Stock Code: 1309

Taita Chemical Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2022 and 2021 and Independent Auditors' Report

Address: 12th Floor, No.37, Ji-Hu Rd., Nei-Hu Dist.,
Taipei 114, Taiwan, R.O.C.
Tel: (02)8751-6888

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DECLARATION OF CONSOLIDATED FINANCIAL STATEMENTS OF AFFILIATES

The entities that are required to be included in the combined financial statements of Taita Chemical Co., Ltd. as of and for the year ended December 31, 2022, under the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises”, are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standard 10, “Consolidated Financial Statements”. In addition, the information required to be disclosed in the combined financial statements of affiliates is included in the consolidated financial statements of Taita Chemical Co., Ltd. and subsidiaries. Consequently, we did not prepare a separate set of combined financial statements of affiliates.

Very truly yours,

TAITA CHEMICAL CO., LTD.

By:

Wu, Yi-Gui
Chairman

March 3, 2023

INDEPENDENT AUDITORS' REPORT

To The Board of Directors and Shareholders

Taita Chemical Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Taita Chemical Co., Ltd. and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2022 and 2021, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2022 and 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in the professional judgment of the CPA, were of most significance in our audit of the Consolidated Financial Statements of Taita Chemical Co., Ltd. and its subsidiaries in 2022. These matters were addressed in the context of our audit of the Consolidated Financial Statements as a whole, and in forming our opinion thereon, and The CPA do not provide a separate opinion on these matters.

Key audit matters for the Consolidated Financial Statements of the Taita Chemical Co., Ltd. and its subsidiaries in 2022 are stated as follows:

The authenticity of the Recognition of Sales Revenue from Clients of Specific Products

Due to the market demand and the fluctuation of international crude oil prices, the sales revenue of the Taita Chemical Co., Ltd. and its subsidiaries declined in 2022 compared with that in 2021. However, the sales revenue of specific products in 2022 showed a growing trend, and the sales revenue from some clients has increased significantly in great amounts. Whether these sales revenues are recognized when the contractual obligations are actually met will have a significant impact on the financial statements and is therefore the key audit matter for the year.

For relevant accounting policies and disclosures of the recognition of sales revenue, please refer to Notes 4 and 24 of the financial statements.

We performed the corresponding audit procedures, for the authenticity of the recognition of sales revenue, as follows:

1. We understood and test the Company's internal control procedures on the recognition of sales revenue and its effectiveness. Also, we evaluate the appropriateness of the accounting policies used by the management for the recognition of sales revenue.
2. We verify the authenticity of the recognition of sales revenue by examining the certificate of sales transactions, including purchase orders, shipping orders, export documents and collection information.
3. We review any occurrence of sales returns, discounts and allowances, and whether there are any abnormalities in the collections after the balance sheet date.

Other Matters

The CPA has also audited the Parent Company Only Financial Statements of the Taita Chemical Co., Ltd. for 2022 and 2021, on which the CPA has issued an unqualified opinion about the audit report.

The responsibilities of the management and governing body for the Consolidated Financial Statements

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

In preparing the financial statements, the management is responsible for assessing the ability of the Taita Chemical Co., Ltd. and its subsidiaries to continue 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 the Taita Chemical Co., Ltd. and its subsidiaries or to cease operations, or has no realistic alternatives but to do so.

The governing body including the audit committee is responsible for overseeing the financial reporting process of the Taita Chemical Co., Ltd. and its subsidiaries.

The CPA's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and evaluate the risk of material misstatements due to fraud or error in the Consolidated Financial Statements; design and carry out appropriate countermeasures for the evaluated risk; and obtain sufficient and appropriate evidence as the basis for their audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than that 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 of the Taita Chemical Co., Ltd. and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Taita Chemical Co., Ltd. and its subsidiaries to continue as a going concern. If the CPA concludes that a material uncertainty exists, the CPA is required to draw attention in our audit report to the related disclosures in the Consolidated Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Taita Chemical Co., Ltd. and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure, and contents of the Consolidated Financial Statements (including relevant Notes), and whether the Consolidated Financial Statements fairly present relevant transactions and items.
6. Obtain sufficient and appropriate audit evidence of the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial report. The CPA is responsible for the guidance, supervision and implementation of the audit cases, and is responsible for forming the audit opinions of the Company.

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

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

From the matters communicated with the governing body, The CPA determines the key audit matters of the Consolidated Financial Statements in 2022 of the Taita Chemical Co., Ltd. and its subsidiaries. The CPA describes these matters in our audit report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the CPA determines that a matter should not be communicated in the audit report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte & Touche

CPA Chiu, Cheng-Chun	CPA Huang, Hsiu-Chun
Financial Regulatory Commission (FRC) Approval Number Financial Regulatory Commission (FRC) certificate No. 0930160267	Securities and Futures Commission Approval Number Securities and Futures Commission certificate No. 0920123784

March 10, 2023

Notice to Readers:

The consolidated financial statement (Chinese version) of our company is audited by the CPA Chiu, Cheng-Chun and CPA Huang, Hsiu-Chun of Deloitte Taiwan. For the convenience of reading, the statement has been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail.

TAITA CHEMICAL CO., LTD. AND ITS SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

Code	Assets	December 31, 2022 Amount	December 31, 2022 %	December 31, 2021 Amount	December 31, 2021 %
	Current Assets				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 2,662,088	29	$ 2,598,283	24
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	415,053	4	695,975	7
1140	Financial assets at amortized cost - current (Notes 4, 9 and 31)	5,000	-	3,809	-
1150	Notes receivable (Notes 4 and 10)	157,026	2	255,365	2
1170	Accounts receivable (Notes 4, 5 and 10)	1,485,302	16	2,213,149	21
1200	Other receivables (Notes 4 and 10)	87,821	1	112,786	1
1210	Other receivables from related parties (Notes 4, 10 and 30)	3,158	-	3,536	-
1220	Current tax assets (Notes 4 and 26)	9,538	-	-	-
130X	Inventories (Notes 4, 5 and 11)	951,018	10	1,185,759	11
1410	Prepayments and other current assets	230,953	3	221,674	2
11XX	Total current assets	6,006,957	65	7,290,336	68
	Non-current Assets				
1517	Financial assets at fair value through other comprehensive incomes - non-current (Notes 4 and 8)	333,942	3	476,731	4
1550	Investments accounted for using equity method (Notes 4, 5 and 13)	643,709	7	693,810	6
1600	Property, Plant and Equipment (Notes 4, 14, 18, 30 and 31)	1,960,833	21	2,007,587	19
1755	Right-of-use assets (Notes 4, 15, 18, 30 and 31)	68,046	1	73,370	1
1760	Investment properties (Notes 4 and 16)	108,178	1	108,178	1
1780	Intangible assets (Notes 4 and 17)	2,279	-	4,094	-
1840	Deferred tax assets (Notes 4 and 26)	59,573	1	65,703	1
1990	Other non-current assets (Notes 31)	57,359	1	24,850	-
15XX	Total non-current assets	3,233,919	35	3,454,323	32
1XXX	Total assets	$ 9,240,876	100	$ 10,744,659	100

Code	Liabilities and Equity	December 31, 2022 Amount	December 31, 2022 %	December 31, 2021 Amount	December 31, 2021 %
	Current Liabilities				
2100	Short-term borrowings (Notes 14, 15, 18 and 31)	$ 150,000	2	$ 350,000	3
2170	Accounts payable (Note 19)	645,769	7	1,029,476	10
2180	Accounts payable from related parties (Notes 19 and 30)	657	-	28	-
2200	Other payables (Note 20)	297,925	3	429,580	4
2220	Other payables from related parties (Note 30)	5,094	-	6,795	-
2230	Current tax liabilities (Notes 4 and 26)	144,807	2	456,961	4
2280	Lease liabilities - current (Notes 4, 15 and 30)	4,614	-	4,564	-
2365	Refund liabilities - current (Note 21)	1,102	-	897	-
2399	Other current liabilities	107,994	1	64,859	1
21XX	Total current liabilities	1,357,962	15	2,343,160	22
	Non-current Liabilities				
2540	Long-term borrowings (Note 18)	300,000	3	300,000	3
2570	Deferred tax liabilities (Notes 4 and 26)	209,100	2	209,012	2
2580	Lease liabilities - non-current (Notes 4, 15 and 30)	33,760	-	38,374	-
2640	Net defined benefit liabilities - non-current (Notes 4 and 22)	127,716	2	186,419	2
2670	Other non-current liabilities	6,124	-	5,881	-
25XX	Total non-current liabilities	676,700	7	739,686	7
2XXX	Total liabilities	2,034,662	22	3,082,846	29
	Equity attributable to owners of the Company (Notes 13, 22 and 23)				
	Capital stock				
3110	Common stock	3,975,868	43	3,786,541	35
3200	Capital surplus	1,099	-	992	-
	Retained earnings				
3310	Legal reserve	457,804	5	273,706	3
3320	Special reserve	308,061	3	308,061	3
3350	Unappropriated earnings	2,254,818	25	2,943,210	27
3300	Total retained earnings	3,020,683	33	3,524,977	33
3400	Other equity	208,564	2	349,303	3
3XXX	Total equity	7,206,214	78	7,661,813	71
	Total liabilities and equity	$ 9,240,876	100	$ 10,744,659	100

The accompanying notes are an integral part of the Consolidated Financial Statements.

Notice to Readers:

The consolidated financial statement (Chinese version) of our company is audited by the CPA Chiu, Cheng-Chun and CPA Huang, Hsiu-Chun of Deloitte Taiwan. For the convenience of reading, the statement has been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail

TAITA CHEMICAL CO., LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
In Thousands of New Taiwan Dollars, Except Earnings per share

		2022		2021	
Code		Amount	%	Amount	%
4100	NET REVENUE (Notes 4, 21, 24 and 30)	$ 18,083,799	100	$ 20,771,165	100
5110	COST OF GOODS SOLD (Notes 11, 22, 25 and 30)	16,323,674	90	17,385,209	84
5900	GROSS PROFIT	1,760,125	10	3,385,956	16
	Operating expenses (Notes 10, 22, 25 and 30)				
6100	Selling and marketing expenses	1,332,808	8	953,213	4
6200	Administrative expenses	184,317	1	168,522	1
6300	Research and development expense	15,312	-	18,546	-
6450	Expected credit impairment loss (gain)	2,231	-	(1,697)	-
6000	Total operating expenses	1,534,668	9	1,138,584	5
6900	Profit from operations	225,457	1	2,247,372	11
	Non-operating income and expenses (Notes 7, 13, 16, 25 and 30)				
7100	Interest income	42,437	-	41,853	-
7010	Other income	90,742	1	71,396	-
7020	Other gains and losses	189,912	1	(22,902)	-
7060	Share of profit of associates	2,661	-	74,888	1
7510	Finance costs	(6,835)	-	(5,163)	-
7000	Total non-operating income and expenses	318,917	2	160,072	1

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Code		2022 Amount	2022 %	2021 Amount	2021 %
7900	Profit before income tax	$ 544,374	3	$ 2,407,444	12
7950	Income tax expense (Note 4 and 26)	132,296	1	557,512	3
8200	Net profit for the year	412,078	2	1,849,932	9
	Other comprehensive income(loss) (Notes 8, 13, 22, 23 and 26)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	31,140	-	(10,886)	-
8316	Unrealized gains (losses) on investments in equity instruments at fair value through other comprehensive incomes	(142,789)	-	135,234	1
8320	Share of the other comprehensive profit or loss of associates accounted for under equity method - unrealized profit or loss on investments in equity instruments at fair value through other comprehensive profit or loss	(31,941)	-	36,974	-
8330	Share of the other comprehensive profit or loss of associates accounted for using the equity method - remeasurement of defined benefit plans	5,351	-	(247)	-
8349	Income tax related to components that will not be reclassified to profit or loss	(6,228)	-	2,177	-
		(144,467)	-	163,252	1

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Code		2022 Amount	2022 %	2021 Amount	2021 %
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	$ 39,679	-	($ 20,716)	-
8371	Share of other comprehensive loss of associates accounted for under the equity method - exchange difference resulting from translating the financial statements of foreign operations	2,511	-	(2,734)	-
8399	Income tax relating to items that may be reclassified subsequently to profit or loss	(8,199)	-	4,559	-
		33,991	-	(18,891)	-
8300	Other comprehensive incomes(loss) for the year (net of income tax)	(110,476)	-	144,361	1
8500	Total comprehensive income for the year	$ 301,602	2	$ 1,994,293	10
	Earnings per share (Note 27)				
9710	Basic	$ 1.04		$ 4.65	
9810	Diluted	$ 1.04		$ 4.64	

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TAITA CHEMICAL CO., LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

		Equity attributable to the owners of the Company (Notes 13, 22 and 23)												
											Other equity			
		Capital stock		Capital surplus			Retained earnings				Exchange Differences on Translating the Financial Statements ofForeign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income		
Code		Shares (in Thousands)	Amount	Long-term equity investment	Other capital surplus	Total	Legal reserve	Special reserve	Unappropriated earnings	Total			Total	Total Equity
A1	Balance at January 1, 2021	344,231	$ 3,442,310	$ 520	$ 296	$ 816	$ 81,781	$ 308,061	$ 2,326,852	$ 2,716,694	($ 125,641)	$ 321,627	$ 195,986	$ 6,355,806
	Appropriation of 2020 earnings													
B1	Legal reserve	-	-	-	-	-	191,925	-	(191,925)	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	-	(688,462)	(688,462)	-	-	-	(688,462)
B9	Share dividends distributed by the Company	34,423	344,231	-	-	-	-	-	(344,231)	(344,231)	-	-	-	-
T1	Changes in capital surplus	-	-	33	143	176	-	-	-	-	-	-	-	176
D1	Net profit for the year ended December 31,2021	-	-	-	-	-	-	-	1,849,932	1,849,932	-	-	-	1,849,932
D3	Other comprehensive income (loss) for the year ended December 31, 2021, net of income tax	-	-	-	-	-	-	-	(8,956)	(8,956)	(18,891)	172,208	153,317	144,361
D5	Total comprehensive income (loss) for the year ended December 31, 2021	-	-	-	-	-	-	-	1,840,976	1,840,976	(18,891)	172,208	153,317	1,994,293
Z1	Balance at December 31, 2021	378,654	3,786,541	553	439	992	273,706	308,061	2,943,210	3,524,977	(144,532)	493,835	349,303	7,661,813
	Appropriation of 2021 earnings													
B1	Legal reserve	-	-	-	-	-	184,098	-	(184,098)	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	-	(757,308)	(757,308)	-	-	-	(757,308)
B9	Share dividends distributed by the Company	18,933	189,327	-	-	-	-	-	(189,327)	(189,327)	-	-	-	-
T1	Changes in capital surplus	-	-	107	-	107	-	-	-	-	-	-	-	107
D1	Net profit for the year ended December 31, 2022	-	-	-	-	-	-	-	412,078	412,078	-	-	-	412,078
D3	Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	-	-	30,263	30,263	33,991	(174,730)	(140,739)	(110,476)
D5	Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	-	-	442,341	442,341	33,991	(174,730)	(140,739)	301,602
Z1	Balance at December 31, 2022	397,587	$ 3,975,868	$ 660	$ 439	$ 1,099	$ 457,804	$ 308,061	$ 2,254,818	$ 3,020,683	($ 110,541)	$ 319,105	$ 208,564	$ 7,206,214

The accompanying notes are an integral part of the Consolidated Financial Statements.

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TAITA CHEMICAL CO., LTD. AND ITS SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

Code		2022	2021
	Cash flows from operating activities		
A10000	Profit before income tax	$ 544,374	$ 2,407,444
A20010	Adjustments		
A20100	Depreciation expenses	206,813	199,749
A20200	Amortization expenses	1,815	1,752
A20300	Expected credit impairment losses (reversal gains)	2,231	(1,697)
A20400	Net loss (gain) on financial assets and liabilities measured at fair value through profit or loss	18,547	(1,254)
A20900	Financial costs	6,835	5,163
A21200	Interest income	(42,437)	(41,853)
A21300	Dividend income	(36,705)	(19,077)
A22300	Share of profit of associates	(2,661)	(74,888)
A22500	Loss (Gain) on Disposal and Retirement of Property, Plant and Equipment	(2,391)	729
A23200	Gains on disposal on investments accounted for under the equity method	-	(153)
A23700	Write-down of inventory valuation and obsolescence	32,436	2,005
A23800	The impairment loss on impairment of property, plant, and equipment	-	39
A29900	Recognition of refund liabilities	7,918	6,944
A30000	Changes in operating assets and liabilities		
A31115	Financial assets at fair value through profit or loss	262,375	(333,731)
A31130	Notes receivable	102,949	85,307
A31150	Accounts receivable	725,160	(344,733)
A31160	Accounts receivable from related parties	-	27
A31180	Other receivables	26,576	(45,298)
A31190	Other receivables from related parties	383	(1,789)
A31200	Inventories	276,430	(518,345)
A31230	Prepayments and other current assets	(78,244)	(58,214)
A32150	Accounts Payable	(384,886)	(149,859)
A32160	Accounts payable to related parties	629	(470)
A32180	Other Payables	(150,759)	20,675
A32190	Other payables from related parties	(1,701)	2,617
A32230	Other current liabilities	42,977	35,947
A32240	Net defined benefit liabilities	(27,563)	(26,263)
A33000	Cash generated from operations	1,531,101	1,150,774

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Code		2022	2021
A33100	Interest received	$ 40,993	$ 39,736
A33300	Interest paid	(6,766)	(5,224)
A33500	Income tax paid	(462,438)	(449,065)
AAAA	Net cash generated from operating activities	1,102,890	736,221
	Cash flows from investing activities		
B00040	Purchase of financial assets at amortized cost	(3,000)	(811)
B00050	Proceeds from disposal of financial assets at amortized cost	1,822	-
B02700	Payments for property, plant and equipment	(141,981)	(128,203)
B02800	Proceeds from disposal of property, plant, and equipment	9,921	-
B03700	Increase in refundable deposits	(34,313)	(796)
B03800	Decrease in refundable deposits	1,705	-
B04500	Payments for intangible assets	-	(440)
B07600	Dividends received	65,495	38,819
B09900	Proceeds from liquidation of investments accounted for under the equity method	-	153
BBBB	Net cash used in investing activities	(100,351)	(91,278)
	Cash flows from financing activities		
C00100	Increase in short-term borrowings	-	200,000
C00200	Decrease in short-term borrowings	(200,000)	-
C01600	Proceeds from long-term borrowings	750,000	1,600,000
C01700	Repayments of long-term borrowings	(750,000)	(1,600,000)
C04020	Repayment of the principal portion of lease liabilities	(4,564)	(4,514)
C04300	Increase in other non-current liabilities	180	1,481
C04500	Cash dividends	(757,308)	(688,462)
C04400	Refund of unclaimed overdue cash dividends	3,134	552
C09900	Claim for disgorgement	-	143
CCCC	Cash used in financing activities	(958,558)	(490,800)
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	19,824	(14,366)
EEEE	NET INCREASE IN CASH AND CASH EQUIVALENTS	63,805	139,777
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,598,283	2,458,506
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 2,662,088	$ 2,598,283

The accompanying notes are an integral part of the Consolidated Financial Statements.

Notice to Readers:

The consolidated financial statement (Chinese version) of our company is audited by the CPA Chiu, Cheng-Chun and CPA Huang, Hsiu-Chun of Deloitte Taiwan. For the convenience of reading, the statement has been translated from Chinese to English. If there is any difference regarding the context or interpretation in the English version, the Chinese version shall prevail.

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

1. COMPANY HISTORY

Taita Chemical Co., Ltd. ("the Company") was founded in April 1960, mainly engaged in the manufacturing and sales of polystyrene (PS), acrylonitrile-butadiene-styrene copolymer (ABS) resin, acrylonitrile-styrene copolymer (San) resin, glass wool insulation products, plastic raw materials, and other processed products. The ordinary shares of the Company have been publicly listed on the Taiwan Stock Exchange since 1986. The Company's parent company is USI Corporation, which held indirectly 36.79% of the ordinary shares of the Company as of December 31, 2022. USI Corporation has operational control over the Company.

The Consolidated Financial Statements are presented in the New Taiwan dollar, the Company's functional currency.

2. DATE OF APPROVAL OF THE FINANCIAL STATEMENTS AND APPROVAL PROCEDURES

The Consolidated Financial Statements have been approved by the Board of Directors on March 3, 2023.

3. APPLICATION OF THE NEWLY ISSUED AND/OR AMENDED STANDARDS AND INTERPRETATIONS

a. The first-time application of the latest Regulations Governing the Preparation of Financial Reports by Securities Issuers, as well as the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC), and Standard Interpretations Committee (SIC) (the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (the "FSC").

   The first-time application of the IFRSs endorsed and issued into effect by the FSC did not have any material impact on the accounting policies of the Group.

b. FSC-endorsed IFRSs that are applicable from 2023 onward

New/Revised/Amended Standards and Interpretations	Effective Date of Issuance by the IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 “Deferred taxes on assets and liabilities arising from a single transaction”	January 1, 2023 (Note 3)

Notes 1: The amendments prospectively apply to the annual reporting periods beginning on or after January 1, 2023.

Notes 2: The amendments apply to changes in accounting estimates and in accounting policies which take place in the annual reporting periods beginning on or after January 1, 2023.

Notes 3: Except for the temporary differences arising from leases and decommissioning obligations on January 1, 2022 are recognized in deferred income tax, the amendment applies to transactions occurring after January 1, 2022.

Till the date of authorization of the consolidated financial statements, the Group's assessment of the effects of aforementioned standards and the amendments to the interpretation will not have a significant impact on the financial position and financial performance.

c. Standards issued by the IASB but not yet endorsed and issued into effect by the FSC.

New/Revised/Amended Standards and Interpretations	Effective Date of Issuance by the IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture"	To be determined
Amendments to IFRS 16 "Lease Liabilities in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Ap-pli-ca-tion of IFRS 17 and IFRS 9 — Com-par-a-tive In-for-ma-tion"	January 1, 2023
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-cur-rent Li-a-bil-i-ties with Covenants"	January 1, 2024

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

Notes 2: The seller-lessee shall retrospectively apply the amendments to IFRS 16 in sale and leaseback transactions after the initial application of IFRS 16.

Till the date of authorization of the Consolidated Financial Statements, the Group has continued to assess the effects of amendments to other standards and interpretations on its financial position and performance. Related impacts will be disclosed upon completion of the assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Compliance declaration

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

b. Preparation basis

The Consolidated Financial Statements have been prepared on a historical cost basis, except for financial instruments measured at fair value and net defined benefit liabilities recognized at the present value of defined benefit obligations less fair value of plan assets.

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

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities on the measurement date.

2) Level 2 inputs are 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., deduced from prices).

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

c. Standards for assets and liabilities classified as current and non-current

Current assets include:

1) Assets held primarily for the purpose of trading;
2) Assets expected to be realized within 12 months after the reporting period; and
3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;
2) Liabilities due to be settled within 12 months after the reporting period; and
3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

d. Basis of consolidation

The Consolidated Financial Statements include the financial statements of the Company and entities controlled by the Company (i.e., subsidiaries). The financial statements of the subsidiaries have been adjusted to bring their accounting policies in line with those used by the Group. All intergroup transactions, balances, income and expenses are eliminated in full upon consolidation.

For details of subsidiaries, shareholding ratios, and operating items, please refer to Notes 12, Table 5, and Table 6.

e. Foreign currencies

In the preparation of each individual financial statement, transactions denominated in a currency other than the entity’s functional currency (i.e., foreign currency) are translated into the entity's functional currency by using the exchange rate at the date of the transaction before they are recorded by each entity.

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

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate prevailing on the date when the fair value is measured. The resulting exchange difference shall be included in the current profit and loss. Where changes in the fair value are recognized in any other comprehensive incomes, it shall be recognized in the comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate on the date of the transaction.

In the preparation of the consolidated financial statements, the assets and liabilities of foreign operations (including subsidiaries and associates that operate in a country or currency different from the Company) are translated into the New Taiwan dollar at the closing rate of exchange prevailing on the balance sheet date. Income and expenses are translated at the average exchange rates for the period. The exchange difference arising are recognized in other comprehensive profit or loss.

f. Inventories

Inventories consist of raw materials, production supplies, finished goods, and work in progress. Inventories are measured at the lower of cost or net realizable value, and the comparison between costs and net realizable values is on individual item basis, except for inventories of the same type. The net realizable value is the estimated selling price of inventories less the estimated cost to be amortized until completion and all costs necessary for the sale. Inventories are measured at the weighted-average cost on the balance sheet date.

g. Investments in associates

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

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

Under the equity method, investments in associates are initially recognized according to cost, and the carrying amount acquired in the future increases or decreases with the share and profit distribution of the profits or losses of the associates of the Group and other comprehensive profits and losses of the Group. In addition, equity changes in associates are recognized based on the shareholding ratio.

When associates issue new shares and the Group does not subscribe to such shares to the extent that its original shareholding ratio can be changed, and the net equity value of investment increases or decreases. Such difference is recorded as an adjustment to capital surplus - changes in the net equity value in associates under the equity method are recognized and other investments are made under the equity method. However, where the Company's ownership interest in an associate is reduced because of not subscribing or acquiring new shares in proportion to its present holdings, the proportionate amount of gain or loss previously recognized in any other comprehensive incomes related shall be reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of related assets or liabilities. If such adjustment is required to be debited to capital surplus and the capital surplus recognized from investments accounted for under the equity method is insufficient, the difference shall be debited to retained earnings.

The Group ceases to recognize further losses when its share of losses to the associates equals or exceeds its equity in the associates (including the carrying amount of the investments in associates under the equity method and the Group's other long-term equities that are substantially the component of the net investment in the associates). The Group recognizes additional losses and liabilities only in the scope where the legal obligations and constructive obligations exist, or payments are made on behalf of the associates.

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

The Group shall cease the use of the equity method from the date when its investment is no longer an associate. Its retained interest in the associate is measured at fair value and the difference between the fair value and disposal proceeds and the carrying amount of the investment on the date when the equity method was discontinued is included in profit or loss for the current period.

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

h. Property, Plant and Equipment

Property, plant and equipment are recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment under construction are measured at cost less any recognized impairment loss. Costs include professional services fees and borrowing costs eligible for capitalization. Samples produced when these assets are tested for proper operation prior to their expected use are measured at low cost and net realization value, and their selling price and cost are recognized in profit or loss. Such assets are depreciated and divided into the appropriate categories of property, plant and equipment when completed and ready for their intended use.

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

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

i. Investment properties

Investment properties also include land held for currently undetermined future use. Investment properties also include land held for any currently undetermined future use.

The investment properties held by the Group are land, originally measured by cost (including transaction cost), and subsequently, recognized as no depreciation, measured by the amount of cost less cumulative impairment loss.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset shall be recognized in profit or loss.

j. Intangible Assets

Intangible assets with a limited-service life are initially measured at cost and subsequently measured at cost less cumulative amortization and cumulative impairment loss. Intangible assets are amortized on a straight-line basis within the useful life, and the Group reviews the estimated useful life, residual value and amortization method at least at the end of each year, with the effect of any changes in estimate accounted for on a prospective basis..

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Impairment of property, plant, equipment, right-of-use assets, investment property and intangible assets

On each balance sheet date, the Group reviews the carrying amounts of its property, plant, and equipment as well as right-of-use assets, investment property, and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis of allocation.

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

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. The reversal of an impairment loss is recognized immediately in profit or loss.

l. Financial Instruments

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

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

1) Financial assets

The regular trading of financial assets shall be recognized and derecognized under trade date accounting.

a) Types of measurement

Financial assets held by the Group are classified as financial assets at fair value through profit or loss, financial assets at amortized cost, and investments in equity instruments at fair value through other comprehensive profits or losses.

i. Financial assets at fair value through profit or loss

Financial asset is classified as at financial assets at fair value through profit or loss when such a financial asset is mandatorily classified. Financial assets mandatorily measured at fair value through profit or loss include equity instrument investments not designated by the Group to be measured at fair value through other comprehensive incomes, and debt instrument investments not subject to classification as measured at amortized cost or to be measured at fair value through other comprehensive incomes.

Financial assets at fair value through profit or loss are measured at fair value. Dividends and interest accrued are recognized in other income and interest income respectively, and profit or loss accrued from remeasurement are recognized in other gains or loses. Please refer to Note 29 for the methods for determining fair values.

ii. Financial assets at amortized cost

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

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

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes receivable, accounts receivable, other accounts receivable, pledged financial assets and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such a financial asset, except for:

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

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

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

Cash equivalents include highly liquid time deposits and reverse repurchase agreements collateralized by bonds that can be readily converted into fixed amount of cash with limited risk of change in value. Cash equivalents are held to meet short-term cash commitments.

iii. Investments in equity instruments at fair value through other comprehensive incomes

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

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

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

b) Impairment of financial assets

The impairment loss of financial assets (including accounts receivable) measured at amortized cost on the basis of expected credit losses are assessed by the Group on each balance sheet date.

Accounts receivable are recognized as lifetime expected credit loss (ECLs). Where a financial asset has a credit risk not significantly increased since its initial recognition, a loss allowance for a 12-month expected credit loss is required; otherwise, a loss allowance for lifetime expected credit loss is required.

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

For the purpose of internal credit risk management, under the premise that the collateral held is not under consideration, the Group determines that there is internal or external information indicating that the debtor cannot settle the debt, which represents that the financial assets have breached the contract.

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

c) Derecognition of financial assets

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

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

2) Financial liabilities

a) Subsequent measurement

Except the financial liabilities at fair value through profit or loss, all the financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities at fair value through profit or loss are stated at fair value, with any gain or loss arising on remeasurement recognized in profit or loss. Please refer to Note 29 for the methods for determining fair values.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

3) Derivative instruments

The derivatives entered into by the Group are forward foreign exchange contracts to manage the exchange rate risk of the Consolidated Company.

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

m. Revenue recognition

After the Group identifies its performance obligations in contracts with customers, it shall amortize the transaction costs to each obligation in the contract and recognize revenue upon satisfaction of performance obligations.

<u>Proceeds of sale</u>

Proceeds of sale are derived from sales of polystyrene (PS), acrylonitrile-butadiene-styrene copolymer (ABS) resins, acrylonitrile-styrene copolymer (San) resins, glass wool insulation products, plastic raw materials, and the related processed products. At the time of product delivery to the clients, the clients have the right to set the price and to use the goods and also have the main responsibility for resale, and assume the risk of obsolescence of the goods, and the Group recognizes the revenue and accounts receivable at that time.

n. Leases

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

1) Where the Group is a lessor:

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Under operating leases, lease payments after deducting lease incentives are recognized as revenue on a straight-line basis over the relevant lease term. The initial direct costs arising from acquisition of operating leases is added to the carrying amount of the underlying assets; and an expense is recognized for the lease on a straight-line basis over the lease term.

2) Where the Group is a lessee:

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

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment loss and adjusted for any remeasurement of the lease liabilities. A right-of-use asset is separately presented on the balance sheets.

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

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

Subsequently, the lease liabilities are measured on an amortized cost basis using the effective interest method, and the interest expense is apportioned during the lease term. If the change in the lease term results causes any change in the future lease benefits, the Group will measure the lease liabilities and adjust the right-of-use assets relatively. However, if the carrying amount of the right-of-use assets has been reduced to zero, the remaining remeasurement amount will be recognized in profit or loss. Lease liabilities are expressed separately in the balance sheets.

o. Borrowing costs

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

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

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

p. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

The costs of defined benefits under the defined benefit pension plan (including service cost, net interest, and the remeasurement amount) are calculated based on the projected unit credit method. Net interests on service costs and net defined benefit liabilities are recognized as employee benefits at the time of existence. The remeasurement amount (including actuarial gain and loss and the return on plan assets after deducting interest) is recognized in other comprehensive profit and loss and presented in retained earnings during a period in which it occurs. It shall not be reclassified to profit or loss in subsequent periods.

Net defined benefit liabilities are the deficit of the contribution made according to the defined benefit pension plan.

q. Income tax

Income tax expenses are the sum of current income taxes and deferred income taxes.

1) Current income tax

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

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

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

2) Deferred income tax

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

Deferred income tax liabilities are generally recognized for all taxable temporary differences, while deferred income tax assets are recognized to the extent that the taxable capital is available for writing off temporary differences and loss deductions.

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

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

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

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive incomes or directly in equity, in which case, the current and deferred taxes are also recognized in other comprehensive incomes or directly in equity, respectively.

5. PRIMARY SOURCES OF UNCERTAINTIES IN MATERIAL ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

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

The management shall continue to review the estimates and basic assumptions. If an amendment of estimates only affects the current period, it shall be recognized in the period of amendment; and if an amendment to accounting estimates affects the current and future periods, it shall be recognized during the amendment and in the subsequent periods.

Primary Sources of Estimation Uncertainties

a. Estimated impairment of accounts receivable

The estimated impairment of accounts receivable is based on the Group's assumptions regarding the probability of default and the rate of loss on default. The Group considers historical experience, current market conditions, and forward-looking information to make assumptions and select input values for impairment assessment. For details of the key assumptions and inputs applied, refer to Note 10. If the actual cash flow in the future is less than expected by the Group, there may be material impairment losses.

b. Write-down of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and disposal. The estimation of net realizable value is based on current market conditions and historical experience with product sales of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

c. Estimation of damage compensation for associate’s gas explosion incidents

The Company’s associate, China General Terminal & Distribution Corporation (“CGTD”), recognized a provision for civil damages due to a gas explosion. The management considered the progress of the relevant civil and criminal procedures, settlements achieved, and legal advice to estimate the amount of the provision. However, the actual amount might differ from the current estimation.

6. CASH AND CASH EQUIVALENTS

	December 31, 2022	December 31, 2021
Cash on hand and petty cash	$ 371	$ 484
Checking accounts and demand deposits	731,789	502,207
Cash equivalents		
Time deposits	1,784,103	2,095,592
Reverse repurchase agreements collateralized by bonds	145,825	-
	$ 2,662,088	$ 2,598,283

The annual interest rates in time deposits and bonds for sale on the balance sheet date are as follows:

	December 31, 2022	December 31, 2021
Time deposits	1.18%~4.88%	0.08%~2.30%
Reverse repurchase agreements collateralized by bonds	1.05%~1.35%	-

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31, 2022	December 31, 2021
Financial assets mandatorily measured at fair value through profit or loss		
Derivatives (not under hedge accounting)		
- Forward foreign exchange contracts	$ -	$ 1,037
Non-derivative financial assets		
- Domestic listed shares	22,540	73,438
- Unlisted stocks abroad	-	-
- Mutual fund	333,210	562,034
- Beneficiary securities	59,303	59,466
Subtotal	415,053	694,938
	$415,053	$695,975

Forward foreign exchange contracts that are not applicable to hedge accounting and have not been outstanding yet on the balance sheet date are as follows (December 31, 2022: None):

	Currency	Expiration Period	Contracted Amount (Thousand)
December 31, 2021			
Forward foreign exchange for sales	USD to NTD	2022.01.13~2022.03.21	USD 7,340 /TWD 204,227

The purpose of engaging in forward foreign exchange transactions in 2022 and 2021 is mainly to avoid the risk of foreign currency assets and liabilities due to the fluctuations of the exchange rates. The forward foreign exchange contract held by the Group is not applicable to hedge accounting because it does not meet the effective hedging conditions.

The net loss of $505 thousand dollars and net gains of $8,818 thousand dollars from the transaction of financial assets measured at fair value through profit or loss in 2022 and 2021 respectively; The net loss of $13,364 thousand dollars and $2,499 thousand dollars from the transaction of financial liabilities measured at fair value through profit or loss in 2022 and 2021 respectively.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOMES - NON-CURRENT

	December 31, 2022	December 31, 2021
Investments in equity instruments		
Domestic investment		
Ordinary shares of the listed companies		
USI Corporation- Taiwan Polymer Chemicals Co., Ltd.	$333,929	$476,718
Ordinary shares of the unlisted companies		
- Harbinger Venture Capital Co., Ltd.	7	7
Subtotal	333,936	476,725
The investments overseas		
Ordinary shares of the unlisted companies		
—Budworth Investment Ltd	6	6
	$333,942	$476,731

The Group invests in the ordinary shares of the aforementioned companies for medium- and long-term strategic objectives and expects to make profits through long-term investments. The management chose to designate these investments to be measured at fair value through other comprehensive incomes as they believed that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST - CURRENT

	December 31, 2022	December 31, 2021
pledged certificates of deposit (1)	$ 5,000	$ 3,000
Pledged bank deposits (2)	-	809
	$ 5,000	$ 3,809

a. Till December 31, 2022, and December 31, 2021, the market rates of interest of pledged certificates of deposit were 1.32% ~ 1.41% and 0.37% ~ 0.69% per annum, respectively.

b. The market rate of interest on pledged bank deposits on December 31, 2021, was 0.35% per annum.

c. For pledge information on financial assets measured at amortized cost, please refer to Note 31.

10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE, AND OTHER RECEIVABLES

	December 31, 2022	December 31, 2021
Notes receivable (1)		
Notes receivable - operating	$ 157,026	$ 255,365
Accounts receivable (1)		
Measured at amortized cost		
Total carrying amount	$ 1,542,964	$ 2,268,566
Less: Allowance for impairment loss	(57,662)	(55,417)
	$ 1,485,302	$ 2,213,149

Other receivables (2)		
Business tax refund receivable	$ 67,204	$ 88,943
Interest receivable	19,939	18,334
Others	678	5,509
	$ 87,821	$ 112,786
Other payables - related parties (note 30)	$ 3,158	$ 3,536

a. Notes receivable and accounts receivable

The credit period of the Group for the sales of the merchandise is from 30 to 180 days, and the notes and accounts receivable are not interest-bearing. In order to mitigate credit risk, the management of the Group has assigned a dedicated team to be responsible for the determination of the credit line, credit approval, and other procedures of the supervisory control to ensure that appropriate action has been taken to reclaim past due receivables, and the Group has insured some of the receivables against credit insurance or obtained adequate guarantees if necessary to mitigate the risk of financial losses due to delinquency. In addition, the Group reviews the recoverable amount of each individual receivable on the balance sheet date to ensure that adequate allowances are made for possible irrecoverable amounts. Prior to accepting a new client, the credit quality of the prospect is assessed through the internal credit rating system and the credit facilities of the prospect will be set, and the history of the transactions and the financial position of the individual client are regularly reviewed, according to which the management of the Group believes that the credit risk of the Group has been significantly reduced.

The Group recognizes loss allowances for accounts receivables based on the lifetime expected credit losses. The expected credit loss on trade receivables is estimated using a provision matrix by reference to the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of the current and forecast directions of economic conditions at the reporting date.

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

Loss allowances for the notes and accounts receivable based on the provision matrix are as follows:

December 31, 2022

	Credit Rating A	Credit Rating B	Credit Rating C	Others	Total
Total carrying amount	$ 4,192	$384,429	$ 82,058	$1,229,311	$1,699,990
loss allowance (lifetime expected credit loss)	-	-	(219)	(57,443)	(57,662)
Amortized cost	$ 4,192	$384,429	$ 81,839	$1,171,868	$1,642,328

December 31, 2021

	Credit Rating A	Credit Rating B	Credit Rating C	Others	Total
Total carrying amount	$ 2,148	$478,933	$ 76,787	$1,966,063	$2,523,931
loss allowance (lifetime expected credit loss)	-	-	(220)	(55,197)	(55,417)
Amortized cost	$ 2,148	$478,933	$ 76,567	$1,910,866	$2,468,514

The movements of the loss allowance of accounts receivable were as follows:

	2022	2021
Beginning Balance	$ 55,417	$ 57,144
Expected credit impairment losses (reversal gains)	2,231	(1,697)
Exchange difference	14	(30)
Ending Balance	$ 57,662	$ 55,417

The aging of accounts receivable (including related parties) was as follows:

	December 31, 2022	December 31, 2021
Not Past Due	$ 1,594,610	$ 2,423,669
Past due within 60 days	45,283	45,448
Past due over 61 days	60,097	54,814
Total	$ 1,699,990	$ 2,523,931

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

Of the balance of notes receivable and accounts receivable as of December 31, 2022 and 2021, except that the balance of accounts receivable of specific clients accounted for 14% and 16% of the total notes receivable and accounts receivable as of December 31, 2022 and 2021 respectively, the balance of notes receivable and accounts receivable of other clients did not exceed 10% of the total notes receivable and accounts receivable, and the client base of the Group was large and unrelated, so the concentration of credit risk was limited.

b. Other receivables

Other receivables of the Group as of 31 December 2022 and 2021 have been assessed for impairment losses on the basis of expected credit losses.

11. INVENTORIES

	December 31, 2022	December 31, 2021
Finished goods	$ 500,216	$ 534,560
Work in process	130,666	105,084
Raw materials	277,596	507,441
Production supplies	42,540	38,133
Goods in Transit	-	541
	$ 951,018	$ 1,185,759

The cost of goods sold related to inventories in 2022 and 2021 was NT $16,323,674 thousand dollars and NT $17,385,170 thousand dollars, respectively.

The cost of goods sold in 2022 and 2021 including the value losses of the net realizable value of the inventories is $32,436 thousand dollars and $2,005 thousand dollars, respectively.

12. SUBSIDIARY

Subsidiaries included in the consolidated financial statements

The entities involved in the preparation of the Consolidated Financial Statements are listed as follows:

			Proportion of Ownership		
Name of Investor	Name of Subsidiary	Nature of business	December 31, 2022	December 31, 2021	Description
The Company	TAITA (BVI) Holding Co., Ltd. (TAITA(BVI))	Reinvestment	100%	100%	
TAITA (BVI)	Taita Chemical (Zhongshan) Co., Ltd. ("TTC (ZS)")	The derivatives from the production and sale of styrene polymer	100%	100%	1.
	Taita Chemical (Tianjin) Co., Ltd. ("TTC (TJ)")	The derivatives from the production and sale of styrene polymer	100%	100%	2.
	Zhangzhou Taita Chemical Co., Ltd. ("TTC (ZZ)")	The derivatives from the production and sale of styrene polymer	100%	-	3.

a. Till December 31, 2022, the amount of investment in Delta Zhongshan was USD 43,000 thousand dollars, and the company's surplus was transferred to the capital increase of USD 3,250 thousand dollars in 2007. Till December 31, 2022, the company's paid-in capital was USD 46,250 thousand dollars. Delta Zhongshan held a meeting of the Board of Directors on October 14, 2021, and resolved to adopt a profit distribution plan from 2007 to 2020 with a total amount of RMB 306,950 thousand dollars, which was allocated on March 8, 2022.

b. Till December 31, 2022, the amount of investment in Delta Tianjin was USD 26,000 thousand dollars, and the company's surplus in 2012 was transferred to the capital increase of USD 1,350 thousand dollars. Till December 31, 2022, the company's paid-in capital was USD 27,350 thousand dollars. Due to the curtailing demand in the local market, the management of the Company decided to suspend the production of Delta Tianjin from April 2019.

c. On December 3, 2020, the Board of Directors of the Company resolved to establish Zhangzhou Delta with an investment of RMB 314,000 thousand dollars through Taita (BVI). Zhangzhou Delta Industry was founded and registered on June 28, 2021, and Taita (BVI) invested RMB 306,950 thousand dollars in Zhangzhou Delta Industry on March 8, 2022.

13. INVESTMENTS ACCOUNTED FOR UNDER THE EQUITY METHOD

	December 31, 2022	December 31, 2021
Individually insignificant associates		
Listed companies		
China General Plastics Corporation ("CGPC")	$ 187,231	$ 221,245
Acme Electronics Corp. ("ACME")	33,466	32,429
Unlisted companies		
China General Terminal & Distribution Co. ("CGTD")	355,611	373,731
ACME Electronics (Cayman) Corp. (ACME (Cayman))	67,401	66,405
	$ 643,709	$ 693,810

Information on individually insignificant associates is summarized below:

	2022	2021
The Group's share of:		
Profits from continuing operations	$ 2,661	$ 74,888
Other comprehensive incomes	(24,079)	33,993
Total comprehensive income	($ 21,418)	$ 108,881

The percentage of ownership, equities, and voting rights of the Group in associates on the balance sheet date is as follows:

Name of Company	December 31, 2022	December 31, 2021
CGPC	1.98%	1.98%
ACME	2.43%	2.43%
CGTD	33.33%	33.33%
ACME（Cayman）	5.39%	5.39%

For the nature of activities, principal places of business and countries of incorporation of the associates, please refer to Table 5 “Information on Investees” .

The Group jointly held more than 20% of the long-term equity investment and the associates of China General Plastics Corporation, Acme Electronics (Kunshan) Co., Ltd., and Acme (Cayman), and had a significant influence on each company, so the valuation was done based on the equity method.

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

Name of Company	December 31, 2022	December 31, 2021
CGPC	$ 304,027	$ 399,611
ACME	$ 106,458	$ 237,809

The profits and losses and the shares of other comprehensive profits and losses in 2021 and 2022, under the equity method, entitled to the associates and the Group were recognized on the basis of the financial reports of the associates audited by the CPA during the same period, except that the financial reports of Acme Electronics (Kunshan) Co., Ltd. and Acme (Cayman) were not audited by the CPA in 2021. The management of the Group believes that the financial reports of Acme Electronics (Kunshan) Co., Ltd. and Acme (Cayman) in 2021 weren't audited by the CPA and it would cause no significant impact.

14. PROPERTY, PLANT AND EQUIPMENT

	Freehold Land	Buildings	Machinery	Transportation equipment	Other equipment	Construction in Progress	Total
Cost							
Balance as of January 1, 2021	$634,432	$1,299,676	$4,478,749	$ 42,539	$349,415	$ 86,931	$6,891,742
Addition	-	-	5,623	12	1,091	121,127	127,853
Disposal and obsolescence	-	(2,456)	(122,109)	(700)	(6,443)	-	(131,708)
Internal transfers	-	6,012	107,960	141	10,417	(124,530)	-
Exchange difference of	-	(2,312)	(3,328)	(96)	(268)	(152)	(6,156)
Balance as of December 31, 2021	$634,432	$1,300,920	$4,466,895	$ 41,896	$354,212	$ 83,376	$6,881,731

	Freehold Land	Buildings	Machinery	Transportation equipment	Other equipment	Construction in Progress	Total
Accumulated depreciation and impairment							
Balance as of January 1, 2021	$ -	$941,638	$3,517,398	$ 33,599	$321,403	$ 1,661	$4,815,699
Disposal and obsolescence	-	(2,317)	(121,895)	(700)	(6,067)	-	(130,979)
Depreciation expenses	-	38,398	145,351	2,666	7,531	-	193,946
Impairment loss	-	-	39	-	-	-	39
Exchange difference of	-	(1,625)	(2,675)	(52)	(200)	(9)	(4,561)
Balance as of December 31, 2021	$ -	$976,094	$3,538,218	$ 35,513	$322,667	$ 1,652	$4,874,144
Net amount as of December 31, 2021	$634,432	$324,826	$928,677	$ 6,383	$ 31,545	$ 81,724	$2,007,587
Cost							
Balance as of January 1, 2022	$634,432	$1,300,920	$4,466,895	$ 41,896	$354,212	$ 83,376	$6,881,731
Addition	-	-	2,856	-	1,489	152,887	157,232
Disposal and obsolescence	-	(768)	(35,519)	(1,207)	(9,354)	-	(46,848)
Internal transfers	-	5,980	155,159	-	9,094	(170,233)	-
Exchange difference of	-	6,739	8,563	281	665	1,029	17,277
Balance as of December 31, 2022	$634,432	$1,312,871	$4,597,954	$ 40,970	$356,106	$ 67,059	$7,009,392
Accumulated depreciation and impairment							
Balance as of January 1, 2022	$ -	$976,094	$3,538,218	$ 35,513	$322,667	$ 1,652	$4,874,144
Disposal and obsolescence	-	(768)	(28,370)	(1,086)	(9,094)	-	(39,318)
Depreciation expenses	-	36,858	153,403	2,597	8,127	-	200,985
Exchange difference of	-	4,897	7,142	179	504	26	12,748
Balance as of December 31, 2022	$ -	$1,017,081	$3,670,393	$ 37,203	$322,204	$ 1,678	$5,048,559
Carrying amounts as of December 31, 2021	$634,432	$295,790	$927,561	$ 3,767	$ 33,902	$ 65,381	$1,960,833

Due to the curtailing demand in the local market for foamed polystyrene (EPS), which is the main production of Delta Tianjin, the management of the Group decided to suspend the production of Delta Tianjin from April 2018. Delta Tianjin's property, plant, and equipment (including right-of-use assets) are calculated based on fair value less the costs of disposal as the recoverable amount, and fair value is measured by the independent valuation with the third level input value on December 31, 2021, and 2022. The evaluation is a revaluation of the replacement cost and economically useful life of various properties, plants, and equipment within the scope of the evaluation. The evaluation results show that the recoverable amount is lower than the book value. Therefore, the impairment loss recognized in 2021 was 39 thousand dollars (in 2022: none), and the impairment loss has been included in the operating cost of the statement of comprehensive income. The fair value obtained from the evaluation is as follows:

	December 31, 2022	December 31, 2021
Plant and right-of-use assets	$ 260,489	$ 266,579
Amenities		$ 2,086

Property, plant, and equipment are depreciated on a straight-line basis over the following service life:

Buildings	
Plants	20, 30, 35, 40 and 55 years
Offices and laboratories	26-35 years
Warehouses	20-25 years
Storage tanks	8-20 years
Others	2-9 years
Machinery	
Environmental protection equipment	15-20 years
Monitoring equipment	11-15 years
Storage tanks and pipeline systems	10-15 years
Production and packaging equipment	8-15 years
Power systems	7-15 years
Others	2-8 years
Transportation equipment	5-15 years
Other equipment	2-15 years

Some of the property, plant, and equipment of the Group have been mortgaged as collateral for the loan amount. Please refer to notes 18 and 31.

15. LEASE AGREEMENTS

a. Right-of-use assets

	December 31, 2022	December 31, 2021
Carrying amounts		
Land	$ 68,046	$ 73,370

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Depreciation expense of right-of-use assets		
Land	$ 5,828	$ 5,803

Except for the depreciation expense recognized, there was no material increase, sublease, or impairment of the right-of-use assets of the Group in 2022 and 2021. Some of the lands of rights of use of the Group have been mortgaged as collateral for the loan amount. Please refer to notes 18 and 31.

b. Lease liabilities

	December 31, 2022	December 31, 2021
Carrying amount of lease liabilities		
Current	$ 4,614	$ 4,564
Non-current	$ 33,760	$ 38,374

As of December 31, 2022 and 2021, the discount rate on lease liabilities was 1.10%.
The related parties lease the Groupe the land in the forest areas for the use of the factory. At the end of the lease term, the Group has no right of first refusal of the chartered-in land. Refer to Note 30 for disclosures related to related party transactions.

c. Other lease information

Please refer to Note 16 for the agreement of the Group to lease the investment property under an operating lease.

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Short-term lease expenses	$ 17,619	$ 15,336
Lease expense with low-value asset	$ 21	$ 17
Total cash outflow from leasing activities	$ 22,653	$ 20,366

The Group has chosen to be exempt from the recognition of office, machinery and equipment, transportation and transportation equipment subject to short-term leases and certain miscellaneous equipment leases subject to low-value asset leases, and does not recognize the relevant right-of-use assets and lease liabilities for such leases.

16. INVESTMENT PROPERTIES, NET

	December 31, 2022	December 31, 2021
Land	$108,178	$108,178

The investment property of the Group is the land located in the Xingbang section of the former township and the industrial area of the forest. Because the land is industrial land, the comparable market transactions are not frequent, and neither is a reliable replacement for the fair value estimates, so the fair value cannot be reliably determined.

The land of the former township factory of the Group is leased to the China General Terminal & Distribution Co., and the actual rental area is agreed upon, and the monthly rent is 1,628 thousand dollars (please refer to Note 25 and 30).

17. INTANGIBLE ASSETS

	December 31, 2022	December 31, 2021
Carrying amount by function		
Information systems	$ 278	$ 493
Design expenses for factories	2,001	3,601
	$ 2,279	$ 4,094

Intangible assets are amortized on a straight-line basis over the following service life:

Information systems	3-5 years
Design expenses for factories	10 years

18. BORROWINGS

a. Short-term borrowings

	December 31, 2022	December 31, 2021
Unsecured borrowings		
Line of credit borrowings	$ 150,000	$ 350,000

The annual interest rates of the loans of credit facilities were 1.32% and 0.52% to 0.74% respectively on December 31, 2022 and 2021.

In addition, Delta Zhongshan provided property, plant, equipment, and the rights of land use as collateral (see Notes 14, 15, and 31), and till December 31, 2022, and 2021, the loan amount was not used.

b. Long-term borrowings

	December 31, 2022	December 31, 2021
Unsecured borrowings		
Line of credit borrowings	$ 300,000	$ 300,000

The annual interest rate of long-term loans of the Group is as follows:

	December 31, 2022	December 31, 2021
Credit loans	1.35%	0.81%

In order to enrich the medium- and long-term working capital, the Group signed medium- and long-term credit contracts with banks, with a total credit quota of 2,776,376 thousand dollars. The term of the credit contracts continued to expire until September 2025, and the credit quotas were recycled within the validity period of the contracts. As of December 31, 2022, NT$300,000 thousand have been utilized.

The current ratio and liability ratio of the Group's part of the borrowings to the agreed financial report are not lower than the specific ratio, and if there is any non-conformity, improvement measures must be reported to the bank. Till December 31, 2022, the Group has not violated the aforementioned financial ratios.

19. ACCOUNTS PAYABLE

	December 31, 2022	December 31, 2021
Accounts payable (including related parties)		
Occurrence due to operations (Note 30)	$ 646,425	$ 1,029,504

The average accounting period of the accounts payable of the Group is 30 to 45 days. The Group has a financial risk management policy to ensure that all payables are paid within the pre-agreed credit terms.

20. OTHER PAYABLES

	December 31, 2022	December 31, 2021
Payables for salaries or bonuses	$100,171	$219,918
Payables for freight fees	75,629	113,422
Payables for utilities	27,022	29,337
Payables for equipment	24,858	9,607
Payables for professional service expenses	9,698	9,651
Payables for insurance	6,662	8,922
Payables for taxes	3,839	3,613
Others	50,046	35,110
	$297,925	$429,580

21. Refund Provisions

	December 31, 2022	December 31, 2021
Customer returns and rebates	$ 1,102	$ 897

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Beginning Balance	$ 897	$ 879
Provision	7,918	6,944
Returns and rebates	(7,713)	(6,926)
Ending Balance	$ 1,102	$ 897

The refund provision is based on the management's judgments and other known reasons for which estimated product returns and rebates may occur for the year ended. The provision is recognized as a reduction of operating income in the periods in which the related goods are sold.

22. POST-RETIREMENT BENEFIT PLAN

a. Defined contribution plans

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

Employees of Delta Zhongshan are members of a retirement benefit plan operated by the local government. The subsidiary is required to allocate a specific percentage of salary costs to the retirement benefit plan as a fund. The Group's obligation to this government-run retirement benefit plan is only to set aside certain amounts.

b. Defined benefit plans

The pension system adopted by the Company under the "Labor Standards Act" is a state-managed defined benefit plan. The payment of the employee's pension is based on the period of service and the average salary of 6 months before the approved retirement date. Since November 1986, the Company contributed a specific rate (currently 12%) of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor; the Company has no right to influence the investment policy and strategy.

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

	December 31, 2022	December 31, 2021
Present Value of Defined Benefit Obligation	$470,859	$543,761
Fair Value of Plan Assets	(343,143)	(357,342)
Net defined benefit liabilities	$127,716	$186,419

Changes in net defined benefit liabilities are as follows:

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net defined benefit liabilities
Balance as of January 1, 2021	$ 593,645	($ 391,849)	$ 201,796
Service costs			
Service costs for the current period	3,949	-	3,949
Net interest expense (income)	2,184	(1,476)	708
Recognized in profit or loss	6,133	(1,476)	4,657
Remeasurements			
Return on plan assets (excluding amounts included in net interest)	-	(5,646)	(5,646)
Actuarial loss			
- Changes in demographic assumptions	12,124	-	12,124
- Changes in financial assumptions	(4,379)	-	(4,379)
- Experience adjustments	8,787	-	8,787
Recognized in other comprehensive incomes	16,532	(5,646)	10,886
Contributions by the employer	-	(29,142)	(29,142)
Benefits paid on plan assets	(70,771)	70,771	-
Provisions	(1,778)	-	(1,778)
Balance as of December 31, 2021	$ 543,761	($ 357,342)	$ 186,419
Balance as of January 1, 2022	$ 543,761	($ 357,342)	$ 186,419
Service costs			
Service costs for the current period	2,903	-	2,903
Net interest expense (income)	2,606	(1,724)	882
Recognized in profit or loss	5,509	(1,724)	3,785
Remeasurements			
Return on plan assets (excluding amounts included in net interest)	-	(30,701)	(30,701)
Actuarial gain			
- Changes in financial assumptions	(4,229)	-	(4,229)
- Experience adjustments	3,790	-	3,790
Recognized in other comprehensive incomes	(439)	(30,701)	(31,140)
Contributions by the employer	-	(31,348)	(31,348)
Benefits paid on plan assets	(77,972)	77,972	-
Balance as of December 31, 2022	$ 470,859	($ 343,143)	$ 127,716

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Cost of goods sold	$ 3,318	$ 3,925
Selling and marketing expenses	175	261
Administrative expenses	197	346
Research and development expense	95	125
	$ 3,785	$ 4,657

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

1) Investment risk: The Bureau of Labor Funds, Ministry of Labor invests the labor pension fund in equity securities, debt securities, and bank deposits in domestic (foreign) banks through independent implementation and commissioned operations. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate of a 2-year time deposit with local banks.
2) Interest risk: The decrease in the interest rate of government bonds will increase the present value of defined benefit obligations, but the compensation on debt investment of plan assets will also increase accordingly, which will partially offset the impact on net defined benefit liabilities.
3) Salary risk: The present value of defined benefit obligations is calculated with reference to the future salaries of plan participants. Therefore, the salary increase of plan members will increase the present value of the defined benefit obligation.

The present value of the Company's defined benefit obligations is measured on the basis of certified actuaries, and major assumptions on the measurement date are as follows:

	December 31, 2022	December 31, 2021
Discount rate	1.125%	0.500%
Average long-term salary adjustment rate	2.750%	2.250%

In the event of a reasonably possible change in the material actuarial assumptions, the amount of the increase (decrease) in the present value of the defined benefit obligation would be as follows, provided that all the other assumptions remain constant:

	December 31, 2022	December 31, 2021
Discount rate		
Increase by 0.25%	($ 7,345)	($ 8,781)
Decrease by 0.25%	$ 7,543	$ 9,027
Average long-term salary adjustment rate		
Increase by 0.25%	$ 7,291	$ 8,718
Decrease by 0.25%	($ 7,138)	($ 8,526)

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

The Company expects to allocate NT$25,800 thousand and NT$20,000 thousand to the defined benefit plans within one year as of December 31, 2022, and December 31, 2021, respectively. The weighted average duration of the Company's defined benefit obligations on 31 December 2022 and 2021 is 6.4 years and 6.6 years, respectively.

23. EQUITY

a. Ordinary shares

	December 31, 2022	December 31, 2021
Number of shares authorized (in thousands)	400,000	400,000
Shares authorized	$ 4,000,000	$ 4,000,000

Number of shares issued and fully paid (in thousands)	397,587	378,654
Shares issued	$ 3,975,868	$ 3,786,541

Fully paid ordinary shares, which have a par value of NT$10, carry one vote per share and carry a right to dividends.

On May 27, 2022, the Company resolved to increase its capital by issuing 18,933 thousand shares which included the 2021 earning at the Annual Shareholders' Meeting. The aforementioned issuance was approved by the Securities and Futures Bureau of FSC on July 6, 2022, and entered into force, and August 5, 2022 was resolved by the Board of Directors as the ex-dividend day.

b. Capital surplus

The capital surplus which arises from the consideration received from issuance of shares (including consideration from that of ordinary shares) and donations may be used to offset a deficit. In addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

Capital surplus arising from unpaid dividends due to overdue can offset a deficit only. Capital surplus from investments in subsidiaries and/or associates accounted for under the equity method may not be used for any purpose.

c. Retained earnings and dividend policy

Under the dividends policy as set forth in the amended Articles, where the Company made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any unappropriated retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policy of the remuneration distribution of the employees and directors stipulated in the Articles of Incorporation of the Company, please refer to Note 25 (8) Remuneration of the Employees and Directors.

According to the provisions of the Company's Articles, the Company in order to take R&D needs and diversification of operations into consideration, dividends shall not be less than 10% of the distributable earnings in the current year, of which the cash dividends shall not be less than 10% of the total dividends. However, if the distributable retained earnings per share of the current year are less than NT$0.1, the retained earnings are not to be distributed.

An appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. When the Company has no deficit, the portion of the legal reserve exceeding 25% of the total paid-in capital may be appropriated in the form of cash, in addition to being transferred to share capital.

Items referred to under Rule No. 1090150022 issued by the FSC and the directive titled "Questions and Answers for Special Reserves Appropriated Following Adoption of IFRSs" should be appropriated to or reversed from a special reserve by the Company.

The appropriations of earnings for 2021 and 2020 approved in the annual shareholders' meetings on May 27, 2022 and July 26, 2021, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	2021	2020	2021	2020
Legal reserve	$ 184,098	$ 191,925		
Cash dividends	757,308	688,462	$ 2.0	$ 2.0
Stock Dividends	189,327	344,231	0.5	1.0

The appropriation of earnings for 2022 had been proposed by the Company's Board of Directors on March 3, 2023, were as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 44,234	$ -
Cash dividends	198,793	0.5

The distribution of earnings for the year 2022 is still subject to resolution in the annual shareholders' meeting to be held on May 30, 2023.

d. Special reserve

The Company reserved a special reserve on the first-time adoption of IFRSs as follows:

	December 31, 2022	December 31, 2021
Special reserve	$308,061	$308,061

The Company's amount of unrealized revaluation gain and cumulative adjustments transferred into retained earnings were NT$279,270 thousand and NT$160,233 thousand, respectively. The increase in retained earnings arising from the first-time adoption of IFRSs was not sufficient for the special reserve appropriation; thus, the Company appropriated a special reserve in the amount of NT$308,061 thousand which was the net increase of retained earnings arising from the first-time adoption of IFRSs. As of December 31, 2022, there was no change in the special reserve.

e. Other equity items

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

	2022	2021
Beginning Balance	($144,532)	($125,641)
Incurred this year		
Exchange differences on translation of foreign operations	39,679	(20,716)
Share in associates accounted for under the equity method	2,511	(2,734)
Related income tax	(8,199)	4,559
Ending Balance	($110,541)	($144,532)

Exchange differences in the translation of foreign operations' net assets denominated in functional currencies into the Group's presentation currency (NTD) are directly recognized in other comprehensive profits and losses as exchange differences in the translation of financial statements of foreign operations.

2) Unrealized Gains (Losses) on Financial Assets at Fair Value through Other Comprehensive Incomes

	2022	2021
Beginning Balance	$493,835	$321,627
Incurred this year		
Unrealized gains (losses)		
Equity instruments	(142,789)	135,234
Share in associates accounted for under the equity method	(31,941)	36,974
Ending Balance	$319,105	$493,835

24. REVENUE

	2022	2021
Revenues from contracts with clients		
Proceeds of sale	$ 18,083,799	$ 20,771,165

Refer to Note 4 for description related to contracts with customers. Please refer to Note 35 for information on segment revenue and operating results of major products.

25. PROFIT BEFORE INCOME TAX

Net profit before income tax includes the following:

a. Interest income

	2022	2021
Cash and cash equivalents	$ 41,044	$ 40,611
Financial assets at fair value through profit or loss (Note 7)	1,215	1,098
Financial assets measured at amortized cost (Note 9)	44	17
Others	134	127
	$ 42,437	$ 41,853

b. Other income

	2022	2021
Operating lease income (Notes 16 and 30)	$ 43,622	$ 44,356
Dividend income		
Financial assets at fair value through profit or loss (Note 7)	3,463	3,967
Financial assets at fair value through other comprehensive profit and loss (Note 8)	33,242	15,110
Others	10,415	7,963
	$ 90,742	$ 71,396

c. Other gains and losses

	2022	2021
Loss and gain of financial assets at fair value through profit or loss (Note 7)	($ 5,183)	$ 3,753
Loss on financial assets measured at fair value through profit or loss (Note 7)	(13,364)	(2,499)
Net gain (loss) through foreign currency exchange	212,808	(15,349)
The gains (losses) on disposal and obsolescence of property, plant, and equipment (Note 14)	2,391	(729)
Expenses from rental assets	(5,840)	(6,484)
Others	(900)	(1,594)
	$ 189,912	($ 22,902)

d. Gain or loss on foreign currency exchange

	2022	2021
Total gain on foreign currency exchange	$ 326,998	$ 115,211
Total loss on foreign currency exchange	(114,190)	(130,560)
Net profit (loss)	$ 212,808	($ 15,349)

e. Financial costs

	2022	2021
Interest on bank loans	$ 6,486	$ 4,785
Interest on lease liabilities (Note 30)	449	499
Less: Amount of capitalization of interest (included in property under construction)	(100)	(121)
	$ 6,835	$ 5,163

Information about capitalized interest is as follows:

	2022	2021
Capitalized interest	$ 100	$ 121
Capitalization rate	0.85%~1.35%	0.80%~0.90%

f. Depreciation and amortization expenses

	2022	2021
Property, plant and equipment (Note 14)	$ 200,985	$ 193,946
right-of-use assets (Note 15)	5,828	5,803
Intangible assets (Note 17)	1,815	1,752
Total	$ 208,628	$ 201,501

	2022	2021
Depreciation expenses by function		
Cost of goods sold	$ 196,055	$ 188,773
Operating expenses	7,992	7,604
Other gains and losses	2,766	3,372
	$ 206,813	$ 199,749
Amortization expenses by function		
Cost of goods sold	$ 1,600	$ 1,600
Administrative expenses	215	152
	$ 1,815	$ 1,752

g. Employee benefits expense

	2022	2021
Post-employment benefits (Note 22)		
Defined contribution plans	$ 22,336	$ 21,443
Defined benefit plans	3,785	4,657
	26,121	26,100
Insurance expenses	36,643	36,111
Other employee benefits	516,990	633,917
An analysis of employee benefits expense	$ 579,754	$ 696,128
by function		
Cost of goods sold	$ 468,902	$ 565,078
Operating expenses	110,852	131,050
	$ 579,754	$ 696,128

h. Employees' compensation and remuneration of directors

According to Articles of Incorporation of the Company, the Company accrued employees' compensation and remuneration of directors at the rates of no less than 1% and no higher than 1%, respectively. However, the Company's accumulated deficits should be offset in advance. The aforementioned remuneration of the employees may be paid in shares or cash. When employees of the Company's control or subsidiaries meet certain conditions, they may also receive the remuneration of the assigned employees, and certain conditions thereof shall be determined by the board of directors.

The employees' compensation and remuneration of directors are resolved on March 3, 2023, and March 9, 2022, respectively, by the Board of Directors, were as follows:

	2022		2021	
	Accrual Rate	Amount	Accrual Rate	Amount
Employees' compensation	1%	$ 5,524	1%	$ 23,534
Remuneration of directors	-	$ -	-	$ -

If there is still any change in the amount after the annual consolidated financial statements are authorized for issue, the differences shall be treated as a change in accounting estimates and will be adjusted in the following year.

The actual distribution of the remuneration of the employees and directors for 2020 and 2021 is no different from the amount recognized in the consolidated financial statements for 2020 and 2021.

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

26. INCOME TAX

a. Major components of income tax expense recognized in profit or loss were as follows

	2022	2021
Current income tax		
In respect of the current year	$ 109,203	$ 480,192
Income tax on unappropriated earnings	35,512	34,731
Adjustments from previous years	(4,235)	(1,287)
	140,480	513,636
Deferred income tax		
In respect of the current year	(8,191)	43,538
Adjustments from previous years	7	338
	(8,184)	43,876
Income tax expense recognized in profit or loss	$ 132,296	$ 557,512

A reconciliation of accounting profit and income tax expense is as follows:

	2022	2021
Profit before income tax	$ 544,374	$ 2,407,444
Income tax expenses calculated at the statutory rate	$ 97,640	$ 537,520
Fees that cannot be deducted from taxes	848	909
Tax-exempted income	(6,748)	(17,235)
Income tax on unappropriated earnings	35,512	34,731
Unrecognized deductible temporary difference	(1,322)	(2,546)
Unrecognized loss carryforwards	10,594	5,080
Adjustments from previous years	(4,228)	(949)
Others	-	2
Income tax expense recognized in profit or loss	$ 132,296	$ 557,512

b. Income tax recognized in other comprehensive incomes

	2022	2021
Deferred income tax		
Incurred this year		
Exchange differences in the translation of financial statements of foreign operations	($ 8,199)	$ 4,559
Remeasurement of defined benefit plans	(6,228)	2,177
Income tax recognized in other comprehensive incomes	($ 14,427)	$ 6,736

c. Current income tax assets and liabilities

	December 31, 2022	December 31, 2021
Current income tax assets		
Tax refunds receivable	$ 9,538	$ -
Current income tax liabilities		
Income tax payable	$ 144,807	$ 456,961

d. Deferred tax assets and liabilities

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

2022

	Beginning Balance	Recognized in profit or loss	Recognized in other comprehensive incomes	Exchange Differences	Ending Balance
Deferred income tax assets					
Temporary differences					
Allowance for inventory valuation	$ 1,347	$ 6,756	$ -	($ 1)	$ 8,102
Allowance for impaired receivables	9,587	1,976	-	37	11,600
Unrealized foreign exchange losses	6,742	(3,091)	-	-	3,651
Defined benefit plans	36,937	(5,513)	(6,228)	-	25,196
Payables for annual leave	3,906	(487)	-	-	3,419
Unrealized net gain on sale of goods	5,628	(4,216)	-	-	1,412
Loss carryforward	-	3,722	-	(11)	3,711
Others	1,556	926	-	-	2,482
	$ 65,703	$ 73	($ 6,228)	$ 25	$ 59,573
Exchange differences on translating the financial statements of foreign operations	$ 4,496	$ -	$ 8,199	$ -	$ 12,695
The shares of gains of foreign subsidiaries recognized under the equity method	59,729	(7,417)	-	-	52,312
Differences on depreciation between finance and tax	283	(50)	-	-	233
Reserve for land revaluation increment tax	143,860	-	-	-	143,860
Others	644	(644)	-	-	-
	$ 209,012	($ 8,111)	$ 8,199	$ -	$ 209,100

2021

Deferred income tax assets	Beginning Balance	Recognized in profit or loss	Recognized in other comprehensive incomes	Exchange Differences	Ending Balance
Temporary differences					
Allowance for inventory valuation	$ 896	$ 449	$ -	$ 2	$ 1,347
Allowance for impaired receivables	11,018	(1,413)	-	(18)	9,587
Unrealized foreign exchange losses	7,070	(328)	-	-	6,742
Defined benefit plans	40,012	(5,252)	2,177	-	36,937
Payables for annual leave	4,024	(118)	-	-	3,906
Unrealized net gain on sale of goods	-	5,628	-	-	5,628
Others	1,562	(6)	-	-	1,556
	$ 64,582	($ 1,040)	$ 2,177	($ 16)	$ 65,703
Exchange differences on translating the financial statements of foreign operations	$ 9,055	$ -	($ 4,559)	$ -	$ 4,496
The shares of gains of foreign subsidiaries recognized under the equity method	17,472	42,257	-	-	59,729
Differences on depreciation between finance and tax	348	(65)	-	-	283
Reserve for land revaluation increment tax	143,860	-	-	-	143,860
Others	-	644	-	-	644
	$ 170,735	$ 42,836	($ 4,559)	$ -	$ 209,012

e. The amount of the deductible temporary differences and unrecognized loss carryforwards of deferred tax assets not recognized in the consolidated balance sheet

	December 31, 2022	December 31, 2021
Loss carryforward		
Maturity in 2022	$ -	$ 62,532
Maturity in 2023	124,213	124,213
Maturity in 2024	124,333	124,333
Maturity in 2026	20,327	20,327
Maturity in 2027	41,994	-
	$ 310,867	$ 331,405
Unrecognized temporary difference		
- Loss on impairment of accounts receivable	$ 66,141	$ 65,123
- Loss on impairment of property, plant, and equipment	80,936	84,735
- Others	1,180	1,296
	$ 148,257	$ 151,154

f. Income tax assessment

The Company's business income tax declaration case has been approved by the taxation and taxation authority for 2020.

g. The information of the income Taxes of the subsidiaries is as follows:

1) Taita (BVI) is exempt from income tax for both 2022 and 2021 as a result of applicable local government tax exemptions.

2) Delta Zhongshan, Delta Tianjin, and Zhangzhou Delta comply with the regulations of the local enterprise income tax law, and the applicable tax rate is 25%.

27. EARNINGS PER SHARE

Unit: NT$ Per Share

	2022	2021
Basic earnings per share	$ 1.04	$ 4.65
Diluted earnings per share	$ 1.04	$ 4.64

In calculating earnings per share, the impact of share dividend distribution has been adjusted retrospectively. The record date of new share issuance is set on August 5, 2022. Due to retrospective adjustments, the changes in basic and diluted earnings per share for the year 2021 are as follows:

Unit: NT$ Per Share

	Before Retrospective Adjustment	After Retrospective Adjustment
Basic earnings per share	$ 4.89	$ 4.65
Diluted earnings per share	$ 4.88	$ 4.64

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

Net profit for the year

	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Earnings used in the computation of basic and diluted earnings per share	$ 412,078	$ 1,849,932

Number of Shares

Unit: Thousand shares

	2022	2021
Weighted average number of ordinary shares used for calculation of basic earnings per share	397,587	397,587
Effect of potentially dilutive ordinary shares:		
Employees' compensation	383	793
Weighted average number of ordinary shares used for calculation of diluted earnings per share	397,970	398,380

If the Group chooses to offer employee compensation or share profits in the form of cash or stock, while calculating diluted earnings per share, and assuming that the compensation is paid in the form of stock, the dilutive potential common shares will be included in the weighted average number of outstanding shares to calculate diluted earnings per share. The dilutive effect of such potential ordinary shares shall continue to be considered when calculating diluted earnings per share before the number of shares to be distributed as employee compensation is approved in the following year.

28. CAPITAL RISK MANAGEMENT

The Group manages capital management under the precondition for sustainable development for the enterprises in the parties to ensure to maximize the remuneration for its shareholders by optimizing debts and equity balances. The overall strategy of the Group remained unchanged from the previous year.

The capital structure of the Group consists of the net debt and equity of the Group.

The main management of the Group periodically reviews the Group's capital structure, including consideration of the cost of various types of capital and related risks. The Group balances its overall capital structure by paying dividends and borrowing new bonds or repaying old bonds, as recommended by the main management.

29. FINANCIAL INSTRUMENTS

a. Information on fair value - financial instruments not measured at fair value

The management of the Group considers that the carrying amounts of financial assets and financial liabilities not measured at fair value are close to their fair value or their fair value cannot be reliably measured.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Investments in equity instruments				
- Domestic listed shares	$ 22,540	$ -	$ -	$ 22,540
- Unlisted stocks abroad	-	-	-	-
Mutual fund	333,210	-	-	333,210
Beneficiary securities	59,303	-	-	59,303
Total	$ 415,053	$ -	$ -	$ 415,053
Financial assets at fair value through other comprehensive incomes				
Investments in equity instruments				
- Domestic listed shares	$ 333,929	$ -	$ -	$ 333,929
- Foreign unlisted shares	-	-	7	7
- Unlisted stocks abroad	-	-	6	6
Total	$ 333,929	$ -	$ 13	$ 333,942

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Derivative instruments	$ -	$ 1,037	$ -	$ 1,037
Investments in equity instruments		-	-	
- Domestic listed shares	73,438	-	-	73,438
- Unlisted stocks abroad	-	-	-	-
Mutual fund	562,034	-	-	562,034
Beneficiary securities	59,466	-	-	59,466
Total	$ 694,938	$ 1,037	$ -	$ 695,975
Financial assets at fair value through other comprehensive incomes				
Investments in equity instruments				
- Domestic listed shares	$ 476,718	$ -	$ -	$ 476,718
- Foreign unlisted shares	-	-	7	7
- Unlisted stocks abroad	-	-	6	6
Total	$ 476,718	$ -	$ 13	$ 476,731

In 2022 and 2021, there was no transfer between Level 1 and Level 2 fair value measurements.

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

Financial assets at fair value through other comprehensive incomes - equity instrument

	2022	2021
Balance at the beginning and end of the year	$ 13	$ 13

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

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

4) Valuation techniques and inputs of the fair value measurement at Level 3

The Group's evaluation process for fair value classified as Level 3 is carried out by the investment department where the verification of the fair value of financial instruments will be verified, and the evaluation results will be closely related to the market status through external source data, and the reviews will be regularly conducted to ensure that the evaluation results are reasonable. The fair value of the unlisted equity investment held by the Group domestically and abroad is evaluated by the asset-based approach, and its fair value is determined by referring to the latest net value of the investment company and its observable financial and operating conditions; the unobservable input value used on December 31, 2022, and 2021 is a liquidity discount of 15%.

c. Category of financial instruments

	December 31, 2022	December 31, 2021
Financial assets		
Measured at fair value through profit or loss - mandatorily measured at fair value through profit or loss	$ 415,053	$ 695,975
Financial assets measured at amortized cost (Note 1)	4,390,550	5,122,835
Financial assets at fair value through other comprehensive profit and loss- The investment of the equity instrument	333,942	476,731
Financial liabilities		
Measured at amortized cost (Note 2)	1,295,434	1,892,348

Notes 1: The balance includes cash and cash equivalents, pledge demand deposits and certificates of deposit, notes receivable and accounts receivable (including related parties), other receivables (including related parties, excluding business tax refunds receivable) and deposits and other financial assets measured at amortized cost.

Notes 2: The balance includes financial liabilities at amortized cost, which includes short-term and long-term loans, short-term bills payable, accounts payable (including related parties) and other payables (including related parties and excluding payables for taxes).

d. Financial risk management objectives and policies

The risk control and hedging strategies engaged in by the Group are affected by the operating environment, except that the Group has implemented appropriate risk management and control operations in accordance with the nature of the business and the principle of risk fragmentation. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The operating activities of the Group make the main market risks borne by the Group as the risks of exchange rate changes, interest rate changes, and other price changes.

Market risk in relation to the Group's financial instruments and its management and measurement approaches remain unchanged.

a) Foreign exchange risk

The Group engages in foreign currency-denominated sales and purchase transactions, causing the Group to cause risk exposure to the fluctuation of the exchange rates. In order to avoid fluctuations in the value of foreign currency assets and future cash flows due to exchange rate fluctuations, the Group avoids the impact of the exchange rates fluctuations through natural offsetting of foreign currency assets and liabilities and then coordinates forward foreign exchange contracts for the net position of foreign currency to avoid related risks. The use of forward foreign exchange contracts is governed by policies adopted by the Board of Directors of the Group. Compliance with policies and exposure limits was reviewed by internal auditors on a continuous basis. The Group does not undergo the transaction of the forward foreign exchange contracts for speculative purposes.

For the Group's monetary assets and liabilities, denominated in non-functional currencies on the balance sheet date (including the monetary items and non-functional currencies written off in the consolidated financial statements), please refer to Note 33. The derivatives exposing the Company to foreign currency risk are set out in Note 7.

Sensitivity analysis

The Company’s sensitivity analysis mainly focuses on the foreign currency risk of U.S. dollars at the end of the reporting period. When the functional currency of the consolidated entity appreciates/depreciates by 3% against USD, the Group's net income before tax will decrease/increase by 27,880 thousand dollars and 39,622 thousand dollars in 2022 and 2021, respectively.

In management’s opinion, this sensitivity analysis is unrepresentative of the Company’s inherent foreign exchange risk because the exposure at the end of the reporting period did not reflect the exposure during the period.

b) Interest rate risk

The risk exposure of the fair value of the changes of the interest rates due to financial assets and financial liabilities held by the Group at a fixed interest rate; the risk exposure of cash flow of the changes of the interest rates due to financial assets and financial liabilities held at a floating interest rate. The management of the Group regularly monitors the changes in the market rates of interest and adjusts the positions of the financial instruments of the fixed rate and floating rate so that the interest rate of the Group is close to the market rates of interest in order to respond to the risks arising from changes in market rates of interest.

The Group's carrying amounts of financial assets and financial liabilities of risk exposure of the interest rates on the balance sheet date are as follows:

	December 31, 2022	December 31, 2021
Fair value interest rate risk		
- Financial assets	$ 1,987,287	$ 2,114,020
- Financial liabilities	338,374	542,938
Cash flow interest rate risk		
- Financial assets	732,984	502,512
- Financial liabilities	150,000	150,000

Sensitivity analysis

With regard to the sensitivity analysis of interest rate risk, the Group is calculated based on the financial assets and financial liabilities with cash flow interest rate risk at the balance sheet date. The financial assets and financial liabilities of the fixed interest rate held by the Group are not included in the analysis because they are measured at amortized cost. The Group uses a 0.5% increase/decrease in market rates of interest as a reasonable risk assessment for reporting interest rate changes to the management. With all other variables remaining unchanged, a 0.5% increase/decrease in market rates of interest would result in an increase/decrease of $2,915 thousand dollars and $1,763 thousand dollars in net income before tax for the Group's year 2022 and 2021.

c) Other price risks

The Group's risk exposure of the equity price arises from holding securities investments such as domestic and foreign listed and unlisted shares, beneficiary securities, and fund beneficiary certificates. The management of the Group manages the risks by applying different risk portfolios. In addition, the Group assigns specific teams to oversee the price risks.

Sensitivity analysis

Sensitivity analysis is based on the price of marketable securities at the balance sheet date. However, in the financial assets of the Group measured at fair value through profit or loss, the risk of the price volatility of the monetary market funds is very low, so it is not included in the analysis.

If the equity price increases/decreases by 5%, the net income before tax for 2022 and 2021 will increase/decrease by 4,092 thousand dollars and 6,645 thousand dollars respectively due to the increase/decrease in fair value of financial assets (excluding monetary market fund investments) measured at fair value through profit or loss; the other comprehensive profits and losses before tax for 2022 and 2021 will increase/decrease by 16,697 thousand dollars and 23,837 thousand dollars respectively due to the increase/decrease in fair value of financial assets measured at fair value through other comprehensive profits or losses.

2) Credit risk

Credit risk refers to risk that causes the financial loss of the Group due to a counterparty's delay in performing contractual obligations. The policy adopted by the Group is to only trade with creditworthy subjects to mitigate the risk of financial losses incurred and to continuously monitor the credit exposures and the credit status of the trading subjects.

The balance of accounts receivable of specific clients of the Group as of December 31, 2022 and December 31, 2021, accounted for 14% and 16% of the total amount of notes receivable and accounts receivable, respectively, and the other accounts receivable covered a large number of clients and scattered among different regions, and were not concentrated in a single client or region. The Group's sales transactions for the aforementioned specific clients mitigate the risk of credit concentration by obtaining letters of credit issued by a financial institution before shipment, and continuously evaluate the financial situation of each account receivable customer, so its credit risk is limited. On the balance sheet date, the maximum amount of the credit risk of the Group is equivalent to the carrying amount of the financial assets.

3) Liquidity risk

The management of the Group is to support working capital and reduce liquidity risk by maintaining sufficient cash and cash equivalents and line of credit.

a) Liquidity and interest rate risk table

The following tables detail the Group’s contractual maturity analysis for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to repay, including the cash flow of interest and principal.

December 31, 2022

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities				
Zero-interest-bearing liabilities		$ 845,434	$ -	$ -
Lease liabilities	1.10	5,013	20,052	15,039
Variable-rate instruments	1.32	151,545	-	-
Instruments with fixed interest rates	1.35	4,050	300,522	-
		$1,006,042	$ 320,574	$ 15,039

Additional information about the maturity analysis for lease liabilities is as follows:

	Less than 1 year	1-5 Years	5-10 Years
Lease liabilities	$ 5,013	$ 20,052	$ 15,039

December 31, 2021

	Weighted Average Interest Rate (%)	On Demand or Less than 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities				
Zero-interest-bearing liabilities		$1,243,885	$ 2,743	$ -
Lease liabilities	1.10	5,013	20,052	20,052
Variable-rate instruments	0.52	150,000	-	-
Instruments with fixed interest rates	0.78	200,000	300,000	-
		$1,598,898	$ 322,795	$ 20,052

Additional information about the maturity analysis for lease liabilities is as follows:

	Less than 1 year	1-5 Years	5-10 Years
Lease liabilities	$ 5,013	$ 20,052	$ 20,052

b) Line of Credit

Bank borrowing is an important source of liquidity for the Group. The unused loan amount of the bank of the Group on the balance sheet date is as follows:

	December 31, 2022	December 31, 2021
Bank loan facilities		
Amount unused	$ 6,102,770	$ 5,432,374

30. RELATED PARTY TRANSACTIONS

The Company's ultimate parent company is USI Corporation, which held 36.79% of the ordinary shares of the Company as of December 31, 2022 and 2021.

All transactions between the Company and its subsidiaries, account balances, income, and expenses are eliminated upon consolidation and therefore are not shown in the notes. In addition to those disclosed in other notes, the transactions between the Group and other related parties are as follows.

a. Names and relations of related parties

Related Party	Relationship with the Group
USI Corporation ("USI")	Ultimate parent company
China General Plastics Corporation (“CGPC”)	Associate
Continental General Plastics (ZhongShan) Co., Ltd.	Associate
CGPC CONSUMER PRODUCTS CORPORATION	Associate
CGPC Polymer Corporation	Associate
Taiwan VCM Corporation ("TVCM")	Associate
Global Green Technology Corporation	Associate
China General Terminal & Distribution Co. ("CGTD")	Associate
Asia Polymer Corporation ("APC")	Fellow subsidiary
USI Trading (SHANGHAI) Co., Ltd	Fellow subsidiary
Swanson Plastics Corporation	Fellow subsidiary
Swanson Plastics (Kunshan) Co., Ltd.	Fellow subsidiary
USI Management Consulting Corp. ("UM")	Fellow subsidiary
USI Education Foundation ("USIF")	Substantial related parties

b. Sales

Related Party Category/Name	2022	2021
Ultimate parent company	$ 14,065	$ 4,576

The receipt conditions for the sales of the Group and the related parties are from 30 to 90 days after delivery, and the conditions and prices of the transaction are not significantly different from the general market conditions.

c. Purchase of goods

Related Party Category/Name	2022	2021
Associate	$ 2,279	$ 2,338
Fellow subsidiary	267	242
Ultimate parent company	-	679
	$ 2,546	$ 3,259

The payment terms for the purchase of goods by the Group and the related parties are 30 days after the acceptance, and the conditions and prices of the transaction are not significantly different from the general market conditions.

d. Payables to related parties (excluding loans from related parties)

Related Party Category/Name	December 31, 2022	December 31, 2021
Associate	$ 630	$ -
Fellow subsidiary	27	28
	$ 657	$ 28

The outstanding accounts payable from related parties are not overdue and not guaranteed.

e. Other transactions with related parties

1) Rental income (accounted as other income, notes 16 and 25)

Related Party Category/Name	2022	2021
Associate		
CGTD	$ 23,672	$ 23,379
TVCM	9,635	9,635
	33,307	33,014
Ultimate parent company	487	1,649
Fellow subsidiary	262	257
	$ 34,056	$ 34,920

2) Rental expenses (classified as operating costs, selling and marketing expenses and general and administrative expenses)

Related Party Category/Name	2022	2021
Ultimate parent company		
USI	$ 5,245	$ 4,722
Fellow subsidiary		
APC	2,392	1,891
Associate	1,451	1,413
	$ 9,088	$ 8,026

Payment of rental expenditure of USI Corporation and Asia Polymer Corporation mainly consists of renting part of its Taipei office and parking space, and the agreed rental on a monthly basis is based on the yearly actual rental area.

3) Lease agreements

Related Party Category/Name	December 31, 2022	December 31, 2021
Lease liabilities - current		
Fellow subsidiary		
APC	$ 4,614	$ 4,564
Lease liabilities - non-current		
Fellow subsidiary		
APC	$ 33,760	$ 38,374

Related Party Category/Name	For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
Lease expense		
Fellow subsidiary		
APC	$ 5,013	$ 5,013
Interest expenses		
Fellow subsidiary		
APC	$ 449	$ 499

The Company leased land in Linyuan from APC. The rental was paid on a monthly basis.

4) Storage tank operating expenses (classified as operating costs)

Related Party Category/Name	2022	2021
Associate		
CGTD	$ 11,549	$ 18,784

The Company appointed CGTD to handle the storage tank operating procedures of styrene monomer and butadiene, such as transportation, storage and loading. The storage tank operating expenses were paid on a monthly basis.

5) Revenues from management services (accounted as other revenue)

Related Party Category/Name	2022	2021
Ultimate parent company		
USI	$ 3,213	$ 2,211

6) Management service expenses (classified as administrative expenses)

Related Party Category/Name	2022	2021
Fellow subsidiary		
UM	$ 70,290	$ 48,067

The management service expenses paid to TGM mainly consist of the services including human resources and equipment and are paid on time based on the actual expenses incurred and costs incurred.

7) Donation expenses (classified as administrative expenses)

Related Party Category/Name	2022	2021
Substantial related parties		
USIF	$ 5,000	$ 4,000

8) Other expenses (accounted as cost of goods sold and administrative expenses)

Related Party Category/Name	2022	2021
Fellow subsidiary	$ 1,753	$ 1,627
Associate	1,621	-
	$ 3,374	$ 1,627

9) Payments for property, plant and equipment

Related Party Category/Name	2022	2021
Ultimate parent company	$ -	$ 390

10) Disposal of Property, Plant, and Equipment (2021: None)

	Disposal proceeds	Gain (Los) on Disposal
Related Party Category/Name	2022	2022
Ultimate parent company	$ 6,588	$ -

11) Commission expense

Related Party Category/Name	2022	2021
Fellow subsidiary	$ 77	$ 388

12) Other receivables

Related Party Category/Name	December 31, 2022	December 31, 2021
Associate	$ 1,961	$ 2,862
Ultimate parent company	1,086	599
Fellow subsidiary	111	75
	$ 3,158	$ 3,536

Other receivables mainly include overheads receivable, management service expenses, and office rental.

13) Other Payables

Related Party Category/Name	December 31, 2022	December 31, 2021
Associate	$ 3,458	$ 4,639
Fellow subsidiary	1,058	1,523
Ultimate parent company	578	633
	$ 5,094	$ 6,795

Other payables included storage tank operating expense payables, rental expense payable and the allocation of service department costs payables.

f. Remuneration of key management personnel

Total remuneration for directors and other key management is as follows:

	2022	2021
Salaries and others	$ 24,045	$ 25,354
Retirement benefits	214	216
	$ 24,259	$ 25,570

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

31. ASSETS PLEDGED AS COLLATERAL

The following assets of the consolidated company have been provided as collateral for the issuance of bills of exchange, letters of credit, procurement of fuel, customs clearance operations and borrowings (Notes 9, 14, 15 and 18):

	December 31, 2022	December 31, 2021
Pledged bank deposits		
Financial assets measured at amortized cost - current	$ -	$ 809
Pledged time deposits		
Financial assets measured at amortized cost - current	5,000	3,000
- Accounted for other non-current assets	16,734	16,619
The net amount of property, plant, and equipment	15,807	17,433
land use rights		
- Accounted as right-of-use assets	20,099	20,578
	$ 57,640	$ 58,439

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACTUAL COMMITMENTS

In addition to those disclosed in other notes, the Group had the following material contingent liabilities and unrecognized contractual commitments at the end of the reporting period:

a. Till 31 December 2022 and 2021, the balance of unused letters of credit issued by the Group was NT $60,000 thousand dollars and NT $64,509 thousand dollars, respectively.

b. Explanation for the gas explosion in Kaohsiung:

The invested company, China General Terminal & Distribution Co., (hereinafter referred to as CGTD), under the adoption of the equity method by the Group, was entrusted to the operation of the propylene pipeline of LCY Chemical Corporation (hereinafter referred to as LCY Chemical Corp.) And the gas explosion of the propylene pipeline occurred on the evening of July 31, 2014, and the criminal part of the gas explosion case was dismissed by the Supreme Court on September 15, 2021, and three employees of CGTD were acquitted.

On February 12, 2015, CGTD reached an agreement with the Kaohsiung City Government to provide pledging certificates of bank deposits of NT$228,904 thousand, including interest, to the Kaohsiung City Government as collateral for the loss caused by the gas explosion. The Kaohsiung City Government also filed civil procedure requests in succession against LCY Chemical Corp., CGTD and CPC Corporation, Taiwan ("CPC"). Taiwan Power Company applied to the court for sequestration of CGTD's property on August 27 and November 26, 2015 and CGTD has deposited cash of NT$99,207 thousand to the court to avoid sequestration. Taiwan Water Corporation also applied to the court for false seizure of CGTD's property on February 3 and March 2, 2017 respectively. Till February 23, 2023, the value of the seized property of China General Terminal & Distribution Co. was about 11,393 thousand dollars.

Regarding all victims of the gas explosion, CGTD, altogether with LCY Chemical Corp. and the Municipal Government of Kaohsiung City, signed a tripartite agreement on July 17, 2015, under which compensations for all the 32 victims' heirs and claimants (the "victims' families"), NT$12,000 thousand per victim, totally NT$384,000 thousand, were negotiated. The compensation was advanced by LCY Chemical Corp. LCY Chemical Corp. was in charge of negotiating the compensation with the victims' families and signing the settlement agreement on behalf of the three parties. And as separately agreed by the parties on August 10, 2022, NT$157,347 thousand, accounting for 30% of the negligent liability decided in the first instance, shall be paid to LCY Chemical Corp., and the rest shall be done after the ruling of the civil action.

As for the seriously injured, CGTD, LCY Chemical Corp. and the Kaohsiung City Government signed a tripartite agreement for the compensation of the 65 seriously injured victims' families on October 25, 2017. Compensation was paid by CGTD and the Kaohsiung City Government, and CGTD was in charge of negotiating the compensation with the seriously injured victims' families and signing the settlement agreement on behalf of the three parties with the 64 seriously injured victims' families.

As of February 23, 2023, the victims and victims' families had written letters or filed civil procedures (and criminal procedures) against CGTD, LCY Chemical Corp. and CPC for compensation. To reduce the lawsuit costs, CGTD had reached a settlement on the original claim for NT$46,677 thousand, and the settlement amount was NT$4,519 thousand. Along with the case still in litigation and the above-mentioned compensation, the accumulated amount of compensation is NT$3,856,447 thousand. The first instance verdict of some of these civil cases (indemnity amount of NT$1,440,672 thousand) have been convicted since June 22, 2018 and most cases determined that the negligence liability ratio of Kaohsiun Municipal Government, Lee Chang Yung Chemical and CGTD was 4:3:3, and that CGTD, Lee Chang Yung Chemical and other defendants should pay compensation of about NT$401,979 thousand (of which NT$6,194 thousand was exempted from liability by the court). Currently CGTD has filed an appeal for the adjudicated but unsettled civil cases and proceeded with the second instance procedure successively. The rest of the cases are still under trial in the Court of First Instance (the amount of compensation requested is approximately NT$1,912,949 thousand). CGTD signed a claim agreement with an insurance company, according to the negligence liability ratio determined by the judgment of first instance, it is estimated the settlement amount of victims and seriously injured, the compensation amount of civil litigation cases (including the settled cases), and estimated amount to be borne by itself after deducting the upper limit of insurance claim was NT$136,375 thousand, which had been included into the account. However, the actual amount of such settlement and compensation shall not be confirmed until the proportion of liability to be shared by CGTD is determined in accordance with the civil action.

33. INFORMATION ON FOREIGN CURRENCY-DENOMINATED ASSETS AND LIABILITIES OF SIGNIFICANT INFLUENCE

The following summary is presented in foreign currencies other than the functional currency. The exchange rate disclosed in the summary refers to the exchange rate of a foreign currency to the functional currency. The significant impact on assets and liabilities recognized in foreign currencies is as follows:

December 31, 2022

	Foreign currencies	Exchange rate (NT$)		Functional Currency	NTD
Foreign currency assets					
Monetary items					
USD	$ 54,155	30.7100	(USD: NTD)	$1,663,100	$ 1,663,100
EUR	58	32.7200	(EUR: NTD)	1,893	1,893
HKD	301	3.9380	(HKD: NTD)	1,186	1,186
RMB	288	0.1436	(RMB: USD)	41	1,259
RMB	9	4.4094	(RMB: NTD)	40	40
Foreign currency liabilities					
Monetary items					
USD	14,711	30.7100	(USD: NTD)	451,777	451,777
USD	9,183	6.9646	(USD: RMB)	63,955	282,003
Japanese Yen	983	0.2324	(Japanese Yen: NTD)	228	228

December 31, 2021

	Foreign currencies	Exchange rate (NT$)		Functional Currency	NTD
Foreign currency assets					
Monetary items					
USD	$ 83,753	27.6800	(USD: NTD)	$2,318,279	$ 2,318,279
HKD	1,345	3.5490	(HKD: NTD)	4,773	4,773
RMB	287	0.1568	(RMB: USD)	45	1,247
Non-monetary items					
Derivative instruments					
USD	7,340	27.6800	(USD: NTD)	1,037	1,037
Foreign currency liabilities					
Monetary items					
USD	26,790	27.6800	(USD: NTD)	741,536	741,536
USD	9,249	6.3757	(USD: RMB)	58,969	256,014

The net profits and losses (realized and unrealized) on foreign currency exchange of the Group in 2022 and 2021 were respectively net gains of 212,808 thousand dollars and net losses of 15,349 thousand dollars. Due to the wide variety of foreign currency transactions, it is not possible to disclose the profits and losses on foreign currency exchange in currencies according to the significant impact.

34. SUPPLEMENTARY DISCLOSURES

a. Information about significant transactions:

1) Financing provided to others (None)
2) Endorsements/guarantees provided to others (Table 1)
3) Marketable securities held at the end of the period (excluding investments in subsidiaries and/or associates). (Table 2)
4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital. (Table 3)
5) Acquisitions of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital. (None)
6) Disposals of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital. (None)
7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (None)
8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Table 4)
9) Trading in derivative instruments. (None)
10) Others: The relationship between the parent companies and subsidiaries, the business relationship between the subsidiaries, and the significant transactions between subsidiaries. (Table 7)

b. Information about investees (Table 5)

c. Information on investments in mainland China:

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area. (Table 6)
2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
   a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year. (None)
   b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year. (Table 7)
   c) The amount of property transactions and the amount of the resultant gains or losses. (None)
   d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes. (Table 1)
   e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds. (None)
   f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services. (None)

d. Information on substantial shareholders (names of shareholders with a shareholding ratio of 5% or more as well as number and proportion of shares held). (Table 8)

35. SEGMENT INFORMATION

The information provided by the Group to the chief operational decision makers to allocate resources and evaluate the performance of the segment, focusing on each type of product delivered or offered. In accordance with the regulations of the operating segments of IFRS 8, the reportable segments of the Group consist of two segments, Plastic Raw Materials and Glass Wool (including Curved Surface Printing).

a. Segment Revenue and Operating Results

The revenue and operating results of the continuing operations of the Group are analyzed by the reportable segments as follows:

	Segment revenue		Segment gains	
	2022	2021	2022	2021
Plastic raw materials	$17,547,972	$20,235,524	$ 186,109	$ 2,214,542
Glass wool (including curved surface printing)	535,827	535,641	39,348	32,830
The total of continuing operations	$18,083,799	$20,771,165	225,457	2,247,372
Interest income			42,437	41,853
Other income			90,742	71,396
Other gains and losses			189,912	(22,902)
The share of profit or loss of the associates for under the equity method			2,661	74,888
Financial costs			(6,835)	(5,163)
Net income before tax of continuing operations			$ 544,374	$ 2,407,444

The revenue reported above is generated from the transactions with external clients. There were no transactions between the segments in 2021 and 2022.

The interests of the segments refer to the profits earned by the segments, excluding interest income, other income, other gains and losses, the shares of profits and losses of the associates under the equity method, and financial costs. The amount of the measurement is provided to the chief operating decision-makers to allocate resources to the segments and evaluate their performance.

The information on the segments provided to the operating decision-makers by the Group did not include the assets of individual operating segments, so the financial information on the segments did not include the measured amount of the assets of the operating segments.

b. Other information of the segments

	Depreciation and amortization	
	2022	2021
Plastic raw materials	$181,691	$176,540
Glass wool (including curved surface printing)	26,937	24,961
	$208,628	$201,501

c. Revenue from main products

The analysis of the revenue from the main products of the continuing operations of the Group is as follows:

	2022	2021
EPS	$ 8,392,101	$ 8,793,820
ABS	4,719,362	7,435,425
GPS	4,431,005	3,990,846
Glass wool products	521,864	494,522
Cubic printing products	13,963	41,119
IPS	5,504	15,433
	$ 18,083,799	$ 20,771,165

d. Region-specific information

The revenue from the continuing operations of the Group from external clients is classified according to the country of domicile of the clients, and non-current assets are listed by the regions of the asset as follows:

	Revenue from external clients		Non-current Assets	
			For the Year Ended December 31, 2022	For the Year Ended December 31, 2021
	2022	2021	December 31	December 31
Asia	$13,306,485	$17,891,441	$ 2,139,336	$ 2,193,229
America	2,386,836	1,514,051	-	-
Africa	1,963,966	1,027,291	-	-
Europe	244,474	116,773	-	-
Others	182,038	221,609	-	-
	$18,083,799	$20,771,165	$ 2,139,336	$ 2,193,229

Non-current assets refer to property, plant, equipment, right-of-use assets, investment property, and intangible assets.

e. Important information of the clients

No revenue of the Group in 2022 and 2021 accounted for more than 10% of net sales revenue of clients, so there is no need for disclosure.

TABLE 1

TAITA CHEMICAL CO., LTD. AND ITS SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED FOR OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsements/Guarantees on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/Guaranteed During the Period (Note 1)	Outstanding Endorsement/Guarantee at the End of the Period (Note 1)	Actual Amount Drawn	Amount of Endorsements/Guarantees Collateralized by Property	Ratio of Accumulated Endorsements/ Guarantees to Net Equity in Latest Financial Statements (%)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement /Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement /Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement /Guarantee Given on Behalf of Companies in Mainland China
		Name of Company	Relationship										
0	Taita Chemical Co., Ltd.	TAITA (BVI) Holding Co., Ltd.	100% voting shares directly owned by the Company	$ 7,206,214	$ 184,260 (USD 6,000 thousand)	$ 184,260 (USD 6,000 thousand)	$ -	$ -	2.56%	$ 10,809,321	Yes	No	No
0	Taita Chemical Co., Ltd.	Taita Chemical (Zhongshan) Co., Ltd.	100% voting shares directly owned by the Company's subsidiary	7,206,214	573,222 (RMB 130,000 thousand)	352,752 (RMB 80,000 thousand)	-	-	4.90%	10,809,321	Yes	No	Yes

Notes 1: The foreign currency amount is calculated based on the spot exchange rate as of December 31, 2022.

Notes 2: The maximum total endorsement/guarantee shall not exceed 150% of the equity attributable to owners of the Company. The endorsement/guarantee on behalf of other company shall not exceed 100% of the equity attributable to owners of the Company.

The maximum total endorsement/guarantee shall not exceed 200% of the equity attributable to owners of the Company and its subsidiaries. The endorsement/guarantee on behalf of other company shall not exceed 150% of the equity attributable to owners of the Company and its subsidiaries.

TAITA CHEMICAL CO., LTD. AND ITS SUBSIDIARIES

SECURITIES HELD AT THE END OF PERIOD
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Securities Holding Company	Type and Name of Marketable Securities	Relationship with Issuer of Securities	Financial Statement Account	Ending Balance				Note
				Number of shares/units	Carrying Amount	Percentage of Ownership (%)	Plan Assets	
Taita Chemical Co., Ltd..	Stock							
	USI Corporation	Ultimate parent company	Financial assets at fair value through other comprehensive incomes - non-current	15,109,901	$ 333,929	1.27%	$ 333,929	Note 1
	Harbinger Venture Capital Corp.	–	〃	990	7	0.50%	7	Note 3
	UPC Technology Corporation	–	Financial assets at fair value through profit or loss - current	282,000	3,835	0.02%	3,835	Note 1
	China Steel Corporation	–	〃	350,000	10,430	-	10,430	Note 1
	Tung Ho Steel Enterprise Corp.	–	〃	91,500	4,822	0.01%	4,822	Note 1
	Quanta Computer Inc.	–	〃	86,000	3,453	0.03%	3,453	Note 1
	Mutual fund							
	Hua Nan Phoenix Money Market Fund	–	Financial assets at fair value through profit or loss - current	1,816,596	30,009	-	30,009	Note 2
	Yuanta De-Li Money Market Fund	–	〃	3,018,303	50,012	-	50,012	Note 2
	Yuanta De-Bao Money Market Fund	–	〃	7,634,736	93,156	-	93,156	Note 2
	Shin Kong Chi-Shin Money Market Fund	–	〃	1,272,872	20,004	-	20,004	Note 2
	Taishin Ta-Chong Money Market Fund	–	〃	3,465,868	50,016	-	50,016	Note 2
	Taishin 1699 Money Market Fund	–	〃	6,539,203	90,013	-	90,013	Note 2
	Beneficiary securities							
	Cathay No. 1 Real Estate Investment Trust Fund	–	Financial assets at fair value through profit or loss - current	3,280,000	59,303	-	59,303	Note 1
TAITA (BVI) Holding Co., Ltd.	Stock							
	Budworth Investment Ltd.	–	Financial assets at fair value through other comprehensive incomes - non-current	20,219	6 (USD - thousand)	2.22%	6 (USD - thousand)	Note 3
	Teratech Corporation	–	Financial assets at fair value through profit or loss - non-current	112,000	-	0.73%	-	Note 4
	Sohoware Inc. - preferred shares	–	〃	100,000	-	-	-	Note 4

Notes 1: The fair value is calculated based on the closing prices at TWSE on the last trading day of December 2022.

Notes 2: The fair value is calculated based on the net assets value of each fund on the last trading day of December 2022.

Notes 3: The Company utilizes the asset approach and takes into account the most recent net asset value, observable financial status as well as the financing activities of investees in order to determine their net asset value.

Notes 4: As of December 31, 2022, the Company evaluates the fair value of the equity instrument as $0.

TAITA CHEMICAL CO., LTD. AND ITS SUBSIDIARIES

MARKETABLE SECURITIES ACQUIRED AND DISPOSED OF AT COSTS OR PRICES OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Marketable securities Type and Name	Financial Statement Account	Transactions Subjects	Relationship	Beginning of the period (Note 1)		Acquisition		Disposal				End of the period (Note 1)	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Selling Price	Carrying Cost	Gain (Los) on Disposal	Number of Shares	Amount
Taita Chemical Co., Ltd.	Mutual Funds Yuanta De-Li Money Market Fund	Financial assets at fair value through profit or loss - current	–	–	3,036,468	$ 50,000	19,888,241	$ 328,000	19,906,406	$ 328,362	$ 328,000	$ 362	3,018,303	$ 50,000
TAITA (BVI) Holding Co., Ltd.	Stock Zhangzhou Taita Chemical Co., Ltd.	Investments accounted for under the equity method	–	–	-	-	-	1,378,445 (USD 48,580 thousand)	-	-	-	-	-	1,378,445 (USD 48,580 thousand) (Note 2)

Notes 1: The amount of the fund beneficiary certificates at the early period and at the end of the period is the original purchase cost.

Notes 2: At the time of the preparation of the consolidated financial report, it had been fully written off.

Taita Chemical Co., Ltd. and its subsidiaries

Receivables from Related Parties Amounting to at Least NT$100 Million or 20% of the Paid-in Capital
December 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Counterparty	Relationship	Balance of Receivables from Related Parties	Turnover Rate	Overdue Receivables from Related Parties		Amounts Received in Subsequent Period (Note 2)	Allowance for Impairment Loss
					Amount	Actions Taken		
Taita Chemical Co., Ltd.	Taita Chemical (Tianjin) Co., Ltd.	Sub-subsidiary	Other receivables $ 281,862 (USD 9,178 thousand) (Notes 1 and 3)	-	$ 281,862	Continuous collection	$ -	$ -

Notes 1: The total amount of Taita Chemical Co., Ltd. from selling raw materials to Taita Chemical (Tianjin) Co., Ltd. was reclassified to other receivables owing to it was overdue for a normal crediting period.

Notes 2: There was no amount received in the subsequent period as of March 3, 2023.

Notes 3: At the time of the preparation of the consolidated financial report, it had been fully written off.

TAITA CHEMICAL CO., LTD. AND ITS SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Name of Investor	Name of Investee	Location	Main Business Activities	Initial Investment Amount		End of Period			Investee Company Profit (loss) in the current period	Recognized in the current period Profit and loss in Investments	Note (Note 1)
				Ending Balance for the Current Period	Ending Balance for the Previous Period	Number of Shares	Ratio	Carrying Amount			
Taita Chemical Co., Ltd.	TAITA (BVI) Holding Co., Ltd.	British Virgin Islands	Reinvestment	$ 2,755,854 (USD 89,738 thousand)	$ 2,755,854 (USD 89,738 thousand)	89,738,000	100.00%	$ 3,144,353 (USD 102,389 thousand)	($ 37,084) (Loss of USD 1,129 thousand)	($ 37,084) (Loss of USD 1,129 thousand)	Subsidiary (Note 2)
	China General Plastics Corporation	Taipei City	Manufacture and marketing of PVC plastic cloth	65,365	65,365	11,516,174	1.98%	187,231	(370,247)	(7,339)	Investments accounted for using the equity method
	China General Terminal & Distribution Corporation	Taipei City	Warehousing and transportation of petrochemical raw materials	41,082	41,082	23,892,871	33.33%	355,611	29,772	9,924	Investments accounted for using the equity method
	Acme Electronics Corporation	Taipei City	Manufacture and marketing of manganese-zinc and ferrite core	44,771	44,771	4,445,019	2.43%	33,466	16,348	398	Investments accounted for using the equity method
TAITA (BVI) Holding Co., Ltd.	ACME Electronics (Cayman) Corp.	British Cayman Islands	Reinvestment	52,208 (USD 1,700 thousand)	52,208 (USD 1,700 thousand)	2,695,619	5.39%	67,401 (USD 2,195 thousand)	(5,961) (Loss of USD 195 thousand)	-	Investments accounted for using the equity method

Notes 1: The calculation of the investees was based on their audited financial statements for the same period.

Notes 2: At the time of the preparation of the consolidated financial report, it had been fully written off.

Notes 3: Investments in mainland China are included in Table 6.

TABLE 6

TAITA CHEMICAL CO., LTD. AND ITS SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee company in mainland China	Main Business Activities	Paid-in Capital	Method of Investments	Accumulated Outward Remittance for Investment from Taiwan at the Beginning of Period	Amount of Investments Remitted or Repatriated for the Period		Accumulated Outward Remittance for Investment from Taiwan at the End of Period	Profit (Loss) of Investee for the Period (Note 6)	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 6)	Carrying Amount at End of Period (Note 6)	Accumulated Investment Income Repatriated at End of Period
					Remitted	Repatriated						
Taita Chemical (Zhongshan) Co., Ltd. ("TTC (ZS)")	Production and marketing of polystyrene derivatives	$ 1,420,338 (USD 46,250 thousand) (Note 1)	Investments through a holding company registered in a third region	$ 1,320,530 (USD 43,000 thousand)	$ -	$ -	$ 1,320,530 (USD 43,000 thousand)	(19,457) (Loss of USD 552 thousand)	100.00%	(19,457) (Loss of USD 552 thousand) (Note 7)	$ 1,826,664 (USD 59,481 thousand) (Note 7)	$ -
Taita Chemical (Tianjin) Co., Ltd. ("TTC (TJ)") (Note 8)	Production and marketing of polystyrene derivatives	839,919 (USD 27,350 thousand) (Note 2)	Investments through a holding company registered in a third region	798,460 (USD 26,000 thousand)	-	-	798,460 (USD 26,000 thousand)	(37,119) (Loss of USD 1,248 thousand)	100.00%	(37,119) (Loss of USD 1,248 thousand) (Note 7)	(152,697) (USD 4,972 thousand) (Note 7)	-
Zhangzhou Taita Chemical Co., Ltd. ("TTC (ZZ)")	Production and marketing of polystyrene derivatives	1,491,879 (USD 48,580 thousand) (Note 3)	Investments through a holding company registered in a third region	-	-	-	-	12,104 (Gain USD 396 thousand)	100.00%	12,104 (Gain USD 396 thousand) (Note 7)	1,365,483 (USD 44,464 thousand) (Note 7)	-
Acme Electronics (Kunshan) Co., Ltd. (ACME KS)	Manufacturing and marketing of manganese-zinc soft ferrite core	943,565 (USD 30,725 thousand)	By reinvesting in the third region at present Acme Electronics (Cayman) Corp. makes the reinvestment in mainland China	41,582 (USD 1,354 thousand)	-	-	41,582 (USD 1,354 thousand)	(45,406) (Loss of USD 1,488 thousand)	5.39%	(2,449) (Loss of USD 80 thousand)	42,829 (USD 1,395 thousand)	-

Accumulated Outward Remittance for Investment in Mainland China at the End of Period	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$2,160,572 (USD 70,354 thousand)	$3,863,850 (USD 125,817 thousand) (Note 4)	$ - (Note 5)

Notes 1: TTC (ZS) resolved to issue share dividends of US$3,250 thousand in 2007.

Notes 2: TTC (TJ) resolved to issue share dividends of US$1,350 thousand in 2012.

Notes 3: TTC (ZZ) was registered for the year 2021, and Taita (BVI) injected US$48,580 thousand into TTC (ZZ) on March 8, 2022.

Notes 4: The amount distributed from share dividends included US$3,250 thousand from TTC (ZS), US$1,350 thousand from TTC (TJ), US$802 thousand from ACME (KS) and Taita (BVI) injected US$50,000 thousand.

Notes 5: According to Letter No. 11120416710 dated June 8, 2022 issued by the Ministry of Economic Affairs, the upper limit on investment in mainland China pursuant to the “Principle of Investment or Technical Cooperation in Mainland China” is not applicable.

Notes 6: The calculation of the investees was based on their audited financial statements for the same period.

Notes 7: At the time of the preparation of the consolidated financial report, it had been fully written off.

Notes 8: The Company’s management decided to suspend TTC (TJ)’s production from April 2019, please refer to Note 12 for details.

TAITA CHEMICAL CO., LTD. AND ITS SUBSIDIARIES

THE BUSINESS RELATIONSHIP BETWEEN THE PARENT COMPANIES AND SUBSIDIARIES AND THE SIGNIFICANT TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

No.	Company	Counterparty	Relationship with Traders	Description of Transactions			
				Ledger Account	Amount (Note 2)	Transaction Term	Accounted for total consolidated revenue or The ratio of total assets (Note 1)
0	Taita Chemical Co., Ltd.	TAITA (BVI) Holding Co., Ltd.	The parent companies to subsidiaries	Other receivables from related parties	$ 1,332	No material differences with non-related parties	0.01%
		Taita Chemical (Zhongshan) Co., Ltd.	The parent companies to subsidiaries	Sales revenue	3,035	No material differences with non-related parties	0.02%
		Taita Chemical (Tianjin) Co., Ltd.	The parent companies to subsidiaries	Other receivables from related parties	281,862	No material differences with non-related parties	3.05%
1	TAITA (BVI) Holding Co., Ltd.	Taita Chemical (Tianjin) Co., Ltd.	The parent companies to subsidiaries	Other payables from related parties	4,607	No material differences with non-related parties	0.05%

Notes 1: The amount of the transactions is calculated as the ratio of the total consolidated revenue or total assets. In the case of asset-liability accounts, the balance at the end of the period is calculated as the proportion of the total consolidated assets; in the case of profit and loss accounts, the cumulative amount at the end of the period is calculated as the proportion of the total consolidated revenue.

Notes 2: At the time of the preparation of the consolidated financial report, it had been fully written off.

TABLE 8

TAITA CHEMICAL CO., LTD.

INFORMATION ON SUBSTANTIAL SHAREHOLDERS
DECEMBER 31, 2022

Name of Substantial Shareholders	Shareholding	
	Number of shares held	Percentage of Ownership
Union Polymer International Investment Corporation	146,263,260	36.79%

Note: The information of substantial shareholders in this attachment refers to the information calculated by the Taiwan Depository & Clearing Corporation on the last business day at the end of the current quarter of which the total number of common stocks and special stocks of the Company held, amounting to more than 5%, by the shareholder has been delivered without physical registration (including treasury shares). The capital stock recorded in the consolidated financial statements of the Company and the actual number of shares delivered without physical registration may be different or discrepant due to different compilation and calculation basis.