Stock Code: 4711

Yong Shun Chemical Co., Ltd.
and Subsidiaries

Consolidated Financial Statements and Independent Auditor's Report

2022 and 2021

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Statement of Consolidated Financial Statements of Affiliated Companies

For the year 2022 (January1, 2022 to December31, 2022), the companies that should be included in the consolidated financial statements of affiliated companies in accordance with the "Regulations Governing the Preparation of Consolidated Statements of Operations of Affiliated Companies and Related Party Reports" are the same as those that should be included in the consolidated financial statements of parent and subsidiary companies in accordance with IFRS 10, and the information required to be disclosed in the consolidated financial statements of affiliated companies has already been disclosed in the aforementioned consolidated financial statements of parent and subsidiary companies. The relevant information has been disclosed in the aforementioned consolidated financial statements of the parent and subsidiary, and therefore no separate consolidated financial statements of the related companies are prepared.

We hereby state the above.

Company name: Yong Shun Chemical Co., Ltd.

Person in charge: Tsai Cheng-Fung

March 13, 2023

Independent Auditor's Report

To Yong Shun Chemical Co., Ltd.:

Opinion

We have duly audited the consolidated balance sheet of Yong Shun Chemical Co., Ltd. and Subsidiaries for December 31, 2022 and 2021, and the consolidated comprehensive income statement, consolidated statement of changes in equity and consolidated cash flow statement from January 1 to December 31, 2022 and 2021 as well as notes to the consolidated financial statements (including the summary of material accounting policies).

In our opinion, the consolidated financial statements referred to above have been prepared, in all material respects, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and are fairly stated in terms of the consolidated financial position of Yong Shun Chemical Co., Ltd. as of December 31, 2022 and 2021, and the consolidated financial performance and consolidated cash flow from January 1 to December31, 2022 and 2021.

Basis for Opinion

Certified Public Accountants conducted our audits in accordance with Regulations Governing Auditing and Attestation of Financial Statements using auditing principles. Our responsibilities as an auditor under the abovementioned standards are explained in the Responsibilities paragraph. All relevant personnel of the accounting firm have followed the CPA code of ethics and maintained independence from Yong Shun Chemical Co., Ltd. and its subsidiaries when performing their duties. We believe that the evidence obtained provides an adequate and appropriate basis for our opinion.

Key Audit Matters

Key audit matters are matters that we considered to be the most important, based on professional judgment, when auditing the 2022 consolidated financial statements of Yong Shun Chemical Co., Ltd. and its subsidiaries. These issues were addressed when we audited and formed our opinions on the consolidated financial statements. Therefore, we do not provide opinions separately for individual matters.

The key audit items of the consolidated financial statements of Yong Shun Chemical Co., Ltd. and its subsidiaries for 2022 are as follows:

Key audit matter: Authenticity of sales, revenue and shipment to specific customers

Yong Shun Chemical Co., Ltd. and its subsidiaries are mainly engaged in the design, development, and manufacturing of resin products. Since changes in the major customers have a significant impact on the financial statements, and sales revenue is inherently subject to a high degree of risk, we have identified customers meeting specific criteria, and assessed the authenticity of the sales revenue transactions for these customers as a key audit matter. Please refer to Notes 4 and 21 to the consolidated financial statements.

In response to the above important matters, the main audit procedures implemented by the CPAs are as follows:

1. Understanding and testing the revenue recognition of a specific sales target is critical to the design and execution of internal control.
2. For the aforementioned specific sales target revenue details, select an appropriate sample to check the relevant supporting documents and test the collection status to confirm that the sales transaction actually occurred.
3. We review whether material sales returns and discounts have occurred after the balance sheet date, in order to confirm whether there is material misstatement in the revenue of specific sales targets.

Other Items

Yong Shun Chemical Co., Ltd. has only prepared the parent company's financial statements for the years 2022 and 2021, and we have issued an audit report with a unmodifiedopinion for reference.

Responsibilities of the Management and Those Charged with Governance for the Consolidated Financial Statements

The responsibility of management is to prepare consolidated financial statements that fairly present the financial position of the Company in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations and Interpretations issued by the Financial Supervisory Commission, and to maintain necessary internal controls relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management's responsibility also includes assessing Yong Shun Chemical Co., Ltd. and its subsidiaries' ability to continue operating, the disclosure of related matters, and the adoption of the basis of accounting, unless management intends to liquidate Yong Shun Chemical Co., Ltd. and its subsidiaries or to cease operations, or there is no practical alternative to liquidation or cessation of operations.

The governance units (including the Audit Committee) of Yong Shun Chemical Co., Ltd. and its subsidiaries are responsible for overseeing the financial reporting process.

Auditor's Responsibilities for the Audit of Consolidated Financial Statements

The purposes of our audit were to obtain reasonable assurance of whether the consolidated financial statements were prone to material misstatements, whether caused by fraud or error, and to issue a report of our audit opinions. We considered assurance to be reasonable only if it is highly credible. However, audit tasks conducted in accordance with auditing principles do not necessarily guarantee detection of all material misstatements within the consolidated financial statements. Misstatements can arise from fraud or error. Misstatements are considered material if the individual amount or aggregate total is reasonably expected to affect economic decisions of the financial statement user.

When conducting audits in accordance with auditing principles, we exercised judgments and raised doubts as deemed professionally appropriate. We also performed the following tasks as an auditor:

1. Identifying and assessing risk of material misstatement within the consolidated financial statements that are attributed to fraud or error; designing and executing appropriate response measures for the identified risks; and obtaining adequate and appropriate audit evidence to support audit opinions. Fraud may involve conspiracy, forgery, intentional omission, untruthful declaration, or breach of internal controls, and our audit did not find any material misstatement where the risk of fraud is greater than the risk of error.
2. Obtaining an understanding of the internal controls relevant to our 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 Yong Shun Chemical Co., Ltd. and its subsidiaries' internal controls.
3. Assessing the appropriateness of accounting policies adopted by the management, and the rationality of accounting estimates and related disclosures.
4. Based on the evidence obtained, making a conclusion on the appropriateness of the management's adoption of the basis of accounting and whether there is any material uncertainty about the events or circumstances that may cast significant doubt on the ability of Yong Shun Chemical Co., Ltd. and its subsidiaries to continue operating. We are bound to remind consolidated financial statement users to pay attention to relevant disclosures in the notes of statements within our audit report if material uncertainties exist in regards to the aforementioned events or circumstances, and amend audit opinions when the disclosures are no longer appropriate. Our conclusions are based on the audit evidence obtained up to the date of the audit report. However, future events or circumstances may cause Yong Shun Chemical Co., Ltd. and its subsidiaries to cease to have the ability to continue operating.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including the notes in the statements), and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtaining sufficient and appropriate audit evidence of financial information and entities within the group, and expressing opinions on consolidated financial statements. Our responsibilities as auditor are to instruct, supervise, and execute audits and form audit opinions on the Company.

We have communicated with the governance body about the scope, timing, and significant findings (including significant defects in internal controls identified during the audit) of our audit.

We have also provided the governance body with a declaration of independence stating that all relevant personnel of the accounting firm have complied with the CPA code of ethics, and communicated with the governance body on all matters that may affect the auditor's independence (including relevant protection measures).

From the matters communicated with the governance unit, we decided on the key audit items for the audit of the annual consolidated financial statements of Yong Shun Chemical Co., Ltd. and its subsidiaries for 2022. These issues have been addressed in our audit report except for: 1. Certain topics that are prohibited by law from disclosing to the public; or 2. Under extreme circumstances, topics that we decide not to communicate in the audit report because they may cause higher negative effects than the benefits they bring to public interest.

Deloitte Taiwan

CPA Hsueh, Chun-Min	CPA Chih, Jui-Chuan
Financial Supervisory Commission approval number Letter referenced Jin-Guan-Cheng-Shen Zi No. 1090358185	Financial Supervisory Commission approval number Letter referenced Jin-Guan-Cheng-Shen Zi No. 1060023872

March 28, 2023

Yong Shun Chemical Co., Ltd. and Subsidiaries
Consolidated Balance Sheet
December 31, 2021 and December 31, 2022

Unit: NTD thousands

Code	Asset	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 6 and 27)	$ 338,067	27	$ 353,700	25
1136	Financial assets measured at amortized costs - current (Notes 8, 9 and 27)	99,000	8	99,000	7
1150	Net notes receivable (Notes 10, 21 and 27)	35,616	3	42,776	3
1170	Net accounts receivable (Notes 10, 21 and 27)	115,246	9	213,418	15
130X	Inventory (Note 11)	248,837	19	305,869	22
1410	Prepayments	2,843	-	4,881	-
1220	Income tax assets of the period (Note 23)	8,274	1	19	-
1479	Other current assets (Notes 15 and 27)	452	-	723	-
11XX	Total current assets	848,335	67	1,020,386	72
	Non-current assets				
1600	Property, plant and equipment (Notes 13, 25 and 29)	347,729	27	349,508	25
1755	Right-of-use assets (Note 14)	34,627	3	2,436	-
1821	Intangible assets	38	-	88	-
1840	Deferred income tax assets (Note 23)	36,098	3	33,040	3
1915	Prepaid equipment purchases	1,843	-	315	-
1920	Refundable deposits (Note 27)	2,022	-	2,022	-
15XX	Total non-current assets	422,357	33	387,409	28
1XXX	Total assets	$ 1,270,692	100	$ 1,407,795	100

Code	Liabilities and equity	December 31, 2022 Amount	%	December 31, 2021 Amount	%
	Current liabilities				
2100	Short-term borrowing (Notes 16, 25 and 27)	$ 34,000	3	$ 69,913	5
2110	Short-term notes payable (Notes 16, 25 and 27)	12,714	1	30,005	2
2120	Financial liabilities at fair value through profit or loss - current (Notes 7 and 27)	344	-	188	-
2130	Contractual liabilities - current (Note 21)	9,262	1	4,496	-
2150	Notes payable (Notes 17 and 27)	4,121	-	5,831	1
2170	Accounts payable (Notes 17 and 27)	24,526	2	42,150	3
2219	Other payables (Notes 18 and 27)	28,892	2	33,714	2
2280	Lease liabilities - current (Notes 14, 25 and 27)	6,847	-	2,490	-
2230	Income tax liabilities of the period (Note 23)	247	-	14,546	1
2399	Other current liabilities	444	-	488	-
21XX	Total current liabilities	121,397	9	203,821	14
	Non-current liabilities				
2570	Deferred income tax liabilities (Note 23)	45,999	4	46,938	4
2580	Lease liabilities - non-current (Notes 14, 25 and 27)	24,224	2	-	-
2550	Liability reserves - non-current (Note 14)	4,627	-	-	-
2640	Net defined benefit liabilities - non-current (Note 19)	10,466	1	17,363	1
25XX	Total non-current liabilities	85,316	7	64,301	5
2XXX	Total liabilities	206,713	16	268,122	19
	Owner's equity attributable to owner of the Company (Note 20)				
	Share capital				
3110	Common stock	610,560	48	610,560	43
3200	Capital surplus	53,309	4	53,309	4
	Retained earnings				
3310	Legal reserve	210,483	17	202,902	14
3320	Special reserve	98,028	8	98,028	7
3350	Undistributed retained earnings	91,599	7	174,874	13
3300	Total retained earnings	400,110	32	475,804	34
3XXX	Total equity	1,063,979	84	1,139,673	81
	Total liabilities and equity	$ 1,270,692	100	$ 1,407,795	100

The attached notes are part of the consolidated financial report.

Chairman: Tsai, Cheng-Fung　　Manager: Lin, Cheng-Chien　　Head of Accounting: Chen Fu-Mei

Yong Shun Chemical Co., Ltd. and Subsidiaries
Consolidated Statement of Comprehensive Income
For the years ended December 31, 2022 and December 31, 2021
Unit: NTD thousand, except earnings (losses) per share which is in NTD

Code		2022 Amount	2022 %	2021 Amount	2021 %
4000	Operating revenue (Note 21)	$ 1,134,234	100	$ 1,148,633	100
5000	Operating costs (Notes 11 and 22)	(1,084,967)	(95)	(971,381)	(84)
5900	Operating margin	49,267	5	177,252	16
	Operating expenses (Note 22)				
6100	Selling expenses	(37,531)	(3)	(40,893)	(4)
6200	Administrative expenses	(37,361)	(3)	(39,559)	(3)
6300	Research and development expenses	(5,569)	(1)	(5,709)	(1)
6450	Expected credit recovery gain (impairment loss)	4,060	-	(900)	-
6000	Total operating expenses	(76,401)	(7)	(87,061)	(8)
6900	Operating net (loss) income	(27,134)	(2)	90,191	8
	Non-operating income and expenses (Notes 22 and 31)				
7100	Interest income	2,013	-	1,579	-
7010	Other income	655	-	846	-
7020	Other gains and losses	2,176	-	1,464	-
7050	Finance costs	(1,065)	-	(688)	-
7000	Total non-operating income and expenses	3,779	-	3,201	-
7900	Net profit (loss) before tax	(23,355)	(2)	93,392	8
7950	Income tax income (expense) (Note 23)	4,164	-	(16,011)	(1)
8200	Net (loss) profit for the year	(19,191)	(2)	77,381	7

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Code		2022 Amount	2022 %	2021 Amount	2021 %
	Other comprehensive income (Notes 19, 20 and 23)				
	Items not reclassified into profit or loss:				
8311	Remeasurement of defined benefit obligation	$ 5,691	1	($ 1,960)	-
8341	Income tax related to items not reclassified	(1,138)	-	392	-
8310		4,553	1	(1,568)	-
8300	Other comprehensive income of the period (net after tax)	4,553	1	(1,568)	-
8500	Comprehensive income of the period	($ 14,638)	(1)	$ 75,813	7
	Net profit attributable to				
8610	Owner of the Company	($ 19,191)	(2)	$ 77,381	7
8620	Non-controlling interest	-	-	-	-
8600		($ 19,191)	(2)	$ 77,381	7
	Consolidated profit or loss attributable to				
8710	Owner of the Company	($ 14,638)	(1)	$ 75,813	7
8720	Non-controlling interest	-	-	-	-
8700		($ 14,638)	(1)	$ 75,813	7
	Earnings (losses) per share (Note 24)				
9750	Basic	($ 0.31)		$ 1.27	
9850	Diluted	($ 0.31)		$ 1.27	

The attached notes are part of the consolidated financial report.

Chairman: Tsai, Cheng-Fung Manager: Lin, Cheng-Chien Head of Accounting: Chen, Fu-Mei

Yong Shun Chemical Co., Ltd. and Subsidiaries
Consolidated Statement of Changes in Equity
For the years ended December 31, 2022 and December 31, 2021

Unit: NTD thousands

Code		Share capital			Retained earnings			
		Number of shares (thousand)	Amount	Capital surplus	Legal reserve	Special reserve	Undistributed retained earnings	Total equity
A1	Balance on January 1, 2021	61,056	$ 610,560	$ 53,309	$ 197,246	$ 98,028	$ 153,561	$ 1,112,704
	Earnings distribution for 2020							
B1	Legal reserve	-	-	-	5,656	-	(5,656)	-
B5	Cash dividends	-	-	-	-	-	(48,844)	(48,844)
D1	Net profit for 2021	-	-	-	-	-	77,381	77,381
D3	Other after-tax comprehensive income of 2021	-	-	-	-	-	(1,568)	(1,568)
D5	Total comprehensive income of 2021	-	-	-	-	-	75,813	75,813
Z1	Balance on December 31, 2021	61,056	610,560	53,309	202,902	98,028	174,874	1,139,673
	Earnings distribution for 2021							
B1	Legal reserve	-	-	-	7,581	-	(7,581)	-
B5	Cash dividends	-	-	-	-	-	(61,056)	(61,056)
D1	Net loss for 2022	-	-	-	-	-	(19,191)	(19,191)
D3	Other after-tax comprehensive income of 2022	-	-	-	-	-	4,553	4,553
D5	Total comprehensive income of 2022	-	-	-	-	-	(14,638)	(14,638)
Z1	Balance on December 31, 2022	61,056	$ 610,560	$ 53,309	$ 210,483	$ 98,028	$ 91,599	$ 1,063,979

The attached notes are part of the consolidated financial report.

Chairman: Tsai, Cheng-Fung Manager: Lin, Cheng-Chien Head of Accounting: Chen, Fu-Mei

Yong Shun Chemical Co., Ltd. and Subsidiaries
Consolidated Statement of Cash Flow
For the years ended December 31, 2022 and December 31, 2021

Unit: NTD thousands

Code		2022	2021
	Cash flow from operating activities		
A10000	Net income (loss) before tax	($ 23,355)	$ 93,392
A20010	Income, expenses and losses		
A20100	Depreciation expenses	22,514	22,449
A20200	Amortization expenses	50	50
A20300	Expected credit impairment (recovery gain)	(4,060)	900
A20400	Net gain (loss) of financial liabilities at fair value through profit or loss	156	(730)
A20900	Finance costs	1,065	688
A21200	Interest income	(2,013)	(1,579)
A22500	Gain on disposal of property, plant, and equipment	(180)	(572)
A23800	Loss on decline in value of inventories	20,683	1,689
A29900	Inventory scrapping loss	1,254	983
A30000	Net change of operating assets and liabilities		
A31130	Notes receivable	7,160	(3,639)
A31150	Accounts receivable	102,232	(40,011)
A31200	Inventory	35,095	(89,054)
A31230	Prepayments	2,038	(827)
A31240	Other current assets	293	230
A32125	Contractual liabilities	4,766	1,532
A32130	Notes payable	(1,710)	(974)
A32150	Accounts payable	(17,624)	(10,414)
A32180	Other payables	(4,822)	1,584
A32230	Other current liabilities	(2,453)	79
A32240	Defined benefit liabilities	(2,344)	(1,254)
A33000	Cash from operations	138,745	(25,478)
A33100	Interest received	1,991	1,579
A33300	Interest paid	(718)	(597)
A33500	Income tax paid	(22,387)	2,204
AAAA	Net cash inflow (outflow) from operating activities	117,631	(22,292)

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Code		2022	2021
	Cash flow from investment activities		
B02700	Acquisition of property, plant and equipment	($ 10,030)	($ 13,027)
B02800	Proceeds from disposal of property, plant and equipment	197	572
B07200	Increase in prepaid equipment purchase	(1,843)	(315)
BBBB	Net cash outflow from investments	(11,676)	(12,770)
	Cash flow from financial activities		
C00200	Increase (decrease) in short-term borrowings	(35,913)	29,913
C00500	Decrease in short-term notes payable	(17,291)	(13,045)
C04020	Repayment of lease liability principal	(7,328)	(6,775)
C04500	Dividend payment to owner of the Company	(61,056)	(48,844)
CCCC	Net cash outflow from financial activities	(121,588)	(38,751)
EEEE	Decrease in cash and cash equivalents	(15,633)	(73,813)
E00100	Cash and cash equivalents at the beginning of the year	353,700	427,513
E00200	Cash and cash equivalents at the end of the year	$ 338,067	$ 353,700

The attached notes are part of the consolidated financial report.

Chairman: Tsai, Cheng-Fung Manager: Lin, Cheng-Chien Head of Accounting: Chen, Fu-Mei

(NTD thousand, Unless Stated Otherwise)

I. Organization and Operations

Yong Shun Chemical Co., Ltd. (hereinafter referred to as "the Company") was established in July 1965, mainly engaged in the manufacturing and sales of multi-component resins, special coating resins and fiber auxiliaries as well as the manufacturing, processing and trading of various reinforced plastic-steel products, the manufacturing of the auxiliary raw materials, the purchase of raw materials, and the import and export of finished products.

The Company's stock has been traded on the Taipei Exchange of the Republic of China since February 1999.

The consolidated financial statements of the Company and its subsidiaries, collectively referred to as the “Group” are presented in the Company’s functional currency, the New Taiwan dollar.

II. Financial Statement Approval Date and Procedures

The consolidated financial report was approved by the Board of Directors on March 13, 2023.

III. Application of new standards, amendments, and interpretations

(I) Initial application of the amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (hereinafter referred to collectively as the “IFRSs”) endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The application of the revised IFRSs approved and issued by the FSC will not result in a material change in the accounting policies of the Group.

(II) FSC-approved IFRSs applicable from 2023 onwards

New/amended/revised standards and interpretations	Effective date of IASB announcement
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 Tax Related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 3)

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

Note 2: The amendments apply to changes in accounting estimates and in accounting policies that occur during the annual reporting period beginning on and after January 1, 2023.

Note 3: In addition to recognizing deferred income tax on the temporary difference between leases and decommissioning obligations on January 1, 2022, the amendment is applicable to transactions that occur after January 1, 2022.

1. Amendments to IAS 1 “Disclosure of Accounting Policies”

The amendments clearly stipulate that the Group shall determine the material accounting policy information to be disclosed based on the definition of materiality. If accounting policy information can be reasonably expected to affect the decisions made by the main users of general-purpose financial statements based on these financial statements, the accounting policy information is material. The amendments also clarify:

- Accounting policy information related to non-material transactions, other matters, or circumstances that are non-material, and the Group is not required to disclose such information.

- The Group may determine the relevant accounting policy information to be material due to the nature of transactions, other matters, or circumstances, even if the amount is not material.
- Not all accounting policy information related to the significant transaction, other matters, or circumstances is material.

In addition, the amendments also illustrate that if the accounting policy information is related to material transactions, other matters, or circumstances while in line with the following circumstances, the information may be material:

(1) The Group changes its accounting policies during the reporting period, and the change results in a material change in financial statement information;
(2) The Group selects its applicable accounting policies from the options allowed by the standards;
(3) Due to the lack of specific standards, the Group has formulated accounting policies in accordance with IAS 8 "Accounting Policies, Changes and Errors in Accounting Estimates";
(4) The Group discloses the accounting policies that are determined using significant judgments or assumptions; or
(5) Complicated accounting treatment rules are involved and the user of the financial statements relies on the information to understand significant transactions or other matters or circumstances.

2. Amendments to IAS 8 “Definition of Accounting Estimates”

The amendments define accounting estimates as the currency amount affected by measurement uncertainty in the financial statements. When applying accounting policies, the Group may need to measure the items in the financial statements using the currency amount that cannot be observed directly and must be estimated. When measuring the effect of the changes in technique or input value on accounting estimates, they shall be the changes in accounting estimates if they are not the correction of the previous errors.

In addition to the impacts referred to above, as of the date the financial report was authorized for issue, the Group has assessed the possible impact that the application of other standards and interpretations will not have a material impact on the Group’s financial position and financial performance.

(III) IFRSs issued by the IASB but not yet approved and released by the FSC

New/amended/revised standards and interpretations	Effective date announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be determined
Amendments to IFRS 16 “Lease Liabilities under 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 "First-time Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Contractual Clauses”	January 1, 2024

Note 1: Unless stated otherwise, the new/amended/ revised standards and interpretations above are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee should apply the amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (Amended in 2020) and "Non-current Liabilities with Contractual Clauses" (Amended in 2022)

Amended in 2020 to clarify that when determining whether a liability is classified as non-current, it is necessary to assess whether the Group has the right to defer the settlement period to at least 12 months after the reporting period at the end of the reporting period. If the Group has the right at the end of the reporting period, regardless of whether the Group expects to exercise the right, the liabilities are classified as non-current.

The 2020 amendments further specify that if the Group must comply with certain conditions before it has the right to defer payment of its liabilities, the Group must have complied with certain conditions at the end of the reporting period, even if the lender is testing whether the Group has complied with those conditions at a later date. The 2022 amendments further clarify that only the contractual terms that must be followed before the end of the reporting period will affect the classification of liabilities. Although the terms of the contract to be followed within 12 months after the reporting period do not affect the classification of liabilities, relevant information must be disclosed to enable users of the financial statements to understand that the Group may not be able to comply with the contractual terms and be required to make repayments within 12 months after the reporting period.

The 2020 amendments provide that, for the purpose of liability classification, the aforementioned settlement refers to the extinguishment of liabilities due to the transfer of cash, other economic resources, or equity instruments of the Group to the counterparty. However, if the terms of the liability may be based on the choice of the counterparty, resulting in the settlement of the equity instrument of the Group, and if the choice is separately recognized in equity according to IAS 32 "Financial Instruments: Presentation", the aforementioned clauses do not affect the classification of liabilities.

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

IV. Summary of Significant Accounting Policies

(I) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs approved and issued by the FSC.

(II) Basis of preparation

In addition to financial instruments measured at fair value and net defined benefit liabilities recognized at the present value of defined benefit obligations less the fair value of planned assets, the consolidated financial statements are prepared based on historical cost.

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.
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., derived from prices).
3. Level 3 inputs are unobservable inputs for the asset or liability.

(III) Criteria for distinguishing current and non-current assets and liabilities

Current assets include:

1. Assets held primarily for trading purposes;
2. Assets expected to be realized within 12 months of the balance sheet date, and
3. Cash and cash equivalents (other than those restricted from being exchanged or settled more than 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for trading purposes;

2. Liabilities due for settlement within 12 months of the balance sheet date (long-term refinancing or rescheduled agreements completed after the balance sheet date and before the issuance of the financial report are also current liabilities), and
3. Liabilities that cannot be unconditionally deferred until at least 12 months after the balance sheet date. If the terms of the liability may be settled by issuing equity instruments at the choice of the counterparty, the classification will not be affected.

Assets or liabilities that are not classified as current assets or liabilities are classified as non-current assets or non-current liabilities.

(IV) Basis of consolidation

The consolidated financial statements incorporate the financial instruments of the Company and the entities controlled by the Company (i.e., its subsidiaries). In the consolidated statement of comprehensive income, the operating income of the acquired or discontinued subsidiaries since the acquisition date or until the disposal date has been included. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Group. All intra-group transactions, balances, income, and expenses are eliminated in full upon consolidation. The total comprehensive income of the subsidiaries is attributable to the owners and to the non-controlling interest of the Company, even if the non-controlling interest becomes a loss.

Where the change of ownership rights of the subsidiaries of the Group does not result in a loss of control, it shall be treated as an equity transaction. The book values of the Group and non-controlling interests have been adjusted to reflect the change in the relative interests in subsidiaries. The difference between the adjusted amount of non-controlling interests and the fair value of the consideration paid or received is directly recognized as equity and belongs to the owners of the Company.

For details of subsidiaries, shareholding ratio and business items, please refer to note 12 and Table 3.

(V) Foreign currency

Within the financial statements for each individual entity, every transaction in a currency other than the individual's functional currency (foreign currency) is converted into the functional currency based on the exchange rate on the transaction date.

Monetary items denominated in foreign currencies are converted at the closing rate on the balance sheet date. Exchange differences arising from the settlement of monetary items or the conversion of monetary items are recognized in profit or loss in the period they occur.

Non-monetary items denominated in foreign currencies that are measured at fair value are converted at the prevailing exchange rates on the date when the fair values are determined, and the resulting exchange differences are recognized in profit or loss for the current period, except for those arising from changes in fair value that should be recognized in other comprehensive income.

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

(VI) Inventory

Inventory includes raw materials, supplies, finished goods and work-in-progress. Inventories are measured at a lower cost or net realizable value. Comparisons between cost and net realizable value are made on an item-by-item basis, except for inventories of the same type. The net realizable value is the estimated selling price under normal circumstances less the estimated costs still to be invested to completion and the estimated costs required to complete the sale. The cost of inventories is calculated using the weighted-average method.

(VII) Property, plant, and equipment

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

Property, plant and equipment are depreciated separately over their useful lives on a straight-line basis for each significant component. The Group reviews the estimated useful lives, residual values and depreciation methods at least at the end of each year and defers the effect of changes in applicable accounting estimates.

When property, plant and equipment are de-recognized, the difference between the net disposal price and the carrying amount of the assets is recognized in profit or loss.

(VIII) Intangible assets

1. Single acquisition

Individually acquired intangible assets with finite useful lives are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized on a straight-line basis over their useful lives. The Group reviews the estimated useful lives, residual values and amortization methods at least at the end of each year and defers the effect of changes in applicable accounting estimates. Intangible assets with uncertain useful lives are presented at cost less accumulated impairment losses.

2. Derecognition

When intangible assets are de-recognized, the difference between the net disposal price and the carrying amount of the assets is recognized in the current profit or loss.

(IX) Impairment loss of property, plant and equipment, right-of-use assets and intangible assets.

The Group assesses at each balance sheet date whether there is any indication that property, plant and equipment, right-of-use assets and intangible assets may have been impaired. If any indication of impairment exists, the recoverable amount of the asset is estimated. If the recoverable amount of an individual asset cannot be estimated, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Common assets are allocated to the group of minimum cash-generating units on a reasonable and consistent basis.

The recoverable amount is the higher fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is less than its carrying amount, then the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, and the impairment loss is recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised recoverable amount, provided that the increased carrying amount does not exceed the carrying amount (net of amortization or depreciation) that would have been determined if the impairment loss had not been recognized in prior years for that asset or cash-generating unit. Reversal of impairment loss is recognized in profit or loss.

(X) Financial instruments

Financial assets and financial liabilities are recognized in the consolidated balance sheet when the Group becomes a party to the contractual provisions of the instrument.

When financial assets and financial liabilities are not initially recognized at fair value through profit or loss, they are measured at fair value plus transaction costs directly attributable to the acquisition or issuance of the financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1. Financial assets

Regular transactions of financial assets are recognized and de-recognized using trade date accounting.

(1) Type of measurements

The types of financial assets held by the Group are financial assets at amortized cost.

<u>Financial assets measured at amortized costs</u>

The Group's investment in financial assets is classified as financial assets carried at amortized cost if both of the following two conditions are met:

A. It is held under an operating model in which financial assets are held for the purpose of receiving contractual cash flows; and

B. The terms of the contract generate cash flows on specific dates that are solely for the payment of principal and interest on the outstanding principal amount.

Financial assets measured at amortized cost (including cash and cash equivalents, notes receivable, accounts receivable and other receivables measured at amortized cost, and refundable deposits), after initial recognition, are measured at amortized cost using the effective interest method to determine the total carrying amount less any impairment loss, and any foreign currency exchange gain or loss is recognized in profit or loss.

Interest income is calculated by multiplying the effective interest rate by the total carrying amount of the financial assets, except for the following two cases:

A. For credit-impaired financial assets purchased or established, interest income is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial assets.

B. For financial assets that are not acquired or created but subsequently become impaired, interest income should be computed by multiplying the effective interest rate by the amortized cost of the financial assets from the next reporting period after the impairment is applied.

Credit-impaired financial assets are those for which the issuer or the debtor has experienced significant financial difficulties or defaulted, or where it is probable that the debtor will declare bankruptcy or other financial reorganization, or where an active market for the financial assets has disappeared due to financial difficulties.

Cash equivalents include time deposits that are highly liquid, readily convertible into fixed deposits with minimal risk of changes in value within 3 months from the date of acquisition and are used to meet short-term cash commitments.

(2) Impairment of financial assets

The Group assesses impairment losses on financial assets (including accounts receivable) measured at amortized cost based on expected credit losses at each balance sheet date.

Accounts receivable are recognized as a loss provision based on the expected credit loss over the period of survival. Other financial assets are first evaluated to determine whether there is a significant increase in credit risk since initial recognition. If there is no significant increase, an allowance for loss is recognized based on the expected credit loss over 12 months. If there is a significant increase, a loss provision is recognized based on the expected credit loss over the remaining period.

Expected credit loss is a weighted average credit loss weighted by the risk of default. The 12-month expected credit loss represents the expected credit loss arising from possible defaults within 12 months after the reporting date of the financial instrument, and the ongoing, expected credit loss represents the expected credit loss arising from all possible defaults during the expected life of the financial instrument.

For internal credit risk management purposes, the Group determines, without regard to the collateral held, that a default on a financial asset has occurred in the following circumstances.

A. There is internal or external information that indicates that the debtor is unlikely to be able to pay its debts.

B. Financial assets are more than 365 days past due, unless there is reasonable and supportable information indicating that the basis for delayed default is more appropriate.

All impairment losses on financial assets are reversed by reducing the carrying amount through the provision account. However, the loss provision on investments in debt instruments at fair value through other comprehensive income are recognized in other comprehensive income without reducing their carrying amount.

(3) De-recognition on financial assets

The Group derecognizes financial assets only when the contractual rights to the cash flows from the financial assets lapse or when the financial assets have been transferred and substantially all the risks and rewards of ownership of the assets have been transferred to other enterprises.

When the financial asset is de-recognized as a whole at amortized cost, the difference between the carrying amount of the financial asset and the consideration received is recognized in profit or loss. When investments in debt instruments at fair value through other comprehensive income are de-recognized as a whole, the difference between the carrying amount of the investments and the sum of the consideration received and any accumulated gain or loss recognized in other comprehensive income is recognized in profit or loss. When investments in equity instruments measured at fair value through other comprehensive income are de-recognized as a whole, the cumulative gain or loss is transferred directly to retained earnings and is not reclassified as profit or loss.

2. Financial liabilities

(1) Subsequent measurements

All financial liabilities are measured at amortized cost using the effective interest method, except for the following.

<u>Financial liabilities at fair value through profit or loss</u>

Financial liabilities measured at fair value through profit and loss are held for trading.

Financial liabilities held for trading are measured at fair value, and gains or losses arising from their re-measurement are recognized in other gains and losses.

For the determination of fair value, please refer to note 27.

(2) De-recognition of financial liabilities

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

3. Derivatives

The derivative instruments entered into by the Group include forward foreign exchange contracts used to manage the Group's exchange rate risks.

Derivatives are initially recognized at fair value upon entering into derivative contracts and subsequently remeasured at fair value at the balance sheet date, with gains or losses arising from subsequent measurements recognized directly in profit or loss. However, for derivatives that are designated and are effective hedging instruments, the timing of their recognition in profit or loss will depend on the nature of the hedging. When the fair value of a derivative is positive, it is classified as a financial asset; when the fair value is negative, it is classified as a financial liability.

Derivatives that are embedded in asset master contracts within the scope of IFRS 9, "Financial Instruments", are used as a whole to determine the classification of financial assets. A derivative is considered to be a separate derivative if it is embedded in a master contract of an asset that is not within the scope of IFRS 9 (e.g., embedded in a master contract of a financial liability) and the embedded derivative meets the definition of a derivative, the risks and characteristics of which are not closely related to those of the master contract and the hybrid contract is not measured at fair value through profit or loss.

(XI) Revenue recognition

The Group allocates the transaction price to each performance obligation after the performance obligation is identified in the customer contract and recognizes revenue when each performance obligation is satisfied.

Revenue from product sales

Revenue from product sales is from the manufacturing and sale of multi-resins. The Group recognizes revenue when the product is delivered and control of ownership is transferred. Advance receipt of payments for the sale of goods are recognized as contract liabilities before the products are delivered.

(XII) Leases

The Group assesses whether a contract is (or contains) a lease at the contract inception date.

The Group as lessee

Right-of-use assets and lease liabilities are recognized at the lease commencement date for all leases, except for leases of low-value underlying assets and short-term leases to which the recognition exemption applies, where lease payments are recognized as expenses on a straight-line basis over the lease term.

The right-of-use asset is measured initially at cost (consisting of the original measurement amount of the lease liability, lease payments made prior to the commencement date of the lease less lease incentives received, original direct cost and estimated cost of restoration of the subject asset) and subsequently measured at cost less accumulated depreciation and accumulated impairment losses, and the re-measurement of the lease liability is adjusted. Right-of-use assets are presented separately in the consolidated balance sheet.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease either to the end of the useful life or the end of the lease term, whichever occurs first.

Lease liabilities are measured initially at the present value of lease payments (primarily fixed payments). Lease payments are discounted using the interest rate implied by the lease if it is readily recognizable. If the rate is not readily identifiable, the lessee's incremental borrowing rate is used.

Subsequently, the lease liabilities are measured at amortized cost basis using the effective interest method and interest expense is allocated over the lease term. If the lease term, the expected payment amount under the guarantee of residual value, the evaluation of the purchase option of the underlying assets or the index or rate used to determine the lease payment changes, which leads to a future lease payment change, the Group remeasures the lease liability and adjusts the right-of-use asset accordingly. However, if the carrying amount of the right-of-use asset is reduced to zero, the remaining re-measurement amount is recognized in profit or loss. Lease liabilities are presented separately in the consolidated balance sheet.

(XIII) Borrowing cost

Borrowing costs directly attributable to the acquisition, construction or production of an asset that meet the criteria are included as part of the cost of the asset until substantially all of the activities necessary to bring the asset to its intended use or sale condition have been completed.

Investment income earned on the temporary investment from specific borrowings pending the occurrence of qualifying capital expenditures is deducted from the qualifying borrowing costs for capitalization.

Except for the above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(XIV) Employee benefits

1. Short-term employee benefits

   Short-term employee benefit-related liabilities are measured at the non-discounted amount expected to be paid in exchange for employee services.

2. Post-employment benefits

   Payments to the defined contribution pension plan is an expense that recognizes the amount of pension benefits to be contributed during the employees' service period.

The defined benefit cost (including service cost, net interest and re-measurement) of the defined benefit pension plan is actuarially determined using the projected unit benefit method. Service costs (including current service cost and previous service cost and settlement profit and loss) and the net interest on net defined benefit liabilities (assets) are recognized as employee benefit expenses when they occur, when the plan is revised or curtailed and when liquidation occurs. Re-measurements (including actuarial gains and losses and return on plan assets, net of interest) are recognized in other comprehensive income as incurred and included in retained earnings, and are not reclassified to profit or loss in subsequent periods.

The net defined benefit liability (asset) represents the appropriation deficit (surplus) of the defined benefit pension plan. The net defined benefit asset must not exceed the present value of the refund of appropriation from the plan or of the reduction of future appropriation.

3. Severance benefits

The Group recognizes a severance benefit liability when it can no longer withdraw its offer of severance benefits, or recognizes the associated restructuring costs, whichever is earlier.

(XV) Income tax

Income tax expense represents the sum of the current tax payable and deferred tax.

1. Current tax payable

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

Income tax on undistributed earnings calculated in accordance with the ROC Income Tax Act is recognized in the year when the shareholders resolve to retain the earnings.

Adjustments to prior years' income tax payable are to be included in the current period's income tax.

2. Deferred tax

Deferred income tax is computed on temporary differences between the carrying amounts of assets and liabilities and the tax basis of taxable income.

Deferred income tax liabilities are generally recognized for all taxable temporary differences, and deferred income tax assets are recognized to the extent that it is probable that taxable profit will be available against which income tax credits can be utilized for temporary differences.

Deferred income tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets are recognized for deductible temporary differences associated with such investments only to the extent that it is probable that sufficient taxable income will be available to allow the temporary differences to be realized and to the extent that a reversal is expected in the foreseeable future.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient tax assets will be available to allow recovery of all or part of the asset. Deferred income tax assets that have not been recognized are reviewed at each balance sheet date and the carrying amount is increased to the extent that it is probable that future taxable income will be available to recover all or part of the asset.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled or the asset is realized, which are based on tax rates and tax laws that have been legislated or substantively legislated at the balance sheet date. The measurement of deferred income tax liabilities and assets reflects the tax consequences of the manner in which the Group expects to recover or settle the carrying amounts of its assets and liabilities at the balance sheet date.

3. Income tax of the current period and deferred income tax

Current and deferred income taxes are recognized in profit or loss, except for current and deferred income taxes related to items recognized in other comprehensive income or directly in equity, which are recognized in other comprehensive income or directly in equity, respectively.

V. Sources of Uncertainty to Significant Accounting Judgments, Estimates, and Assumptions

In adopting accounting policies, the Group's management is required to make judgments, estimates and assumptions that are based on historical experience and other relevant factors when relevant information is not readily available from other sources. Actual results may differ from estimates.

The Group takes the recent development of COVID-19 and the possible impact on the economic environment into the consideration of major accounting estimates such as cash flow estimates, growth rates, discount rates, profitability, etc. Management will review estimates and underlying assumptions on an ongoing basis. If a revision of an estimate affects only the current period, it is recognized in the period in which it is revised. If a revision of an accounting estimate affects both the current and future periods, it is recognized in the period in which it is revised and in the future period.

VI. Cash and cash equivalents

	December 31, 2022	December 31, 2021
Cash on hand and working capital	$ 140	$ 140
Checking accounts and demand deposits	87,990	83,742
Cash equivalents		
Commercial paper	249,937	269,818
	$ 338,067	$ 353,700

VII. Financial instruments at fair value through profit or loss

	December 31, 2022	December 31, 2021
Financial liabilities - current		
Derivative instruments		
(not specified for hedging)		
- FX forward contracts	$ 344	$ 188

The FX forward contracts on the balance sheet date that are not subject to hedge accounting and have not yet matured are as follows:

	Currency	Maturity period	Contract amount (NTD thousand)
December 31, 2022			
Purchase of FX forward contract	NTD to USD	November 7, 2022 ~ January 30, 2023	NTD7,704/USD240
Purchase of FX forward contract	NTD to USD	December 09, 2022 ~ March 1, 2023	NTD5,310/USD174
Purchase of FX forward contract	NTD to USD	December 19, 2022 ~ March 16, 2023	NTD1,004/USD33
December 31, 2021			
Purchase of FX forward contract	NTD to USD	November 1, 2021 ~ April 21, 2022	NTD9,468/USD340
Purchase of FX forward contract	NTD to USD	December 13, 2021 ~ June 2, 2022	NTD20,695/USD744
Purchase of FX forward contract	NTD to USD	December 6, 2021 ~ March 3, 2022	NTD1,246/USD45

The purpose of the engagement in FX forward contracts by the Group in 2021 and 2022 was to avoid the risk of foreign currency assets and liabilities arising from exchange rate fluctuations. The FX forward contracts held by the Group do not meet the effective hedging conditions, so hedge accounting is not applicable.

VIII. Financial assets measured at amortized costs

	December 31, 2022	December 31, 2021
Current		
Domestic investment		
Time deposits with original maturity over 3 months	$ 99,000	$ 99,000

As of December 31, 2022 and December 31, 2021, the interest rate range of time deposits with original maturity over 3 months is 1.2-1.325% and 0.755% per annum.

The Group has no pledge of financial assets measured at amortized cost.

IX. Credit risk management of debt instrument investment

The debt instruments invested by the Group are financial assets measured at amortized cost:

December 31, 2022

	At amortized cost
Total book value	$ 99,000
Loss provision	-
Amortized cost	$ 99,000

December 31, 2021

	At amortized cost
Total book value	$ 99,000
Loss provision	-
Amortized cost	$ 99,000

The credit risk of bank deposits and other financial instruments is measured and monitored by the financial departments of the Group. As the trading counterparties and performing parties of the Group are all banks with good credit ratings and financial institutions or corporate organizations of investment grade or above, there is no major doubt of default, so there is no major credit risk.

The current credit risk rating mechanism of the Group and the total book value of debt instrument investment of each credit rating are as follows:

Credit rating	Definition	Recognition basis of expected credit loss	Expected credit loss rate	Total book amount on December 31, 2022	Total book amount on December 31, 2021
Normal	The debtor's credit risk is low, and the debtor is fully capable of paying off the contractual cash flow.	12-month expected credit loss	0%	$ 99,000	$ 99,000

X. Notes receivable, accounts receivable and collection

	December 31, 2022	December 31, 2021
Notes receivable		
At amortized cost		
Arising from business	$ 35,616	$ 42,776
Accounts receivable		
At amortized cost		
Arising from business	$ 115,739	$ 217,371
Less: Loss allowance	(493)	(3,953)
	$ 115,246	$ 213,418

(I) Accounts receivable

The average credit period of the Group for commodity sales is 90 days, and the accounts receivable are not subject to interest. The policy adopted by the Group is to only conduct transactions with objects rated at or above the investment grade, and obtain sufficient guarantees when necessary to mitigate the risk of financial losses due to default. The Group will use other publicly available financial information and historical transaction records to rate its major customers. The Group continuously monitors the credit risk and the credit rating of the counterparty, and manages the credit risk through the annual review and approval of the counterparty's credit limit.

In order to mitigate the credit risk, the management of the Group assigned specialists to be responsible for the credit line decision, credit approval and other monitoring procedures to ensure that appropriate actions have been taken for the recovery of overdue receivables. In addition, the Group will review the recoverable amount of the receivables one by one on the balance sheet date to ensure that the unrecoverable receivables have been provided with appropriate impairment losses.

The Group recognizes the loss provision of accounts receivable based on the expected credit loss during the existence period. The expected credit loss during the duration is calculated using the preparation matrix, which takes into account customers' past default records and current financial situation, the industrial economic situation, the GDP forecast and the unemployment rate. Because the historical experience of credit loss of the Group shows that there is no significant difference between the loss types of different customer groups, the preparation matrix does not further distinguish customer groups, and only sets the expected credit loss rate based on the number of days of accounts receivable.

If there is evidence that the counterparty is facing serious financial difficulties and the Group cannot reasonably expect the recoverable amount, for example, the counterparty to the transaction is in liquidation or the debt has been established for more than 365 days, the Group will directly write off the relevant accounts receivable, but will continue the recovery activities. The amount recovered due to the recovery is recognized in profit or loss.

The following table details the loss allowance of accounts receivables based on the Group's provision matrix.

December 31, 2022

	Account established for 1 to 90 days	Account established for 91 to 180 days	Account established for 181 to 365 days	Account established for over 365 days	Total
Total book value	$ 109,084	$ 6,655	$ -	$ -	$ 115,739
Loss allowance (lifetime ECLs)	(193)	(300)	-	-	(493)
Amortized cost	$ 108,891	$ 6,355	$ -	$ -	$ 115,246

December 31, 2021

	Account established for 1 to 90 days	Account established for 91 to 180 days	Account established for 181 to 365 days	Account established for over 365 days	Total
Total book value	$ 204,128	$ 13,243	$ -	$ -	$ 217,371
Loss allowance (lifetime ECLs)	(193)	(3,760)	-	-	(3,953)
Amortized cost	$ 203,935	$ 9,483	$ -	$ -	$ 213,418

The provision for losses of accounts receivable is calculated according to the expected credit loss rate of each age range, and the expected credit loss rate for the years ended December 31, 2022 and December 31, 2021 is 0.17%～4.51% and 0.09%～28.39%, respectively.

Changes in loss provision on accounts receivable:

	2022	2021
Beginning balance	$ 3,953	$ 2,553
Add: Provision for impairment loss (reversal) for the current year	(3,460)	1,400
Ending balance	$ 493	$ 3,953

(II) Collections (listed under other non-current assets)

Information on the change in provision for bad debts from collections is as follows:

	2022	2021
Beginning balance	$ 25,219	$ 25,719
Less: Reversal of impairment losses for the year	(600)	(500)
Ending balance	$ 24,619	$ 25,219

As of December 31, 2022 and December 31, 2021, the amount of loss provision included individual impaired accounts receivable in significant financial difficulties, amounting to NTD24,619 thousand and NTD25,219 thousand, respectively, which had been transferred to collections (listed under other non-current assets). The Group does not hold any collateral for these receivable balances.

XI. Inventory

	December 31, 2022	December 31, 2021
Raw materials	$ 134,075	$ 149,142
Work-in-progress	4,390	9,378
Finished goods	110,372	147,349
	$ 248,837	$ 305,869

The nature of cost of goods sold is as follows:

	2022	2021
Cost of inventory sold	$ 1,064,284	$ 969,692
Inventory write-downs	20,683	1,689
	$ 1,084,967	$ 971,381

XII. Subsidiary

Subsidiaries included in consolidated financial statements

The entities of the consolidated financial report are as follows:

Name of the investor	Investee	Main Business	% of Ownership December 31, 2022	% of Ownership December 31, 2021
Yong Shun Chemical Co., Ltd.	Sun Yang Global Co., Ltd.	The manufacturing and sales of synthetic resins, plastics, coatings, paints, industrial additives, other chemical materials and other plastic products, and the procurement of raw materials for self use and the import and export of finished products related to the business referred to above.	100%	100%

The financial statements of Sun Yang Global Co., Ltd. are prepared in accordance with the company's financial statements audited by a CPA for the same period.

XIII. <u>Property, plant, and equipment</u>

	Land	Building	Machinery equipment	Transportation equipment	Office equipment	Leased improvements	Other equipment	Total
<u>Cost</u>								
Balance on January 1, 2022	$ 276,190	$ 148,382	$ 514,296	$ 15,444	$ 12,264	$ 6,515	$ 59,730	$ 1,032,821
Increase	-	314	5,803	1,790	1,456	224	2,852	12,439
Disposals	-	-	(2,159)	(2,532)	(836)	-	(289)	(5,816)
Reclassification	-	-	315	-	-	-	-	315
Balance on December 31, 2022	$ 276,190	$ 148,696	$ 518,255	$ 14,702	$ 12,884	$ 6,739	$ 62,293	$ 1,039,759
<u>Cumulative depreciation</u>								
Balance on January 1, 2022	$ -	$ 108,003	$ 491,638	$ 14,442	$ 9,446	$ 3,961	$ 55,823	$ 683,313
Depreciation expenses	-	3,852	6,895	455	1,253	748	1,313	14,516
Disposals	-	-	(2,142)	(2,532)	(836)	-	(289)	(5,799)
Balance on December 31, 2022	$ -	$ 111,855	$ 496,391	$ 12,365	$ 9,863	$ 4,709	$ 56,847	$ 692,030
Net on December 31, 2022	$ 276,190	$ 36,841	$ 21,864	$ 2,337	$ 3,021	$ 2,030	$ 5,446	$ 347,729
<u>Cost</u>								
Balance on January 1, 2021	$ 276,190	$ 146,912	$ 510,749	$ 15,255	$ 13,070	$ 6,098	$ 59,560	$ 1,027,834
Increase	-	1,470	6,738	804	1,506	417	170	11,105
Disposals	-	-	(3,191)	(615)	(2,312)	-	-	(6,118)
Balance on December 31, 2021	$ 276,190	$ 148,382	$ 514,296	$ 15,444	$ 12,264	$ 6,515	$ 59,730	$ 1,032,821
<u>Cumulative depreciation</u>								
Balance on January 1, 2021	$ -	$ 103,490	$ 486,720	$ 14,670	$ 10,782	$ 3,242	$ 54,682	$ 673,586
Depreciation expenses	-	4,513	8,109	387	976	719	1,141	15,845
Disposals	-	-	(3,191)	(615)	(2,312)	-	-	(6,118)
Balance on December 31, 2021	$ -	$ 108,003	$ 491,638	$ 14,442	$ 9,446	$ 3,961	$ 55,823	$ 683,313
Net on December 31, 2021	$ 276,190	$ 40,379	$ 22,658	$ 1,002	$ 2,818	$ 2,554	$ 3,907	$ 349,508

The Group's property, plant and equipment listed on December 31, 2021 and December 31, 2022 have been evaluated and there was no indication of impairment.

There was no interest capitalization on the property, plant and equipment of the Group in 2021 and 2022.

Depreciation expense is accrued on a straight-line basis for the following years of service:

Building	
Main building	20 to 50 years
Decoration work, etc.	3 to 10 years
Machinery Equipment	3 to 16 years
Transportation equipment	3 to 7 years
Office equipment	3 to 5 years
Leased improvements	1 to 15 years
Other equipment	2 to 10 years

Please refer to note 29 for the amount of property, plant and equipment pledged as loan collateral.

XIV. Lease arrangements

(I) Right-of-use assets

	December 31, 2022	December 31, 2021
Right-of-use assets amounts		
Buildings	$ 34,627	$ 2,436

	2022	2021
Increase in the right-of-use assets	$ 40,189	$ -
Depreciation charge for right-of-use assets		
Buildings	$ 7,998	$ 6,604

(II) Lease liabilities

	December 31, 2022	December 31, 2021
Lease liabilities amounts		
Current	$ 6,847	$ 2,490
Non-current	$ 24,224	$ -

The range of discount rate for lease liabilities are as follows:

	December 31, 2022	December 31, 2021
Buildings	1.484%～1.997%	1.484%

(III) Other lease agreements

	2022	2021
Short term lease expense	$ 590	$ 348
Total cash outflow from lease	($ 7,918)	($ 7,123)

The Group chooses to apply the recognition exemption to the leases of houses and buildings that meet the short-term lease criteria, and does not recognize the relevant right-of-use assets and lease liabilities for such leases.

(IV) Provision for liabilities

	December 31, 2022
Cost of decommissioning, remediation and restoration	$ 4,627

Provision for decommissioning, remediation, and restoration costs is based on historical experience and management's judgment of the likely demolition and relocation costs estimated. Such estimates may vary with the use of properties, plants, and equipment.

XV. Other assets

	December 31, 2022	December 31, 2021
Current		
Other receivables		
Interest receivable	$ 54	$ 32
Business tax refund receivable	70	534
Other	38	74
Provisional payment	290	83
	$ 452	$ 723
Non-current		
Collection	$ 24,619	$ 25,219
Less: Provision for bad debts	(24,619)	(25,219)
	$ -	$ -

XVI. Borrowings

(I) Short-term borrowing

	December 31, 2022	December 31, 2021
Secured loans		
- Bank loans	$ -	$ 913
Unsecured loans		
- Credit loans	34,000	69,000
	$ 34,000	$ 69,913

The interest rates of bank revolving loans as of December 31, 2022 and December 31, 2021 were 1.625%~2.30% and 1.23%~1.43%, respectively.

(II) Short-term notes payable

	December 31, 2022	December 31, 2021
Bank acceptances	$ 12,714	$ 30,005

Outstanding short-term notes payable were as follows:

December 31, 2022

Guarantee/acceptance institution	Book value	Original currency amount (USD)	Name of collateral	Book value of collateral
Bank acceptances				
Mega International Commercial Bank	$ 5,344	$ 174	None	$ -
Taiwan Cooperative Bank	7,370	240	None	-
	$ 12,714	$ 414		$ -

December 31, 2021

Guarantee/acceptance institution	Book value	Original currency amount (USD)	Name of collateral	Book value of collateral
Bank acceptances				
Hua Nan Bank	$ 30,005	$ 1,084	None	$ -

XVII. Notes and accounts payable

	December 31, 2022	December 31, 2021
Notes payable		
Arising from business	$ 4,121	$ 5,831
Accounts payable		
Arising from business	$ 24,526	$ 42,150

Accounts payable are paid at the agreed time in the contract. The Group has a financial risk management policy to ensure that all payables are repaid within the pre-agreed credit period.

XVIII. Other liabilities

	December 31, 2022	December 31, 2021
Current		
Other payables		
Directors' and supervisors' remuneration payable	$ -	$ 2,480
Employees' remuneration payable	-	1,643
Remuneration payable to employees of subsidiaries	21	160
Salary and bonus payable	18,734	19,377
Equipment payables	2,409	-
Other	7,728	10,054
	$ 28,892	$ 33,714

XIX. Retirement benefit plans

(I) Defined contribution plans

The pension system of the "Labor Pension Act" applicable to the Company and Sun Yang Global Co., Ltd. of the Group is a definite retirement plan managed by the government. 6% of the employee's monthly salary is appropriated to employees' individual account at the Bureau of Labor Insurance.

(II) Defined benefit plans

The pension system of the Group in accordance with the country's "Labor Standards Act" is a government-administered defined-benefit retirement plan. The employee's pension is calculated based on the length of service and the average salary for the six months before the approved retirement date. The Group allocates 10% of the total monthly salary of the employees to the pension, and hands it over to the Labor Retirement Reserve Supervision Committee to deposit it into the special account of the Bank of Taiwan in the name of the committee. Before the end of the year, if it is estimated that the balance of the special account is not sufficient to pay the workers who are expected to meet the retirement conditions in the next year, the difference will be provided in one go by the end of March of the next year. The special account is entrusted to the Bureau of Labor Fund of the Ministry of Labor for management, and the Group has no right to influence the investment management strategy.

The amounts of defined benefit plans included in the consolidated balance sheet are shown below:

	December 31, 2022	December 31, 2021
Present value of defined benefit obligations	$ 66,019	$ 73,393
Fair value of plan assets	(55,553)	(56,030)
Net defined benefit liabilities	$ 10,466	$ 17,363

Changes in net defined benefit liabilities (assets) are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities (assets)
Balance on January 1, 2022	$ 73,393	($ 56,030)	$ 17,363
Service cost			
Service costs for the current period	624	-	624
Interest expense (revenue)	459	(356)	103
Recognized as loss (profit)	1,083	(356)	727
Re-measurement			
Compensation for planned assets (excluding the amount included in net interest)	-	(4,898)	(4,898)
Actuarial (gain) loss	-	-	-
Changes in financial assumptions	(2,317)	-	(2,317)
Adjustment based on past experience	1,524	-	1,524
Recognized in other comprehensive income	(793)	(4,898)	(5,691)
Employer contribution	-	(1,933)	(1,933)
Benefit paid	(7,664)	7,664	-
Balance on December 31, 2022	$ 66,019	($ 55,553)	$ 10,466

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	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities (assets)
Balance on January 1, 2021	$ 80,927	($ 64,270)	$ 16,657
Service cost			
Service costs for the current period	741	-	741
Interest expense (revenue)	291	(232)	59
Recognized as loss (profit)	1,032	(232)	800
Re-measurement			
Compensation for planned assets (excluding the amount included in net interest)	-	(890)	(890)
Actuarial loss (gain)			
Changes in demographic assumptions	1,804	-	1,804
Changes in financial assumptions	(1,372)	-	(1,372)
Adjustment based on past experience	2,418	-	2,418
Recognized in other comprehensive income	2,850	(890)	1,960
Employer contribution	-	(2,054)	(2,054)
Benefit paid	(11,416)	11,416	-
Balance on December 31, 2021	$ 73,393	($ 56,030)	$ 17,363

The amounts recognized in profit or loss for defined benefit plans are summarized by function as follows:

	2022	2021
Operating costs	$ 452	$ 491
Operating expenses	275	309
	$ 727	$ 800

The Group is exposed to the following risks as a result of the “Labor Standards Act” pension system:

1. Investment risk: The Bureau of Labor Fund of the Ministry of Labor invests labor pension funds in domestic (foreign) equity and debt securities and bank deposits through self-operation and entrusted management, but the Group’s distributable amount of the plans’ assets is the income calculated at not lower than the 2-year fixed deposit interest rate of the local bank.
2. Interest rate risk: The decrease in interest rates of government/corporate bonds will increase the present value of the defined benefit obligation, but the return on the debt investment of the planned assets will also increase; the impact of the two on the net defined benefit liabilities is partially offset.
3. Salary risk: For the calculation of the present value of defined benefit obligations, reference is made to the future salaries of the members of the plans. Therefore, increases in plan members' salaries will result in an increase in the present value of the defined benefit obligation.

The present value of the Group’s defined benefit obligation was actuarially determined by a qualified actuary with the following significant assumptions as of the measurement date.

	December 31, 2022	December 31, 2021
Discount rate	1.375%	0.625%
Expected rate of salary increase	2.250%	2.000%

If there are reasonable possible changes in significant actuarial assumptions, the amount by which the present value of the defined benefit obligation would increase (decrease), with all other assumptions held constant, is as follows:

	December 31, 2022	December 31, 2021
Discount rate		
0.25% increase	($ 1,094)	($ 1,352)
0.25% decrease	$ 1,126	$ 1,394
Expected rate of salary increase		
0.25% increase	$ 1,099	$ 1,354
0.25% decrease	($ 1,073)	($ 1,320)

The sensitivity analysis above may not reflect actual changes in the present value of the defined benefit obligation, because the actuarial assumptions may be correlated and changes in only one assumption are not probable.

	December 31, 2022	December 31, 2021
Amount expected to be appropriated within 1 year	$ 1,920	$ 1,900
Average period of defined benefit obligation to maturity	6.8 years	7.5 years

XX. Equity

(I) Common share capital

	December 31, 2022	December 31, 2021
Authorized ordinary shares (in thousands)	61,056	61,056
Authorized capital	$ 610,560	$ 610,560
Issued and paid ordinary shares (in thousands)	61,056	61,056
Issued capital	$ 610,560	$ 610,560

The par value of each issued common share is NTD10; each share has one voting right and the right to receive dividends.

(II) Capital surplus

	December 31, 2022	December 31, 2021
May be used to offset a deficit, distributed cash dividend or transferred to shares (1)		
Treasury stock trading	$ 52,541	$ 52,541
Donated assets	768	768
	$ 53,309	$ 53,309

1. Such capital surplus 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 to once a year).

(III) Retained earnings and dividends policy

Under the dividends policy as set forth in the Company's Articles of Incorporation, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. Please refer to note 22(7) employees' remuneration and directors' and supervisors' remuneration for the distribution policy of employees' remuneration and directors' and supervisors' remuneration stipulated in the Articles of Association.

The company adopts a fixed and residual dividend policy for sustainable operation, sustainable growth and long-term financial planning based on the overall environment and the characteristics of the industrial development. Shareholders' dividends are distributed annually from the distributable surplus. The cash dividends are maintained between 10% and 90%, but may be adjusted according to changes in the internal and external business environment.

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

The Company sets aside and reverses special reserves in accordance with the requirements of the letters referenced Jin-Guan-Cheng-Fa No. 1010012865 and Jin-Guan-Cheng-Fa No. 1010047490, and "Questions and Answers on the Applicability of Appropriation of Special Reserves After Adoption of International Financial Reporting Standards (IFRSs)".

The Company's general shareholders' meeting on July 1, 2021 and June 9, 2022 respectively passed resolutions on the following earnings distribution schemes for 2021 and 2020:

	2021	2020
Legal reserve	$ 7,581	$ 5,656
Cash dividends	$ 61,056	$ 48,844
Cash dividends per share (NTD)	$ 1.00	$ 0.80

The Company's board meeting on March 13, 2023 proposed the following earnings distribution of 2022:

	2022
Cash dividends	$ 30,528
Cash dividends per share (NTD)	$ 0.5

The earnings distribution scheme for 2022 is pending the resolution of the general shareholders' meeting expected to be held in June 2023.

XXI. Revenue

	2022	2021
Revenues from sale of merchandise	$ 1,134,234	$ 1,148,633

(I) Contract balance

	December 31, 2022	December 31, 2021	January 1, 2021
Notes receivable (Note 10)	$ 35,616	$ 42,776	$ 39,137
Accounts receivable (Note 10)	$ 115,246	$ 213,418	$ 174,307
Contractual liabilities			
Goods sold	$ 9,262	$ 4,496	$ 2,964

(II) Breakdown of revenue from contracts with customers

Please refer to Note 33 for the breakdown of revenue.

XXII. Net (loss) profit for the year

(I) Interest income

	2022	2021
Cash in banks	$ 1,021	$ 840
Financial assets measured at amortized costs	992	739
	$ 2,013	$ 1,579

(II) Other income

	2022	2021
Grant revenue	$ 604	$ 681
Other	51	165
	$ 655	$ 846

(III) Other gains and losses

	2022	2021
Gain on disposal of property, plant, and equipment	$ 180	$ 572
Net foreign currency exchange benefits	2,152	162
Net gain (loss) of financial liabilities at fair value through profit or loss	(156)	730
	$ 2,176	$ 1,464

(IV) Finance costs

	2022	2021
Interest on bank loans	$ 718	$ 597
Interest on lease liabilities	347	91
	$ 1,065	$ 688

(V) Depreciation and amortization

	2022	2021
An analysis of depreciation by function		
Operating costs	$ 20,520	$ 20,516
Operating expenses	1,994	1,933
	$ 22,514	$ 22,449
An analysis of amortization by function		
Operating expenses	$ 50	$ 50

(VI) Employee benefits expense

	2022	2021
Short-term employee benefits		
Salary expense	$ 95,615	$ 101,539
Employee insurance expense	9,504	9,494
Post-employment benefits (Note 19)		
Defined contribution plans	3,500	3,481
Defined benefit plans	727	800
Severance benefits	321	-
Other employee benefits	5,315	5,312
Total employee benefits expense	$ 114,982	$ 120,626
An analysis by function		
Operating costs	$ 72,913	$ 76,120
Operating expenses	42,069	44,506
	$ 114,982	$ 120,626

(VII) Employees' compensation and remuneration of directors and supervisors

In accordance with the Articles of Association, the Company appropriates 1% to 3% of the balance as the employees' remuneration, and no more than 4% as the directors' and supervisors' remuneration. The resolutions on the employees' remuneration and directors' and supervisors' remuneration for 2021 by the board meetings on March 17, 2022 are as follows:

Ratio

	2021
Employees' remuneration	1.69%
Remuneration of directors and supervisors	2.55%

Amount

	2021	
	Cash	Stocks
Employees' remuneration	$ 1,643	$ -
Remuneration of directors and supervisors	2,480	-

As the Company suffered a loss before tax in 2022, remuneration to employees and remuneration to directors/supervisors were not estimated.

If there is a change in the proposed amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in accounting estimate in the following year.

There is no difference between the actual distribution amount of employees' remuneration and directors' and supervisors' remuneration in 2020 and 2021 and the amount recognized in the consolidated financial statements in 2020 and 2021.

For information on the employees' remuneration and directors' and supervisors' remuneration in accordance with the resolutions of the board meeting of the Company in 2021 and 2022, please visit the "MOPS" of the Taiwan Stock Exchange.

XXIII. Income tax

(I) The main components of income tax expenses recognized in profit/loss

	2022	2021
Current tax payable		
Generated in the current period	$ -	$ 16,597
R&D expenditures offset in the current year	-	(856)
Income tax on undistributed earnings	402	103
Adjustments of prior years	569	-
	971	15,844
Deferred tax		
Generated in the current period	(5,135)	167
Income tax expenses recognized in profit or loss	($ 4,164)	$ 16,011

A reconciliation of accounting income to current income tax (profit) expense is as follows:

	2022	2021
Net profit (loss) before tax	($ 23,355)	$ 93,392
Income tax on net profit (loss) before tax at the statutory tax rate	($ 4,467)	$ 20,812
Tax-free income	(204)	(2,134)
Surtax on undistributed earnings	402	103
Unrecognized deductible temporary differences	(464)	(1,914)
R&D expenditures offset in the current year	-	(856)
Adjustments to income tax expenses of prior years	569	-
Income tax expenses recognized in profit or loss	($ 4,164)	$ 16,011

(II) Income tax recognized in other comprehensive income

	2022	2021
Deferred tax		
Generated in the current period		
- Remeasurement of defined benefit obligation	$ 1,138	($ 392)
Income tax recognized in other comprehensive income	$ 1,138	($ 392)

(III) Income tax assets and liabilities of the current period

	December 31, 2022	December 31, 2021
Current tax assets		
Income tax receivable	$ 8,274	$ 19
Income tax liabilities of the period		
Income tax payable	$ 247	$ 14,546

(IV) Deferred income tax assets and liabilities

Changes in deferred income tax assets and liabilities:

2022

Deferred income tax assets	Beginning balance	Recognized as loss (profit)	Recognized in other comprehensive income	Ending balance
Temporary difference				
Financial liabilities at fair value through profit or loss	$ 38	$ 31	$ -	$ 69
Provision for bad debts	5,248	(631)	-	4,617
Write-down of inventories	2,335	4,136	-	6,471
Impairment loss	136	-	-	136
Unrealized gross sales profit of inventory in transit	1,548	(1,127)	-	421
Unrealized gross profit of goods sold to subsidiaries	83	(82)	-	1
Unrealized exchange loss	8	94	-	102
Financial assets measured at cost	7,591	-	-	7,591
Defined-benefit retirement plan	3,473	(242)	(835)	2,396
Others	-	186	-	186
Loss deduction	12,580	1,528	-	14,108
	$ 33,040	$ 3,893	($ 835)	$ 36,098

Deferred income tax liabilities	Beginning balance	Recognized as loss (profit)	Recognized in other comprehensive income	Ending balance
Temporary difference				
Property, plant, and equipment	$ 45,365	$ -	$ -	$ 45,365
Unrealized gross sales profit of inventory in transit	1,553	(1,222)	-	331
Defined-benefit retirement plan	-	-	303	303
Unrealized exchange gains	20	(20)	-	-
	$ 46,938	($ 1,242)	$ 303	$ 45,999

2021

Deferred income tax assets	Beginning balance	Recognized as loss (profit)	Recognized in other comprehensive income	Ending balance
Temporary difference				
Financial liabilities at fair value through profit or loss	$ 184	($ 146)	$ -	$ 38
Provision for bad debts	5,133	115	-	5,248
Write-down of inventories	1,997	338	-	2,335
Impairment loss	136	-	-	136
Unrealized gross sales profit of inventory in transit	1,488	60	-	1,548
Unrealized gross profit of goods sold to subsidiaries	79	4	-	83
Unrealized exchange loss	19	(11)	-	8
Financial assets measured at cost	7,591	-	-	7,591
Defined-benefit retirement plan	3,331	(250)	392	3,473
Loss deduction	12,580	-	-	12,580
	$ 32,538	$ 110	$ 392	$ 33,040

Deferred income tax liabilities	Beginning balance	Recognized as loss (profit)	Recognized in other comprehensive income	Ending balance
Temporary difference				
Property, plant, and equipment	$ 45,365	$ -	$ -	$ 45,365
Unrealized gross sales profit of inventory in transit	1,184	369	-	1,553
Unrealized exchange gains	112	(92)	-	20
	$ 46,661	$ 277	$ -	$ 46,938

(V) Unused loss deduction amount and unused investment offsetting amounts not recognized in deferred income tax assets in the consolidated balance sheet

	December 31, 2022	December 31, 2021
Loss deduction		
Due in 2022	$ -	$ 3,039
Due in 2023	1,691	1,691
Due in 2024	12,990	12,990
Due in 2029	5,539	5,539
	$ 20,220	$ 23,259
Investment offsets		
R&D expenditures	$ 557	$ -

(VI) Information on the unused loss deduction of the Group

As of December 31, 2022, the relevant information on loss deduction is as follows:

Undeducted balance	Last deduction year
$ 1,691	2023
12,990	2024
19,671	2025
23,330	2027
19,899	2028
5,539	2029
7,639	2032
$ 90,759	

(VII) Income tax assessments

The Company's profit-seeking enterprise income tax declaration has been approved by the tax collection authority up to and including 2020.

The profit-seeking enterprise income tax declaration of Sun Yang Global Co., Ltd. under the Group has been approved by the tax collection authority up to and including 2020.

XXIV. Earnings (losses) per share

Unit: NTD Per Share

	2022	2021
Basic earnings (loss) per share	($ 0.31)	$ 1.27
Diluted earnings (loss) per share	($ 0.31)	$ 1.27

The earnings (loss) and the weighted average number of common shares issued for the calculation of earnings (loss) per share are as follows:

Net (loss) profit for the year

	2022	2021
Net profit (loss) used to calculate basic earnings (loss) per share	($ 19,191)	$ 77,381
Net profit (loss) used to calculate diluted earnings (loss) per share	($ 19,191)	$ 77,381

Number of shares — Unit: Thousand Shares

	2022	2021
Weighted average number of ordinary shares in the computation of basic (losses) earnings per share	61,056	61,056
Effect of potentially dilutive ordinary shares:		
Employees’ remuneration	19	100
Weighted average number of ordinary shares in the computation of diluted (losses) earnings per share	61,075	61,156

If the Group has the option to pay employees’ remuneration in shares or cash, the calculation of diluted earnings per share is based on the assumption that the employees’ remuneration will be issued in shares, and the weighted average number of outstanding shares will be included in the calculation of diluted (losses) earnings per share when the potential common shares are diluted. Such a dilutive effect of the potential shares is included in the employees' compensation of diluted (losses) earnings per share until the shareholders resolve the number of ordinary shares to be distributed to employees at their meeting in the following year.

XXV. Cash flow information

(I) Non-cash transactions

1. On December 31, 2022, the Group acquired property, plant and equipment with a total fair value of NTD12,439 thousand. The total amount of equipment payable in other payables increased by NTD2,409 thousand, and the cash paid for the purchase of property, plant and equipment totaled NTD10,030 thousand (please refer to Notes 13 and 18).
2. On December 31, 2021, the Group acquired property, plant and equipment with a total fair value of NTD11,105 thousand. The total amount of equipment payable in other payables decreased by NTD1,922 thousand, and the cash paid for the purchase of property, plant and equipment totaled NTD13,027 thousand (please refer to Notes 13 and 18).

(II) Changes in liabilities from financial activities

2022

				Non-cash variables	
	January 1, 2022	Cash flow	New lease	Interest expense	December 31, 2022
Short-term borrowing	$ 69,913	($ 35,913)	$ -	$ -	$ 34,000
Short-term notes payable	30,005	(17,291)	-	-	12,714
Lease liabilities	2,490	(7,328)	35,562	347	31,071
	$ 102,408	($ 60,532)	$ 35,562	$ 347	$ 77,785

2021

	January 1, 2021	Cash flow	New lease	Non-cash variables Interest expense	December 31, 2021
Short-term borrowing	$ 40,000	$ 29,913	$ -	$ -	$ 69,913
Short-term notes payable	43,050	(13,045)	-	-	30,005
Lease liabilities	9,174	(6,775)	-	91	2,490
	$ 92,224	$ 10,093	$ -	$ 91	$ 102,408

XXVI. Capital management

The Group conducts capital management to ensure that it can maximize shareholder returns by optimizing debt and equity balances on the premises of continuing operation.

The Group adopts a prudent risk management strategy and conducts regular reviews, and makes an overall plan based on business development strategies and operational needs to determine the appropriate capital structure for the Group.

XXVII. Financial instruments

(I) Fair value information - financial instruments not measured at fair value

The management of the Group considers that as the maturity date of the carrying amount of financial assets and financial liabilities not measured at fair value is near, or that the future payment price is equivalent to the carrying amount, the carrying amount is close to its fair value.

(II) Fair value information - 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 liabilities at fair value through profit or loss				
Derivatives	$ -	$ 344	$ -	$ 344

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial liabilities at fair value through profit or loss				
Derivatives	$ -	$ 188	$ -	$ 188

There was no transfer between level I and level II fair value measurements in 2021 and 2022.

2. Evaluation technology and input value of level 2 fair value measurement

Types of financial instruments	Evaluation technology and input value
Derivative instrument - FX forward contract	Discounted cash flow method: The future cash flow is estimated at the observable forward exchange rate at the end of the period and the exchange rate set in the contract, and discounted respectively at a discount rate that can reflect the credit risk of each counterparty.

(III) Categories of financial instruments

	December 31, 2022	December 31, 2021
Financial assets		
Financial assets measured at amortized cost		
Cash and cash equivalents	$ 338,067	$ 353,700
Financial assets measured at amortized costs - current	99,000	99,000
Notes receivable	35,616	42,776
Accounts receivable	115,246	213,418
Other receivables	162	640
Refundable deposits	2,022	2,022
Financial liabilities		
Measured at cost after amortization		
Short-term borrowing	34,000	69,913
Short-term notes payable	12,714	30,005
Notes payable	4,121	5,831
Accounts payable	24,526	42,150
Other payables	28,892	33,714
Financial liabilities at fair value through profit or loss	344	188

(IV) Financial risk management objective and policies

The financial instruments of the Group include equity investment, accounts receivable, accounts payable and loans. The Group is committed to ensuring sufficient and cost-effective working capital when necessary. The Group prudently manages the foreign currency exchange rate risk, interest rate risk, equity instrument price risk, credit risk and liquidity risk related to the operating activities, in order to reduce the potential adverse impact of market uncertainty on the Group's finance.

The important financial planning of the Group has been reviewed by the board meeting in accordance with relevant norms and internal control systems. In carrying out financial planning, the Finance Department of the Group strictly abides by the relevant financial operation procedures related to the overall financial risk management and the division of rights and responsibilities.

1. Market risk

The financial risk caused by the operating activities of the Group to itself are the foreign currency exchange rate change risk and the interest rate change risk. The Group uses various derivative financial instruments to manage the foreign currency exchange rate risk.

(1) Foreign currency risk

The Group engages in sales and purchase transactions denominated in foreign currencies, thus causing the Group to be exposed to foreign currency exchange rate changes. In order to avoid fluctuations in future cash flows due to changes in foreign currency exchange rates, the Group uses FX forward contracts to avoid foreign currency exchange rate risks. The Group also borrows short-term foreign currency loans to offset part of the foreign currency exchange rate risks arising from transaction conversion. The use of derivative financial instruments such as FX forward contracts can help the Group reduce but still cannot completely exclude the impact of foreign currency exchange rate changes.

Please refer to Note 31 for the carrying amounts of monetary assets and monetary liabilities denominated in non-functional currencies of the Group on the balance sheet date.

Sensitivity analysis

The sensitivity analysis of the foreign currency exchange rate risk is mainly calculated for foreign currency monetary items at the end of the reporting period. When the New Taiwan dollar appreciates by 5% against foreign currencies, the Group's net loss before tax in 2022 will decrease by NTD219 thousand and net profit before tax in 2021 will decrease by NTD81 thousand, respectively; when the New Taiwan dollar depreciates by 5% against the foreign currency, the impact on the Group's net profit (loss) before tax in the years 2022 and 2021 will be a negative number of the same amount.

(2) Interest rate risk

Interest rate exposure occurs because individual entities of the Group borrow funds at both fixed and floating interest rates.

The carrying amounts of the financial assets and financial liabilities of the Group exposed to interest rate exposure on the balance sheet date are as follows:

	December 31, 2022	December 31, 2021
Fair value interest rate risk		
-Financial assets	$ 348,937	$ 368,818
-Financial liabilities	12,714	30,005
Cash flow interest rate risk		
-Financial assets	87,990	83,742
-Financial liabilities	34,000	69,913

Sensitivity analysis

The following sensitivity analysis is based on the interest rate exposure of derivative and non-derivative instruments on the balance sheet date. For floating rate liabilities, the analysis method assumes that all the amount of liabilities circulating on the balance sheet date is circulating during the reporting period. The rate of change used in reporting interest rates to the key management of the Group is an increase or decrease of one hundred basis points (1%) in interest rates, which also represents the management's assessment of the reasonably possible range of changes in interest rates.

If the interest rate increases by one hundred basis points (1%), with all other variables remaining unchanged, the Group's net profit before tax in the years 2022 and 2021 will increase by NTD540 thousand and NTD138 thousand, respectively, mainly because of the interest rate change position risk arising from the bank borrowings of the Group with floating interest rates.

(3) Other price risks

The Group has equity price exposure due to equity securities investments. The equity investments are not held for trading but are strategic investments; the Group does not actively trade these investments and the management manages risk by holding a portfolio of investments with different risks. In addition, the Group assigns a designated team to monitor price risks and assess when it is necessary to increase positions with hedged risks.

Sensitivity analysis

The following sensitivity analysis is based on equity price risk exposure on the balance sheet date. If the price of equity increases/decreases by 5%, the pre-tax profit/loss in the years 2022 and 2021 will decrease/increase due to an increase/decrease in the fair value of financial liabilities measured at fair value through profit or loss by NTD17 thousand and NTD9 thousand, respectively.

The Group's sensitivity to equity securities investments have not changed significantly from the previous year.

2. Credit risk

Credit risk refers to the potential impact of the counterparty's failure to perform its contractual obligations on the Group's financial losses. As of the balance sheet date, the maximum credit risk exposure of the Group that may result in financial losses due to the counterparty's failure to perform its obligations is mainly from the book value of financial assets recognized in the consolidated balance sheet.

The receivables of the Group cover many customers, and most of the receivables do not have collaterals. The Group continuously evaluates the financial status of customers with accounts receivable to reduce the credit risk of accounts receivable, and reviews the recoverable amount of accounts receivable one by one on the balance sheet date to ensure appropriate impairment losses have been provided for uncollectable receivables.

3. Liquidity risk

The Group manages and maintains sufficient cash and cash equivalents to meet operating needs and mitigate the impact of cash flow fluctuations. The management of the Group supervises the use of banks’ financing lines and ensures compliance with the terms of the loan contract.

Bank borrowings are an important source of liquidity for the Group. As of December 31, 2022 and 2021, the unutilized short-term bank facilities of the Group were NTD1,161,126 thousand and NTD1,095,801 thousand, respectively.

(1) Liquidity and interest rate risk table of non-derivative financial liabilities

The remaining contractual maturity analysis of non-derivative financial liabilities is prepared based on the earliest date on which the Group may be required to repay, and the undiscounted cash flows (including principal and estimated interest) of financial liabilities. Therefore, the bank loans which the Group may be required to repay immediately are listed in the earliest period in the table below, regardless of the probability of the banks’ immediate execution of the right; the maturity analysis of other non-derivative financial liabilities is prepared according to the agreed repayment dates.

December 31, 2022

	Effective interest rate (%)	Less than One Year	1 to 5 years	More than 5 years	Total
Non-derivative financial liabilities					
Short-term borrowing	1.39%	$ 34,473	$ -	$ -	$ 34.473
Short-term notes payable	-	12,714	-	-	12,714
Notes payable	-	4,121	-	-	4,121
Accounts payable	-	24,526	-	-	24,526
Other payables	-	28,892	-	-	28,892
Lease liabilities	1.484%～1.997%	7,328	24,994	-	32,322

Further information on the analysis of lease liabilities maturity is as follows:

	Less than 1 year	1 to 5 years	More than 5 years
Lease liabilities	$ 7,328	$ 24,994	$ -

December 31, 2021

	Effective interest rate (%)	Less than One Year	1 to 5 years	More than 5 years	Total
Non-derivative financial liabilities					
Short-term borrowing	1.43%	$ 70,913	$ -	$ -	$ 70,913
Short-term notes payable	-	30,005	-	-	30,005
Notes payable	-	5,831	-	-	5,831
Accounts payable	-	42,150	-	-	42,150
Other payables	-	33,714	-	-	33,714
Lease liabilities	1.484%	2,507	-	-	2,507

Further information on the analysis of lease liabilities maturity is as follows:

	Less than 1 year	1 to 5 years	More than 5 years
Lease liabilities	$ 2,507	$ -	$ -

(2) Liquidity and interest rate risk table of derivative financial liabilities

Regarding the liquidity analysis of derivative financial instruments, it is prepared on the basis of undiscounted net contractual cash inflows and outflows for derivatives delivered on a net basis; for derivatives settled in the aggregate amount, it is prepared on the basis of total undiscounted cash inflows and outflows. When the amount payable or receivable is not fixed, the disclosed amount is determined based on the expected interest rate estimated by the yield curve on the balance sheet date.

December 31, 2022

	Immediate repayment or in less than 1 month	1~3 months	3 months to 1 year	1~5 Years	More than 5 years
Aggregate amount settlement					
FX forward contracts					
- Inflow	$ -	$ 13,675	$ -	$ -	$ -
- Outflow	-	(14,019)	-	-	-
	$ -	($ 344)	$ -	$ -	$ -

December 31, 2021

	Immediate repayment or in less than 1 month	1~3 months	3 months to 1 year	1~5 Years	More than 5 years
Aggregate amount settlement					
FX forward contracts					
- Inflow	$ -	$ 1,242	$ 29,979	$ -	$ -
- Outflow	-	(1,246)	(30,163)	-	-
	$ -	($ 4)	($ 184)	$ -	$ -

XXVIII. Related party transactions

The transactions, account balances, gains and impairments between the Company and its subsidiaries (which are related parties of the Company) were written off in full at the time of consolidation, so they are not disclosed in this note.

Compensation of key management personnel

	2022	2021
Short-term employee benefits	$ 11,280	$ 13,426
Post-employment benefits	510	722
	$ 11,790	$ 14,148

The remuneration of directors and other key management is determined by the Remuneration Committee in accordance with individual performance and market trends.

XXIX. Pledged Assets

The following assets of the Group have been provided as collateral for bank loans:

	December 31, 2022	December 31, 2021
Property, plant, and equipment		
Land	$ 126,840	$ 126,840
Building	30,212	31,219
	$ 157,052	$ 158,059

XXX. Significant contingent liabilities and unrecognized contract commitments

The Group has the following major commitments and contingencies on the balance sheet date:

(I) As of December 31, 2021 and December 31, 2022, the amount of customs duty guarantee issued by the Group to banks for imported goods was NTD8,000 thousand.

(II) As of December 31, 2021 and December 31, 2022, the amount of unused letters of credit issued by the Group for imported raw materials was USD158 thousand and USD744 thousand.

(III) The guarantee notes payable issued by the Group for bank loans are as follows:

	December 31, 2022	December 31, 2021
USD	$ 5,150	$ 5,150
NTD	260,000	260,000

XXXI. Significant assets and liabilities denominated in foreign currencies

The following information was aggregated by the foreign currencies other than the functional currencies of the Group and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2022

	Foreign Currency	Exchange Rate	Book value
Foreign currency asset			
Monetary item			
USD	$ 351	30.71 (USD: NTD)	$ 10,787
RMB	1,431	4.408 (RMB: NTD)	6,309
			$ 17,096
Foreign currency liabilities			
Monetary item			
USD	414	30.71 (USD: NTD)	$ 12,714

December 31, 2021

	Foreign Currency	Exchange Rate	Book value
Foreign currency asset			
Monetary item			
USD	$ 817	27.68 (USD:NTD)	$ 22,613
RMB	1,538	4.344 (RMB: NTD)	6,681
			$ 29,294

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Foreign currency liabilities	Foreign Currency	Exchange Rate	Book value
Monetary item			
USD	$ 1,117	27.68 (USD:NTD)	$ 30,919

The foreign currency exchange gain of the consolidated company in 2022 and 2021 were respectively NTD2,152 thousand and NTD162 thousand. Due to the variety of foreign currency transactions, it is not possible to disclose the exchange gain and loss by each major foreign currency category.

XXXII. Other Disclosures

(I) Information related to major transactions:

1. Loans to others: None.
2. Endorsements/guarantees for others: None.
3. Securities held at period end: None.
4. The cumulative amount of the same securities purchased or sold reaches NTD300 million or 20% of the paid-in capital: None.
5. The amount of real estate acquired reaches NTD300 million or 20% of the paid-in capital: None.
6. The amount of real estate disposed of reaches NTD300 million or 20% of the paid-in capital: None.
7. The amount of goods purchased or sold with related parties reaches NTD100 million or 20% of the paid-in capital. (Table 1)
8. The amount of accounts receivable from related parties reaches NTD100 million or 20% of the paid-in capital: None.
9. Engagement in derivative trading. (Note 7)
10. Others: Business relationships and important transactions between parent and subsidiaries and among subsidiaries. (Table 2)

(II) Information related to investees. (Table 3)

(III) Mainland China investment information: None.

(IV) Information of major shareholders: name, number of shares held and proportion of shareholders with 5% shareholding or more. (Table 4)

XXXIII. Segments Information

The Group focuses on each type of deliverable based on information used by the management (the chief operating decision makers) to allocate resources and measure departmental performance. The chief operating decision makers summarize and disclose by production unit. The reportable departments of the Group include the Resin Department and the Hot Melt Adhesive Department.

(I) Segment revenues and results

The revenue, operating results and department assets of the Group's continuing business units are analyzed as follows by each reportable department:

	2022			
	Resin Department	Hot Melt Adhesive Department	Adjustment and Write Off	Total
Revenue and benefits				
Revenue from external customers	$ 792,865	$ 341,369	$ -	$ 1,134,234
Interdepartmental revenue	181,398	-	(181,398)	-
Total income	$ 974,263	$ 341,369	($ 181,398)	$ 1,134,234
Segment Profit	($ 26,982)	($ 172)	$ 20	($ 27,134)
Interest income	2,002	11	-	2,013
Interest expenses	(183)	(882)	-	(1,065)
General revenue of the company				3,558
General expenses and losses of the company				(727)
Net profit before tax of continuing business unit				($ 23,355)

	2021			
	Resin Department	Hot Melt Adhesive Department	Adjustment and Write Off	Total
Revenue and benefits				
Revenue from external customers	$ 876,291	$ 272,342	$ -	$ 1,148,633
Interdepartmental revenue	145,422	-	(145,422)	-
Total income	$ 1,021,713	$ 272,342	($ 145,422)	$ 1,148,633
Segment Profit	$ 78,757	$ 11,416	$ 18	$ 90,191
Interest income	1,576	3		1,579
Interest expenses	(19)	(669)		(688)
General revenue of the company				2,574
General expenses and losses of the company				(264)
Net profit before tax of continuing business unit				$ 93,392

Departmental profit and loss refer to the profit earned by each department, excluding the rental income, interest income, profit and loss on disposal of property, plant and equipment, profit and loss on disposal of investment, foreign currency exchange gains and losses, gains and losses on financial assets (liabilities) measured at fair value through profit and loss, and interest expenses and income tax expenses that should be apportioned. This measurement amount is provided to the chief operational decision makers for allocating resources to departments and evaluating their performance.

(II) Total assets and liabilities of the department

	December 31, 2022	December 31, 2021
Segment assets		
Resin Department	$ 623,257	$ 753,770
Hot Melt Adhesive Department	162,395	157,801
General assets	485,040	496,224
Total consolidated assets	$ 1,270,692	$ 1,407,795
Departmental liabilities		
Resin Department	$ 74,474	$ 87,274
Hot Melt Adhesive Department	2,250	11,785
General liabilities	129,989	169,063
Total consolidated liabilities	$ 206,713	$ 268,122

To monitor segment performance and allocate resources between segments:

1. All general company assets, except cash and cash equivalents, prepayments, investments, other financial assets, current and deferred income tax assets, are allocated to reportable departments; and
2. All liabilities of the company, except loans, advances received, other financial liabilities, remuneration payable to directors and supervisors, current and deferred income tax liabilities and other general liabilities of the company, are allocated to reportable departments.

(III) Income from main products and services

The reportable departments of the Group are based on different products and services; refer to the revenue and operating results of the departments above for details.

(IV) Region information

The Group's revenue from continuing operations with external customers is as follows:

	2022	2021
Taiwan	$ 916,551	$ 885,391
Brazil	31,040	26,088
Hong Kong	51,373	92,364
Japan	33,307	36,909
Mainland China	35,485	29,485
India	33,803	42,002
Other	32,675	36,394
	$ 1,134,234	$ 1,148,633

(V) Information of important customers

The customers of the Group accounting for more than 10% of the revenue of the current year are listed below:

	2022	2021
Customer A	$ 175,361	$ 146,341
Customer B	70,185	147,883
Customer C	173,673	123,104
Customer D	150,934	114,437
	$ 570,153	$ 531,765

Yong Shun Chemical Co., Ltd. and Subsidiaries
The amount of goods purchased or sold with related parties reaching NTD100 million or 20% of the paid-in capital
2022

Table 1

Unit: NTD thousands

Buyer/Seller	Counterparty	Relationship	Transaction Details				Abnormal Transaction		Notes and Accounts Receivable		Remarks
			Purchase/Sale	Amount	Ratio (%) of Total Purchase (Sales)	Credit Period	Unit Price (Note 1)	Credit Period (Note 1)	Balance	Ratio (%) of Total Notes and Accounts Receivable (Payable)	
Yong Shun Chemical Co., Ltd.	Sun Yang Global Co., Ltd.	Subsidiary	Sales	$ 181,398	18.62%	100 days monthly settlement	-	-	$ 41,099	25.93%	

Note 1: The transaction price and payment period between the Company and related parties are comparable to those of ordinary customers.
Note 2: The purchase and sales transactions between each individual entity of the Group have been written off.

Yong Shun Chemical Co., Ltd. and Subsidiaries
Business relationship between parent and subsidiary companies and important transactions and amounts
2022

Table 2

Unit: NTD thousands

No. (Note 1)	Transaction Company	Counterparty	Relationship with Counterparty (Note 2)	Transactions			
				Account	Amount	Transaction Terms	Ratio of Consolidated Revenue/Assets (Note 3)
	2022						
0	Yong Shun Chemical Co., Ltd.	Sun Yang Global Co., Ltd.	1	Sale	$ 181,398	No significant difference from ordinary customers	15.99%
				Miscellaneous income	20	〃	-
				Notes receivable	32,611	〃	2.57%
				Accounts receivable	8,488	〃	0.67%

Note 1: The types of business transactions are indicated by the following numbers shown in the No. column:
1. 0 - Parent company.

Note 2: The transaction flows were as follows:
1. Parent to subsidiary.
2. Subsidiary to parent.
3. Subsidiary to subsidiary.

Note 3: The calculation of the ratio of the transaction amount to the consolidated total revenue or total assets, for an asset or liability item, is the ending balance to the consolidated total assets; for a profit and loss item, it is the accumulated amount of the period to the total consolidated revenue.

Note 4: Transactions of related parties of each individual entity of the Group have been adjusted and written off.

Yong Shun Chemical Co., Ltd. and Subsidiaries
Information about the investee, the location, etc
2022

Table 3

Unit: NTD thousand; (share)

Name of the investor	Name of investee	Location	Main business activities	Original Investment Amount		Shares held as at end of the period			Net profit (loss) of the investee of current period	Investment gain/loss recognized in the current period	Remarks
				End of the current period	End of the previous year	Number of shares	Ratio (%)	Book value			
Yong Shun Chemical Co., Ltd.	Sun Yang Global Co., Ltd.	Taiwan	Subsidiary for manufacturing and sales of synthetic resins, plastics, coatings, paints and industrial additives	$ 50,000	$ 50,000	5,000,000	100%	$ 62,558	$ 1,021	$ 1,021	Subsidiary

Note: For the investment gain/loss recognized by the companies in the consolidated financial statements by the equity method, the long-term equity investment recorded in the account of the investing company and the net equity value of the investee have been completely written off.

Yong Shun Chemical Co., Ltd.
Information on major shareholders
December 31, 2022

Table 4

Name of major shareholder	Shares	
	Shareholding	Percentage of shareholding
Lin, Tsyr-Huan	6,057,327	9.92%
Lin, Tsyr-Hung	4,469,367	7.32%
Lin, Tsyr-Hsi	4,457,788	7.30%
Lin, Cheng-Chien	4,205,821	6.88%
Tsai, Cheng-Fung	3,492,490	5.72%

Note 1: The information on major shareholders in this table is calculated by TDCC on the last business day at the end of the current quarter for shareholders who hold more than 5% of the ordinary shares and special shares that have been delivered by the Company without physical registration (including treasury shares). The share capital reported in the consolidated financial statements and the actual number of ordinary shares that have completed the dematerialized registration and delivery may be different due to differences in the basis of calculation.