gain (loss) recognized in current period	Remark
				Current period-ending	Previous period-ending	Quantity	Percentage %	Book Value			
			warehousing of beverages								

12. Information on main shareholders

December 31, 2021

Name of Principle shareholder	Shares	
	Quantity of Shares	Ratio of Shareholding
Pan Asia Chemical Corporation	261,500,828	15.51%

(3) Information about investment in Mainland China:

1. Name of the investee company in the Mainland Area, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, investment gain or loss, carrying amount of the investment at the end of the period, repatriated investment gains and limit on the amount of investment in the Mainland Area. Unit: NTD thousand and foreign currency thousand

Investee	Major Business Lines	Paid-in capital	Mode of investment	Amount remitted from Taiwan in accumulation at beginning of the present term	Investment Remittance or Regain during the current period		Amount remitted from Taiwan in accumulation at ending of the present term	Current period net gain (loss) of the investee	The Company's Direct or Indirect Investment Holding Ratio %	Investment gain (loss) recognized in current period (Note 3)	Book Value of Investment at the End of the Period	Investment return already remitted back as of the present term
					Remittance	Regain						
Bomy Shanghai	OEM, production and marketing of canned vegetable and fruit juice and beverages	$ 645,000 (USD 20,000)	Invested through the third area	$ 638,972 (USD 19,850)	$ -	$ -	$ 638,972 (USD 19,850)	$169,352 (USD 6,046)	28% (Note 1)	$ 47,706 (USD 1,703) (2)B	$ 132,196 (USD 4,776)	$ -
Shanghai Bomy Consultancy Management Co., Ltd.	Consultation service		Self-owned capital investment of Shanghai Bomy Foodstuff Co., Ltd.	-	-	-	-	-	28% (Note 2)	-	-	-
Shanghai Bangyi International Trading Co., Ltd.	International trade	4,305 (RMB1,000)	”	-	-	-	-	(1,791) (RMB 413)	28% (Note 2)	(508) (RMB 117) (2)B	725 (RMB 167)	-
Chou Chin Shanghai	Manufacturing, processing and sale of modem, PC, computer shell and related metal stamping, interface, main frame and fiber optical system appliances	30,355 (USD 1,001)	Invested through the third area	14,486 (USD 450)	-	-	14,486 (USD 450)	-	49% (Note 3)	-	-	-
Hebei Hanoshi Contact Lens Co., Ltd.	Manufacturing and trading	470,685 (USD 15,000)	”	470,685 (USD 15,000)	-	-	470,685 (USD 15,000)	(4,416) (RMB 1,017)	100%	(4,416) (RMB1,017) (2)B	346,411 (RMB 78,126)	-
Qian Teng PR Planning (Shanghai), Co., Ltd.	Exhibition design, corporate marketing consultation and advertising copy planning	7,408 (USD 250)	”	3,147 (USD 100)	-	-	3,147 (USD 100)	54 (RMB 13)	40% (Note 4)	22 (RMB 5) (3)	733 (RMB 169)	-
Taichung Bank Leasing (Suzhou)	Financing Leasing and investments	893,373 (RMB 186,329)	”	893,373 (RMB 186,329)	-	-	893,373 (RMB 186,329)	40,289 (RMB 9,304)	29% (Note 5)	11,684 (RMB2,298) (2)B	226,659 (RMB 15,131)	-
Shanghai Nianjia Cultural Diffusion Co., Ltd.	Culture and art exchanges and PR activity planning	419 (RMB 100)	Investment in the Chinese company was made with Qian Teng PR Planning (Shanghai)'s own funds	-	-	-	-	(9) (RMB 2)	40%	(4) (RMB 1) (3)	34 (RMB 8)	-

Amount accumulated, remitted from Taiwan for investment in Mainland China at the end of the current term	Investment Amount Approved by Investment Commission of MOEA	Mainland China Investment Ceiling As Regulated by Investment Commission of MOEA (Note 4)
$ 2,020,663 (US$35,400 and RMB186,329)	$ 2,204,953 (US$ 41,400 and RMB$ 186,329)	$ 3,467,981

Note 1: The consolidated shareholding calculated based on the reinvestment by Chou Chin Industrial Co., Ltd. and GREENWORLD FOOD CO., LTD. through Bomy Enterprise.

Note 2: The comprehensive shareholding ratio of Bomy International Co., Ltd. And Shanghai Bomy Foodstuff Co., Ltd. Calculated based on the reinvestment method.

Note 3: The consolidated shareholding calculated based on the reinvestment by Chou Chin Industrial Co., Ltd. and Chou Chang Corporation through a third area.

Note 4: Percentage of comprehensive cross holding of Chou Chin Industrial Co., Ltd. through investment in companies in the third region.

Note 5: Percentage of comprehensive cross holding of Taichung Bank Leasing through investment in companies in the third region.

Note 6: Recognized as gains or losses on investment in current period:

(1) Please note if the investee is still under preparation and there was no investment gain or loss.

(2) The basis of recognition of investment income is classified into following three types, which should be marked out:

A. Financial statements audited and audited and attested by an international accounting firm that has a cooperative relationship with a certified public accounting firm registered in the Republic of China.

B. Financial statements audited and attested by the independent accounts of the parent company.

(3) Not audited by a CPA

Note 7: The ceiling calculated by the applicant, Chou Chin Industrial Co., Ltd., Taichung Commercial Bank Lease Enterprise and Deh Hsing Investment Co., Ltd. according to the “Regulations Governing the Review of Investment or Technical Cooperation in Mainland China" of Investment Commission, MOEA.

Note 8: The foreign currency, if any, has been translated into NTD (USD1=NT27.68, USD1=NT$28.01, CNY1=NT$4.34, CNY1=$4.34) at the foreign exchange rate-ending and average foreign exchange rate prevailing on the date of the financial statement.