UPC Technology Corp. and Subsidiaries

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

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The entities that are required to be included in the combined financial statements of affiliates of UPC Technology Corp. as of and for the year ended December 31, 2022, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements of parent and subsidiary companies prepared in conformity with International Financial Reporting Standard 10, "Consolidated Financial Statements". In addition, the information required to be disclosed in the combined financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Consequently, UPC Technology Corp. and its subsidiaries did not prepare a separate set of combined financial statements of affiliates.

Very truly yours,

UPC TECHNOLOGY CORP.

By

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MIAU, MATTHEW FENG CHIANG
Chairman

March 6, 2023

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Stockholders
UPC Technology Corp.

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2022 is described as follows:

<u>Recognition of Operating Revenue</u>

The Group's main revenue came from the sales of plasticizers. Considering that the recognition of such revenue had a significant impact on the financial statements, the authenticity of sales revenue from customers with substantial growth and amount was identified as a key audit matter for the current year. In response to the aforementioned key audit matter, we performed audit procedures as follows: We assessed the related internal controls, checked the transaction records and supporting documents to ensure the occurrence of the transactions and confirmed that the recognition of revenue was in compliance with IFRS. For the accounting policies on revenue recognition, please refer to Note 4 (n) of the consolidated financial statements.

Other Matter

We have also audited the parent company only financial statements of UPC Technology Corp. as of and for the years ended December 31, 2022 and 2021 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRS, IAS, IFRIC and SIC endorsed and issued into effect by the FSC of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the Group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2022 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Chien-Liang Liu and Wen-Chin Lin.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 15, 2023

<u>*Notice to Readers*</u>

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

UPC TECHNOLOGY CORP. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars)

	2022		2021	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	$ 4,244,635	8	$ 4,344,203	8
Financial assets at fair value through profit or loss (Note 7)	42,227	-	25,665	-
Financial assets at fair value through other comprehensive income (Note 8)	913,027	2	1,163,669	2
Financial assets at amortized cost (Notes 9 and 33)	33,907	-	33,049	-
Notes receivable (Notes 10 and 17)	650,645	1	878,722	2
Trade receivables (Note 10)	2,890,043	6	4,063,394	8
Other receivables (Note 10)	237,456	-	240,416	-
Other receivables from related parties (Note 32)	2,162	-	3,856	-
Current tax assets (Note 26)	182,876	-	142,571	-
Inventories (Note 11)	8,892,941	18	8,633,424	16
Other current assets (Note 16)	1,791,607	4	2,767,300	5
Total current assets	19,881,526	39	22,296,269	41
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income (Note 8)	10,834,137	21	12,739,478	24
Investments accounted for using the equity method (Note 13)	22,979	-	18,441	-
Property, plant and equipment (Notes 14)	16,135,794	32	15,711,926	29
Right-of-use assets (Note 15)	1,522,968	3	1,534,786	3
Computer software	8,548	-	10,797	-
Deferred income tax assets (Note 26)	1,418,713	3	819,056	2
Other non-current assets (Notes 16 and 32)	737,757	2	641,091	1
Total non-current assets	30,680,896	61	31,475,575	59
TOTAL	$ 50,562,422	100	$ 53,771,844	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 10 and 17)	$ 4,134,727	8	$ 3,036,758	6
Notes payable (Note 19)	202,516	1	508,722	1
Trade payables (Notes 19 and 32)	1,597,899	3	2,171,713	4
Other payables (Note 20)	1,347,449	3	1,493,655	3
Current tax liabilities (Note 26)	78,633	-	105,721	-
Provisions (Note 21)	113,123	-	68,039	-
Lease liabilities (Note 15)	13,446	-	13,155	-
Current portion of long-term liabilities (Notes 17 and 18)	6,056,151	12	300,000	-
Other current liabilities (Note 20)	653,274	1	950,061	2
Total current liabilities	14,197,218	28	8,647,824	16
NON-CURRENT LIABILITIES				
Bonds payable (Note 18)	2,995,345	6	5,991,133	11
Long-term borrowings (Notes 17 and 34)	6,540,457	13	8,486,830	16
Provisions (Note 21)	12,349	-	10,363	-
Deferred tax liabilities (Note 26)	282,658	1	276,219	1
Lease liabilities (Note 15)	17,443	-	25,556	-
Long-term deferred revenue (Note 29)	161,077	-	171,296	-
Net defined benefit liabilities (Note 22)	235,890	-	252,480	-
Guarantee deposits received (Note 32)	13,783	-	13,406	-
Total non-current liabilities	10,259,002	20	15,227,283	28
Total liabilities	24,456,220	48	23,875,107	44
EQUITY (Note 23)				
Share capital				
Ordinary shares	13,547,626	27	13,471,206	25
Capital collected in advance	4,288	-	6,559	-
Total share capital	13,551,914	27	13,477,765	25
Capital surplus	1,387,955	3	1,388,431	3
Retained earnings				
Legal reserve	2,838,651	6	2,581,282	5
Special reserve	341,773	1	341,773	1
Unappropriated earnings	2,202,427	4	4,914,231	9
Total retained earnings	5,382,851	11	7,837,286	15
Other equity	6,222,423	12	7,632,196	14
Treasury shares	(438,941)	(1)	(438,941)	(1)
Total equity	26,106,202	52	29,896,737	56
TOTAL	$ 50,562,422	100	$ 53,771,844	100

The accompanying notes are an integral part of the consolidated financial statements.

UPC TECHNOLOGY CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except (Losses) Earnings Per Share)

	2022		2021	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Note 24)				
Sales	$ 72,526,564	100	$ 81,787,061	100
Other operating revenue	293,079	-	155,367	-
Total operating revenue	72,819,643	100	81,942,428	100
OPERATING COSTS (Note 25)				
Cost of goods sold (Notes 11 and 32)	72,268,449	100	76,694,876	94
Other operating cost	207,184	-	108,976	-
Total operating costs	72,475,633	100	76,803,852	94
GROSS PROFIT	344,010	-	5,138,576	6
OPERATING EXPENSES (Notes 25 and 32)				
Selling and marketing expenses	1,655,065	2	1,609,480	2
General and administrative expenses	1,066,502	2	1,075,547	1
Expected credit (gain) loss	(4,931)	-	5,660	-
Total operating expenses	2,716,636	4	2,690,687	3
(LOSS) PROFIT FROM OPERATIONS	(2,372,626)	(4)	2,447,889	3
NON-OPERATING INCOME AND EXPENSES				
Share of profit or loss of associates accounted for using the equity method (Note 13)	133	-	12	-
Interest income (Note 24)	29,402	-	26,722	-
Other income (Notes 25 and 32)	1,154,081	1	671,133	1
Other gains and losses (Note 25)	(245,437)	-	(143,192)	-
Finance costs (Note 25)	(287,775)	-	(233,694)	(1)
Total non-operating income and expenses	650,404	1	320,981	-
(LOSS) PROFIT BEFORE INCOME TAX	(1,722,222)	(3)	2,768,870	3
INCOME TAX BENEFIT (EXPENSE) (Note 26)	485,998	1	(621,408)	(1)
NET (LOSS) PROFIT	(1,236,224)	(2)	2,147,462	2

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UPC TECHNOLOGY CORP. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except (Losses) Earnings Per Share)

	2022		2021	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (Note 23)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	$ 18,729	-	$ (24,602)	-
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	(2,085,072)	(3)	4,167,086	5
Share of the other comprehensive gain (loss) of associates accounted for using the equity method (Note 13)	2,312	-	(9)	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 26)	(3,750)	-	4,920	-
	(2,067,781)	(3)	4,147,395	5
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	763,468	1	(260,103)	-
Income tax relating to items that may be reclassified subsequently to profit or loss (Note 26)	(11,840)	-	3,130	-
	751,628	1	(256,973)	-
Other comprehensive (loss) income for the year, net of income tax	(1,316,153)	(2)	3,890,422	5
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	$ (2,552,377)	(4)	$ 6,037,884	7
(LOSSES) EARNINGS PER SHARE (Note 27)				
Basic	$ (0.94)		$ 1.66	
Diluted			$ 1.62	

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

UPC TECHNOLOGY CORP. AND SUBSIDIARIES

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

	Share Capital				Retained Earnings				Other Equity				
	Ordinary Shares	Capital Collected in Advance	Total	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total	Treasury Shares	Total Equity
BALANCE AT JANUARY 1, 2021	$ 13,323,476	$ -	$ 13,323,476	$ 1,361,372	$ 2,339,154	$ 341,773	$ 3,875,019	$ 6,555,946	$ (896,268)	$ 5,064,268	$ 4,168,000	$ (454,093)	$ 24,954,701
Appropriation of 2020 earnings													
Legal reserve	-	-	-	-	242,128	-	(242,128)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(1,292,348)	(1,292,348)	-	-	-	-	(1,292,348)
Dividends from claims extinguished by prescription	-	-	-	585	-	-	-	-	-	-	-	-	585
Net profit in 2021	-	-	-	-	-	-	2,147,462	2,147,462	-	-	-	-	2,147,462
Other comprehensive income (loss) in 2021, net of income tax	-	-	-	-	-	-	(19,682)	(19,682)	(256,973)	4,167,077	3,910,104	-	3,890,422
Total comprehensive income (loss) in 2021	-	-	-	-	-	-	2,127,780	2,127,780	(256,973)	4,167,077	3,910,104	-	6,037,884
Issue of ordinary shares under employee share options	147,730	6,559	154,289	(16,250)	-	-	-	-	-	-	-	-	138,039
Treasury shares transferred to employees	-	-	-	(2,721)	-	-	-	-	-	-	-	15,152	12,431
Share-based payment transaction - employees share option plan	-	-	-	45,445	-	-	-	-	-	-	-	-	45,445
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	445,908	445,908	-	(445,908)	(445,908)	-	-
BALANCE AT DECEMBER 31, 2021	13,471,206	6,559	13,477,765	1,388,431	2,581,282	341,773	4,914,231	7,837,286	(1,153,241)	8,785,437	7,632,196	(438,941)	29,896,737
Appropriation of 2021 earnings													
Legal reserve	-	-	-	-	257,369	-	(257,369)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	-	(1,311,831)	(1,311,831)	-	-	-	-	(1,311,831)
Dividends from claims extinguished by prescription	-	-	-	296	-	-	-	-	-	-	-	-	296
Net loss in 2022	-	-	-	-	-	-	(1,236,224)	(1,236,224)	-	-	-	-	(1,236,224)
Other comprehensive income (loss) in 2022, net of income tax	-	-	-	-	-	-	14,979	14,979	751,628	(2,082,760)	(1,331,132)	-	(1,316,153)
Total comprehensive (loss) income in 2022	-	-	-	-	-	-	(1,221,245)	(1,221,245)	751,628	(2,082,760)	(1,331,132)	-	(2,552,377)
Issue of ordinary shares under employee share options	76,420	(6,559)	69,861	(10,114)	-	-	-	-	-	-	-	-	59,747
Advance share payments for issuing of ordinary shares under employee share options	-	4,288	4,288	-	-	-	-	-	-	-	-	-	4,288
Share-based payment transaction - employees share option plan	-	-	-	9,342	-	-	-	-	-	-	-	-	9,342
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	-	-	78,641	78,641	-	(78,641)	(78,641)	-	-
BALANCE AT DECEMBER 31, 2022	$ 13,547,626	$ 4,288	$ 13,551,914	$ 1,387,955	$ 2,838,651	$ 341,773	$ 2,202,427	$ 5,382,851	$ (401,613)	$ 6,624,036	$ 6,222,423	$ (438,941)	$ 26,106,202

The accompanying notes are an integral part of the consolidated financial statements.

UPC TECHNOLOGY CORP. AND SUBSIDIARIES

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

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) income before income tax	$ (1,722,222)	$ 2,768,870
Adjustments for:		
Expected credit (gain) loss recognized on trade receivables	(4,931)	5,660
Depreciation expense	1,777,274	1,748,984
Amortization expense	220,595	206,011
Finance costs	287,775	233,694
Interest income	(29,402)	(26,722)
Dividend income	(569,529)	(378,426)
Compensation costs of employee share-based payment	9,342	45,445
Loss on disposal of property, plant and equipment	5,873	17,708
Gain on disposal of right-of-use assets	-	(125,554)
Net gain on fair value changes of financial assets as at fair value through profit or loss	(162)	(50)
Share of loss of associates accounted	(133)	(12)
Long-term deferred revenue transferred to other income	(12,976)	(12,703)
(Reversal of write-down) write-down of inventories	(354,798)	596,543
Changes in operating assets and liabilities:		
Notes receivable	228,246	(256,762)
Trade receivables	1,178,962	(704,701)
Other receivables	5,757	(44,281)
Other receivables from related parties	1,694	(257)
Inventories	81,335	(3,354,543)
Other current assets	975,693	(941,552)
Notes payable	(306,206)	226,799
Trade payables	(573,814)	670,990
Other payables	(137,674)	(55,854)
Provisions	47,070	(44,699)
Other current liabilities	(296,787)	323,578
Net defined benefit liabilities	2,139	(5,794)
Cash generated from operations	813,121	892,372
Interest received	26,605	29,910
Income tax paid	(166,523)	(975,421)
Net cash generated from (used in) operating activities	673,203	(53,139)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	(27,374)	(287,655)
Proceeds from disposal of financial assets at fair value through other comprehensive income	85,359	703,291
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	13,527	23,044

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UPC TECHNOLOGY CORP. AND SUBSIDIARIES

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

	2022	2021
Purchase of financial assets at amortized cost	$ (343)	$ (288)
Purchase of financial assets at fair value through profit or loss	(17,400)	-
Proceeds from sale of financial assets at fair value through profit or loss	1,000	-
Purchase for property, plant and equipment (including prepayments for equipment)	(1,968,676)	(2,009,963)
Proceeds from disposal of property, plant and equipment	13,276	11,481
Increase in refundable deposits	(8,766)	(14,237)
Decrease in refundable deposits	714	5,024
Payments for computer software	(6,978)	(3,546)
Proceeds from disposal of right-of-use assets	-	148,147
Increase in other non-current assets	(239,792)	(228,713)
Dividends received	569,566	378,426
Net cash used in investing activities	(1,585,887)	(1,274,989)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of bonds	2,994,908	-
Proceeds from short-term borrowings	47,005,302	45,721,073
Repayments of short-term borrowings	(45,948,841)	(44,262,594)
Proceeds from long-term borrowings	36,426,350	40,092,350
Repayments of long-term borrowings	(38,613,022)	(37,913,326)
Proceeds from guarantee deposits received	405	27
Refund of guarantee deposits received	(28)	(10)
Repayment of the principal portion of lease liabilities	(13,209)	(17,683)
Cash dividends paid	(1,311,831)	(1,292,348)
Proceeds from exercise of employee share options	64,035	138,039
Proceeds from treasury shares transferred to employees	-	12,431
Interest paid	(248,251)	(230,482)
Net cash generated from financing activities	355,818	2,247,477
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	457,298	(199,012)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(99,568)	720,337
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	4,344,203	3,623,866
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 4,244,635	$ 4,344,203

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

UPC TECHNOLOGY CORP. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
(In Thousands of New Taiwan Dollars, Except As Stated Otherwise)

1. GENERAL

UPC Technology Corp. (the "Company"), incorporated in August 1976, mainly manufactures and sells petrochemical products such as phthalic anhydride and plasticizer. The Company's shares have been listed on the Taiwan Stock Exchange since March 1989.

The consolidated financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors on March 6, 2023.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRSs") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

b. The IFRSs endorsed by the FSC for application starting from 2023

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note 1)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note 2)
Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"	January 1, 2023 (Note 3)

Note 1: The amendments will be applied prospectively for annual reporting periods beginning on or after January 1, 2023.

Note 2: The amendments will be applicable to changes in accounting estimates and changes in accounting policies that occur on or after the beginning of the annual reporting period beginning on or after January 1, 2023.

Note 3: Except for deferred taxes that were recognized on January 1, 2022 for temporary differences associated with leases and decommissioning obligations, the amendments were applied prospectively to transactions that occur on or after January 1, 2022.

As of the date the consolidated financial statements were authorized for issue, the Group assessed that the above standards and interpretations endorsed by the FSC did not have any material impact on the Group's financial position and financial performance.

c. The IFRSs in issue but not yet endorsed and issued into effect by the FSC

New, Amended and 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 by IASB
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - 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 Covenants"	January 1, 2024

Note 1: Unless stated otherwise, the above IFRSs are effective for annual reporting periods beginning on or after their respective effective dates.

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

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the related standards and interpretations above on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Statement of compliance

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

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value 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 an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

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

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months or an operating cycle (e.g. land held for construction site) after the reporting period; and

3) Cash and cash equivalents.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

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

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions and up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

See Note 12, Tables 8 and 9 for detailed information on subsidiaries (including percentages of ownership and main businesses).

e. Foreign currencies

In preparing the financial statements of each individual consolidated entity, transactions in currencies other than the entity's functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary item arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are included in profit or loss for the year except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in foreign currencies are not translated.

For the purpose of presenting the consolidated financial statements, the functional currencies of the Company's foreign operations (including subsidiaries and associates in other countries or those that use currencies which are different from the currency of the Company) are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of reporting period; income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income attributed to the owners of the Company and non-controlling interests as appropriate.

f. Cash equivalents

Cash equivalents include time deposits with original maturities within three months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

g. Inventories

Inventories consist of merchandise inventories, raw materials, supplies, finished goods, semi-finished goods, work in progress and land held for construction site. Inventories are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost on the balance sheet date.

h. Investments in associates

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Group uses the equity method to account for its investments in associates. Under the equity method, investments in an associate are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate. The Group also recognizes the changes in the Group's share of the equity of associates.

When the Group subscribes for additional new shares of an associate at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates and joint ventures accounted for using the equity method. If the Group's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

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

The entire carrying amount of an investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required had that associate directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group continues to apply the equity method and does not remeasure the retained interest.

When the Group transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

i. Property, plant and equipment

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

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

Freehold land is not depreciated.

Depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful life, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

j. Computer software

Computer software is initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual values, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The residual value of an intangible asset with a finite useful life shall be assumed to be zero unless the Company expects to dispose of the computer software before the end of its economic life.

Computer software shall be derecognized on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses arising from the derecognition of computer software, which are measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

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

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

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the asset may be impaired.

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

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

l. Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at FVTPL, financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends or interest earned on such financial assets are recognized in other income and interest income, respectively. Remeasurement gains or losses recognized in other gains or losses incorporate any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 31.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents, notes receivable, trade receivables and other receivables at amortized cost, time deposits with original maturities of more than 3 months and refundable deposits, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

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

i) Purchased or originated credit impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group’s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets and contract assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of a default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

For internal credit risk management purposes, the Group determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Group):

i. Internal or external information show that the debtor is unlikely to pay its creditors.

ii. When a financial asset is past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and the carrying amounts of such financial assets are not reduced.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

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

Equity instruments issued by the Group are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

3) Financial liabilities

a) Subsequent measurement

Except the following situation, all financial liabilities are measured at amortized cost using the effective interest method:

Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when such financial liabilities are held for trading.

Financial liabilities held for trading are stated at fair value, and any gains or losses on such financial liabilities are remeasurement gains or losses recognized in profit or loss.

b) Derecognition of financial liabilities

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

m. Provisions

Provisions are measured at the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Provisions are measured using the cash flows estimated to settle the present obligation.

n. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of petrochemical products. Sales of petrochemical products are recognized as revenue when the goods are delivered to the customer's specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. The Group recognizes revenue and trade receivables concurrently.

2) Revenue from the rendering of services

Revenue from the rendering of services comes from the warehousing and logistics services. Revenue from services is recognized when services are provided according to contracts.

o. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1) The Group as lessor

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

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms. A lease modification that resulted from a negotiation with a lessee is accounted for as a new lease from the effective date of the modification.

Variable lease payments that do not depend on an index or a rate are recognized as income in the periods in which they are incurred.

2) The Group as lessee

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

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

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, and variable lease payments which depend on an index or a rate. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Group accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the consolidated balance sheets.

p. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets (even if the assets take a long time to be ready for their intended use or sale) are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

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

q. Government grants

Government grants are not recognized until there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants related to income are recognized as a reduction of the related costs/in other income on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognized as deferred revenue and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they are received.

r. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group’s defined benefit plans.

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as the accounting required for defined benefit plans.

s. Share-based payment arrangements

The fair value at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group’s best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. It is recognized as an expense in full at the grant date if vested immediately. The grant date of treasury shares transferred to employees is the date on which the employees are informed.

t. Taxation

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

1) Current tax

Income tax payable (refundable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years’ tax liabilities are added to or deducted from the current year’s tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

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

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered. The deferred tax assets which originally not recognized is also reviewed at the end of each reporting period and recognized to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax for the year

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

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group’s accounting policies, management is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The Group considers the economic implications of the COVID-19 when making its critical accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2022	2021
Cash on hand	$ 237	$ 234
Checking accounts and demand deposits	3,806,491	4,301,335
Cash equivalents (investments with original maturities of 3 months or less)		
Bank acceptances	39,405	37,170
Time deposits	398,502	5,464
	$ 4,244,635	$ 4,344,203

The market rate intervals of cash in bank at the end of the year were as follows:

	December 31	
	2022	2021
Bank balance	0.00%-2.03%	0.00%-2.03%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2022	2021
Financial assets at fair value through profit or loss (FVTPL) - current		
Financial assets mandatorily classified as at FVTPL		
Non-derivative financial assets		
Mutual funds	$ 42,227	$ 25,665

The Group did not enter into any derivatives trading during 2022 and 2021.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - INVESTMENTS IN EQUITY INSTRUMENTS

	December 31	
	2022	2021
Current		
Domestic investments		
Listed shares	$ 913,027	$ 1,163,669
Non-current		
Domestic investments		
Listed shares and emerging market shares	$ 10,162,630	$ 11,990,875
Unlisted shares	671,501	699,460
	10,834,131	12,690,335

(Continued)

	December 31	
	2022	2021
Foreign investments		
Listed shares	$ -	$ 49,135
Unlisted shares	6	8
	6	49,143
	$ 10,834,137	$ 12,739,478

(Concluded)

These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2022	2021
Current		
Restricted deposits	$ 33,907	$ 33,049

The interest rate for restricted deposits was both 0.30% as of December 31, 2022 and 2021.

Refer to Note 33 for information relating to financial assets at amortized cost pledged as security.

10. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2022	2021
Notes receivable		
At amortized cost		
Gross carrying amount	$ 650,764	$ 879,010
Less: Allowance for impairment loss	(119)	(288)
	$ 650,645	$ 878,722
Trade receivables		
At amortized cost		
Gross carrying amount	$ 2,907,542	$ 4,085,102
Less: Allowance for impairment loss	(17,499)	(21,708)
	$ 2,890,043	$ 4,063,394

(Continued)

	December 31	
	2022	2021
Other receivables		
Interest receivables	$ 3,324	$ 527
Others	234,132	239,889
	$ 237,456	$ 240,416

(Concluded)

Refer to Notes 17 and 31(e) for information relating to discounted notes receivable.

The average credit period of sales of goods was 30 days.

Before accepting any new customer, the Group used an internal credit scoring system to assess the potential customer's credit quality and defined credit limits. The credit limits and rating would be evaluated twice a year.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

As of December 31, 2022 and 2021, the balance of receivables from individual customer did not exceed 5% of the total balance of receivables.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on receivables are estimated by reference to past default records of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate. The provision for loss allowance base on the Group's different customer base.

The Group recognized 100% of the amount as allowance for impairment loss when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation, or when the trade receivables are over 1 year past due. For trade receivables that recognized 100% of the amount as allowance for impairment loss, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

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

December 31, 2022

	Credit Rating A	Credit Rating B	Credit Rating C	Credit Rating D	Credit Rating E	Notes Receivable	Total
Gross carrying amount	$ 1,249,970	$ 758,988	$ 171,047	$ 251,575	$ 475,962	$ 650,764	$ 3,558,306
Loss allowance (Lifetime ECL)	(2,238)	(2,386)	(1,094)	(1,905)	(9,876)	(119)	(17,618)
Amortized cost	$ 1,247,732	$ 756,602	$ 169,953	$ 249,670	$ 466,086	$ 650,645	$ 3,540,688

December 31, 2021

	Credit Rating A	Credit Rating B	Credit Rating C	Credit Rating D	Credit Rating E	Notes Receivable	Total
Gross carrying amount	$ 1,655,637	$ 815,334	$ 519,253	$ 372,769	$ 722,109	$ 879,010	$ 4,964,112
Loss allowance (Lifetime ECL)	(4,182)	(4,921)	(2,735)	(3,108)	(6,762)	(288)	(21,996)
Amortized cost	$ 1,651,455	$ 810,413	$ 516,518	$ 369,661	$ 715,347	$ 878,722	$ 4,942,116

The aging of receivables was as follows:

	December 31	
	2022	2021
Not past due	$ 3,549,008	$ 4,943,027
Up to 30 days	8,915	19,132
31-60 days	83	41
61-90 days	-	7
Over 91 days	300	1,905
	$ 3,558,306	$ 4,964,112

The movements of the loss allowance of trade receivables were as follows:

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 21,708	$ 19,770
Add: Net remeasurement of loss allowance	25,385	5,943
Less: Net remeasurement of loss allowance	(30,147)	-
Less: Amounts written off	-	(3,825)
Foreign exchange gains and losses	553	(180)
Balance at December 31	$ 17,499	$ 21,708

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

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 288	$ 571
Less: Net remeasurement of loss allowance	(169)	(283)
Balance at December 31	$ 119	$ 288

11. INVENTORIES

	December 31	
	2022	2021
Finished goods	$ 3,117,158	$ 3,243,432
Semi-finished goods	389,407	225,931
Work in progress	181,677	225,359
Raw materials	2,309,136	2,535,068
Supplies	970,837	584,003
Inventory in transit	1,397,162	1,662,724
Land held for construction site	870,625	840,820
	9,236,002	9,317,337
Less: Allowance for loss	(343,061)	(683,913)
	$ 8,892,941	$ 8,633,424

The cost of goods sold recognized by the Group is all related to inventories.

The cost of goods sold for the years ended December 31, 2022 and 2021 included reversal of inventory write-downs of $(354,798) thousand and the inventory write-downs $596,543 thousand, respectively. Inventory write-downs were reversed as a result of increased selling prices in certain markets.

As of December 31, 2022 and 2021, land held for construction site are expected to be recovered after more than 12 months.

12. SUBSIDIARIES

a. Subsidiaries included in the consolidated financial statements:

Investor	Investee	Nature of Activities	Proportion of Ownership (%) December 31 2022	Proportion of Ownership (%) December 31 2021	Description	Remark
The Company	Constant Holdings Ltd. (CHL)	Investment activities	100.00	100.00		1)
The Company	Glory Ace	Trading	100.00	100.00		2)
The Company	Union Venture Capital Corp. (UVC)	Investment activities	100.00	100.00		2)
The Company	Wei Chen Investment Co. (WCI)	Investment activities	100.00	100.00		2)
The Company	Taiwan Union International Investment Corporation (TUI)	Investment activities	100.00	100.00		2)
The Company	UPC Chemicals (Malaysia)	Manufacturing and selling of PLASTICIZERS and PA	100.00	-		4)
CHL	Star Bright	Investment activities	100.00	100.00		2)
CHL	Goldendust	Investment activities	100.00	100.00		1)
CHL	Natural	Investment activities	100.00	100.00		1)
CHL	Magic Props	Investment activities	100.00	100.00		2)
CHL	Pure Fantasy	Investment activities	100.00	100.00		2)
CHL	Union Hong Kong	Trading	100.00	100.00		2)
CHL	Modern Vantage	Investment activities	100.00	100.00		2)
CHL	Charmon	Investment activities	100.00	100.00		2)
CHL	Linkhope	Investment activities	100.00	100.00		2)
CHL	Reachworld	Investment activities	100.00	100.00		2)
CHL	Daywinn	Investment activities	100.00	100.00		2)
CHL	Dragonoble	Investment activities	100.00	100.00		2)
CHL	Pagerise	Investment activities	100.00	100.00		2)
CHL	Faithouse	Investment activities	100.00	100.00		2)
CHL	Greaterise	Investment activities	100.00	100.00		2)
CHL	Granfaith	Investment activities	100.00	100.00		2)
CHL	Prestige Spring	Investment activities	-	100.00		4)
UVC	Inno Strategy	Investment activities	-	100.00		3)
Star Bright	Logical Path Ltd.	Investment activities	100.00	100.00		2)
Goldendust	Zhongshan Unicizers	Manufacturing and selling of PLASTICIZERS and PA	100.00	100.00		1)
Natural and Daywinn	Taizhou Union Plastics	Manufacturing and selling of PVC	100.00	100.00	Natural holds 74.41% and Daywinn holds 25.59%.	1)
Modern Vantage	Taizhou Union Logistics	Warehousing and storage services	100.00	100.00		2)
Charmon and Zhongshan Unicizers	Taizhou Union Chemical	Manufacturing and selling of PLASTICIZERS and PA	100.00	100.00	Charmon holds 49.90% and Zhongshan Unicizers holds 50.10%.	2)
Linkhope	Jiangsu Union Logistics	Rendering logistics services	100.00	100.00		2)
Reachworld	Guangdong Union Logistics	Rendering logistics services	100.00	100.00		2)
Dragonoble and Zhongshan Unicizers	Panjin Union Chemical	Manufacturing and selling of PLASTICIZERS and PA	100.00	100.00	Dragonoble holds 48.26% and Zhongshan Unicizers holds 51.74%.	2)

(Continued)

			Proportion of Ownership (%)			
			December 31			
Investor	Investee	Nature of Activities	2022	2021	Description	Remark
Pagerise	Panjin Union Logistics	Warehousing and storage services	100.00	100.00		2)
Greaterise	Panjin Union Materials	Manufacturing and selling of MA and related derivatives	100.00	100.00		2)
Zhongshan Unicizers Logical Path Ltd. Pure Fantasy and Goldendust	Zhuhai Unicizers	Manufacturing and selling of PLASTICIZERS, PA and MA	100.00	100.00	Zhongshan Unicizers holds 50.28%, Logical Path Ltd. 6.48%, Pure Fantasy holds 17.75% and Goldendust holds 25.49%.	1)
Zhongshan Unicizers, Logical Path Ltd. Goldendust and Magic Props	Zhenjiang Union Chemical	Manufacturing and selling of PLASTICIZERS and PA	100.00	100.00	Zhongshan Unicizers holds 50.49%, Logical Path Ltd. holds 4.01%, Goldendust holds 3.71% and Magic Props holds 41.79%.	1)
Zhenjiang Union Chemical	ZhenJiang Union Torch Estate	Real Estate Management	100.00	100.00		2)
Granfaith and Zhongshan Unicizers	Nanchong Unicizers	Manufacturing and selling of PLASTICIZERS and PA	100.00	100.00	Granfaith holds 49.00% and Zhongshan Unicizers holds 51.00%.	2)
Prestige Spring	UPC Chemicals (Malaysia)	Manufacturing and selling of PLASTICIZERS and PA	-	100.00		4)
Faithouse	Sichung Logistics	Rendering logistics services	100.00	100.00		2)
UPC Chemicals (Malaysia)	UPCM Trading (Thailand) Company Limited	Trading	100.00	100.00		2)
UPC Chemicals (Malaysia)	UPCM Trading (Vietnam) Company Limited	Trading	100.00	100.00		2)
Taizhou Union Plastics	Panjin Union Plastics	Manufacturing and selling of VCM	100.00	100.00	Incorporated in August 2021	2)

(Concluded)

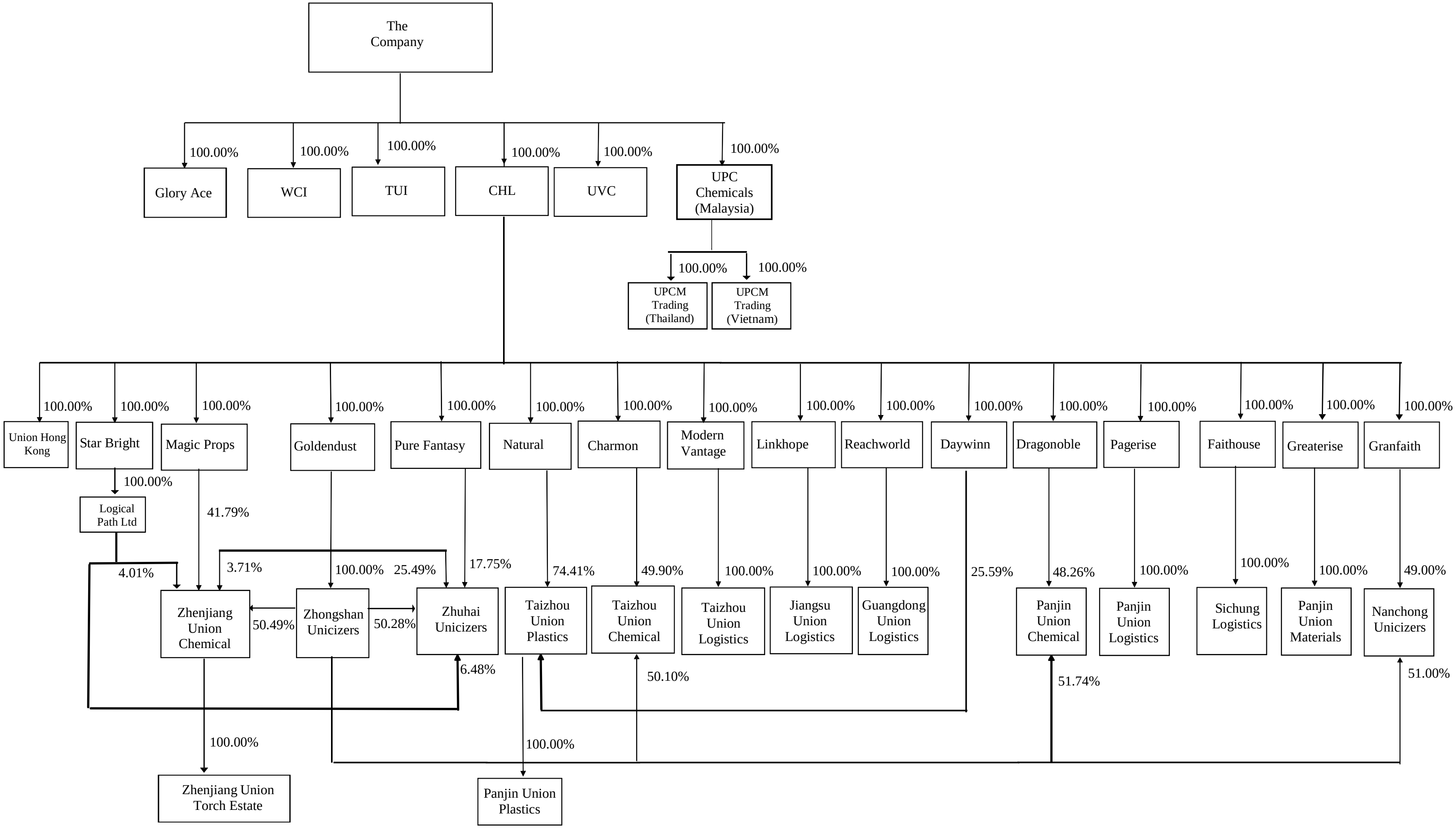
Remark 1: Material subsidiary.

Remark 2: Immaterial subsidiary.

Remark 3: Inno Strategy has ceased its operations and finished the liquidation procedures in December 2022.

Remark 4: Due to operational strategy and management considerations, the board of directors of the Group approved an organizational restructuring in November 2022, and its parent company acquired 100% of the equity interest of UPC Chemicals (Malaysia) from Prestige Spring, a subsidiary of CHL, for $1,838,838 thousand, and then CHL, a subsidiary of the parent company, absorbed and merged 100% equity of Prestige Spring. After the merger, CHL would be the surviving company while Prestige Spring would be dissolved in the merger, and CHL conducted capital reduction and returned $1,838,838 thousand to the parent company.

As of December 31, 2022, the investment relationship and shareholding ratio of the Company and the individuals controlled by the Company are as follows:



b. Subsidiaries excluded from the consolidated financial statements: None.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Associates that are not individually material	December 31 2022	December 31 2021
Unlisted company		
Harbinger Ruyi	$ 22,979	$ 18,441

As the end of the reporting period, the proportion of ownership and voting rights on associates held by the Group were as follows:

Name of Associate	December 31 2022	December 31 2021
Harbinger Ruyi	28.57%	28.57%

Aggregate information of associates that are not individually material:

	For the Year Ended December 31 2022	For the Year Ended December 31 2021
The Group's share of:		
Income	$ 133	$ 12
Other comprehensive income (loss)	2,312	(9)
Total comprehensive loss	$ 2,445	$ 3

14. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery and Equipment	Warehousing Equipment	Utilities Equipment	Transportation Equipment	Other Equipment	Construction in Progress and Equipment to Be Inspected	Total
Cost									
Balance at January 1, 2021	$ 1,126,898	$ 8,018,810	$ 12,032,614	$ 4,004,806	$ 3,684,379	$ 296,628	$ 1,388,651	$ 1,562,547	$ 32,115,333
Additions	-	151,991	107,129	82,233	177,277	40,879	64,985	1,181,663	1,806,157
Disposals	-	(4,544)	(221,984)	(80,640)	(66,072)	(28,134)	(36,437)	(25,541)	(463,352)
Reclassification	-	110,266	124,988	274,811	135,362	1,957	(2,244)	(645,937)	(797)
Effects of foreign currency exchange differences	-	(48,488)	(68,616)	(24,737)	(17,838)	(2,094)	(8,238)	(9,089)	(179,100)
Balance at December 31, 2021	$ 1,126,898	$ 8,228,035	$ 11,974,131	$ 4,256,473	$ 3,913,108	$ 309,236	$ 1,406,717	$ 2,063,643	$ 33,278,241
Accumulated depreciation									
Balance at January 1, 2021		$ 2,397,142	$ 7,715,897	$ 2,353,059	$ 2,684,279	$ 168,171	$ 1,071,325		$ 16,389,873
Disposals		(21,319)	(209,492)	(75,546)	(65,567)	(27,518)	(35,518)		(434,960)
Depreciation expense		329,444	753,886	285,736	184,979	36,144	104,627		1,694,816
Effects of foreign currency exchange differences		(11,953)	(40,218)	(12,168)	(12,166)	(1,247)	(5,662)		(83,414)
Balance at December 31, 2021		$ 2,693,314	$ 8,220,073	$ 2,551,081	$ 2,791,525	$ 175,550	$ 1,134,772		$ 17,566,315
Carrying amount at December 31, 2021	$ 1,126,898	$ 5,534,721	$ 3,754,058	$ 1,705,392	$ 1,121,583	$ 133,686	$ 271,945	$ 2,063,643	$ 15,711,926
Cost									
Balance at January 1, 2022	$ 1,126,898	$ 8,228,035	$ 11,974,131	$ 4,256,473	$ 3,913,108	$ 309,236	$ 1,406,717	$ 2,063,643	$ 33,278,241
Additions	-	81,107	92,801	94,315	65,762	15,781	62,602	1,460,763	1,873,131
Disposals	-	(3,316)	(64,386)	(5,939)	(125,773)	(27,527)	(22,477)	(4,830)	(254,248)
Reclassification	-	231,399	766,026	275,569	233,004	3,386	68,993	(1,581,675)	(3,298)
Effects of foreign currency exchange differences	-	154,630	210,101	83,833	57,383	7,141	27,839	33,177	574,104
Balance at December 31, 2022	$ 1,126,898	$ 8,691,855	$ 12,978,673	$ 4,704,251	$ 4,143,484	$ 308,017	$ 1,543,674	$ 1,971,078	$ 35,467,930

(Continued)

	Land	Buildings	Machinery and Equipment	Warehousing Equipment	Utilities Equipment	Transportation Equipment	Other Equipment	Construction in Progress and Equipment to Be Inspected	Total
Accumulated depreciation									
Balance at January 1, 2022		$ 2,693,314	$ 8,220,073	$ 2,551,081	$ 2,791,525	$ 175,550	$ 1,134,772		$ 17,566,315
Disposals		(5,538)	(55,534)	(5,730)	(124,617)	(23,836)	(23,415)		(238,670)
Depreciation expense		359,377	698,489	303,044	205,260	39,220	120,653		1,726,043
Effects of foreign currency exchange differences		41,409	132,561	42,675	37,923	4,561	19,319		278,448
Balance at December 31, 2022		$ 3,088,562	$ 8,995,589	$ 2,891,070	$ 2,910,091	$ 195,495	$ 1,251,329		$ 19,332,136
Carrying amount at December 31, 2022	$ 1,126,898	$ 5,603,293	$ 3,983,084	$ 1,813,181	$ 1,233,393	$ 112,522	$ 292,345	$ 1,971,078	$ 16,135,794

(Concluded)

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

Building	
Main buildings	50 years
Road construction	15-40 years
Others	3-50 years
Machinery and equipment	5-20 years
Warehousing equipment	5-15 years
Utilities equipment	5-15 years
Transportation equipment	5-8 years
Other equipment	3-20 years

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2022	2021
Carrying amount		
Land	$ 1,494,647	$ 1,499,927
Buildings	28,135	34,237
Other equipment	186	622
	$ 1,522,968	$ 1,534,786

	For the Year Ended December 31	
	2022	2021
Depreciation charge for right-of-use assets		
Land	$ 39,917	$ 43,082
Buildings	10,278	10,095
Other equipment	1,036	991
	$ 51,231	$ 54,168

b. Lease liabilities

	December 31	
	2022	2021
Carrying amount		
Current	$ 13,446	$ 13,155
Non-current	$ 17,443	$ 25,556

Range of discount rates for lease liabilities was as follows:

	December 31	
	2022	2021
Land	3.66%	3.66%
Buildings	1.80%-3.66%	1.80%-3.66%
Other equipment	4.35%	4.35%

c. Material leasing activities and terms

The Group leases land and buildings for the use of plants and offices with lease terms of 2 to 50 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms. In addition, the Group is prohibited from subleasing or transferring all or any portion of the underlying assets without the lessor's consent.

d. Other lease information

	For the Year Ended December 31	
	2022	2021
Expenses relating to short-term leases	$ 27,764	$ 20,045
Expenses relating to low-value asset leases	$ 912	$ 872
Expenses relating to variable lease payments not included in the measurement of lease liabilities	$ 547	$ 221
Total cash outflow for leases	$ 43,320	$ 39,862

The Group's leases of certain office equipment qualify as short-term leases and certain warehousing equipment qualify as low-value asset leases. The Group has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

16. OTHER ASSETS

	December 31	
	2022	2021
Current		
Other assets		
Prepayments to suppliers	$ 1,295,341	$ 2,015,333
Input VAT and excess business tax paid	249,795	506,331
Prepaid expense	246,471	245,636
	$ 1,791,607	$ 2,767,300

(Continued)

	December 31	
	2022	2021
Non-current		
Other assets		
Refundable deposits	$ 51,957	$ 42,306
Long-term prepaid expenses	354,663	320,621
Prepayment for equipment	331,137	278,164
	$ 737,757	$ 641,091

(Concluded)

17. BORROWINGS

a. Short-term borrowings

	December 31	
	2022	2021
Discounted bill borrowings		
Banker's acceptance bill discounted loans (1)	$ 817,496	$ 1,919,683
Unsecured borrowings		
Bank credit loans (2)	3,317,231	1,117,075
	$ 4,134,727	$ 3,036,758
Fixed rate loans	$ 2,877,210	$ 3,036,758
Floating rate loans	1,257,517	-
	$ 4,134,727	$ 3,036,758

1) The range of interest rates on banker's acceptance bill discounted loans was 0.74%-2.31% and 0.45%-2.84% per annum as of December 31, 2022 and 2021, respectively.

2) The range of interest rates on bank credit loans was 1.50%-3.50% and 2.30%-3.65% per annum as of December 31, 2022 and 2021, respectively.

3) Refer to Note 31 for information relating to amount used and unused of unsecured bank facilities.

b. Long-term borrowings

	December 31	
	2022	2021
Unsecured borrowings		
Revolving credit loans	$ 6,601,042	$ 8,786,830
Less: Current portion	(60,585)	(300,000)
	$ 6,540,457	$ 8,486,830

The carrying amounts of long-term borrowings of the Group were as follows:

	Maturity Day	Effective Interest Rate	December 31 2022	2021
Fixed interest rate loan				
Unsecured loans (NTD)	Used in revolving credit before June 2023	0.92%	$ -	$ 1,000,000
	Used in revolving credit before August 2024	2.00%/0.94%	310,000	770,000
	Used in revolving credit before April 2023	0.90%	-	700,000
	Used in revolving credit before October 2023	0.86%	-	630,000
	Used in revolving credit before October 2024	1.65%	300,000	-
	Used in revolving credit before October 2025	1.91%	300,000	-
	Used in revolving credit before December 2022	0.90%	-	300,000
	Used in revolving credit before June 2023	0.88%	-	760,000
	Used in revolving credit before June 2023	0.90%	-	240,000
	Used in revolving credit before June 2024	1.88%	100,000	-
	Used in revolving credit before June 2024	1.98%	40,000	-
	Used in revolving credit before December 2023	0.90%	-	500,000
	Used in revolving credit before May 2023	0.825%	-	500,000
	Used in revolving credit before May 2024	1.77%	150,000	-
	Used in revolving credit before May 2024	1.77%	350,000	-
	Used in revolving credit before November 2023	0.96%	-	300,000
	Used in revolving credit before November 2023	0.83%	-	200,000
	Used in revolving credit before January 2024	0.89%	-	600,000
	Used in revolving credit before April 2024	1.00%	-	100,000
	Used in revolving credit before April 2025	2.07%	500,000	-
	Used in revolving credit before April 2025	1.95%	50,000	-
	Used in revolving credit before September 2024	2.00%/0.90%	730,000	800,000
	Used in revolving credit before March 2023	0.99%	-	900,000
Unsecured loans (RMB)	Used in revolving credit before June 2023	3.40%/3.55%	60,585	86,830
	Total of fixed interest rate loan		2,890,585	8,386,830
Floating interest rate loan				
Unsecured loans (NTD)	Repaid once before December 2024	1.97%	500,000	-
	Repaid once before April 2024	1.80%	700,000	-
	Repaid once before June 2023	0.98%	-	400,000
	Repaid once before November 2025	1.52%	400,000	-
	Repaid once before May 2024	1.45%	1,500,000	-
	Repaid once before November 2023	1.98%	500,000	-

(Continued)

	Maturity Day	Effective Interest Rate	December 31 2022	2021
Unsecured loans (RMB)	Repaid once before September 2024	3.35%	$ 110,457	$ -
	Total of floating interest rate loan		3,710,457	400,000
Total of long-term borrowing			6,601,042	8,786,830
Less: Current portion			(60,585)	(300,000)
			$ 6,540,457	$ 8,486,830

(Concluded)

18. BONDS PAYABLE

	December 31 2022	2021
Secured domestic bonds	$ 9,000,000	$ 6,000,000
Less: Discount of bonds	(9,089)	(8,867)
	8,990,911	5,991,133
Less: Current portion	(5,995,566)	-
	$ 2,995,345	$ 5,991,133

The major terms of the secured domestic bonds are as follows:

Issuance	Issuance Period	Total Amount	Coupon Rate	Repayment and Interest Payment
2018-1	December 2018 to December 2023	$ 6,000,000	0.95%	Bullet repayment; interest payable annually
2022-1	July 2022 to July 2027	3,000,000	1.80%	Bullet repayment; interest payable annually

19. NOTES PAYABLE AND TRADE PAYABLES

Notes payable and trade payables of the Group were generated from operating activities. The average credit period on purchases was 30 days. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms.

20. OTHER LIABILITIES

	December 31 2022	2021
Current		
Other payables		
Payables for purchases of equipment	$ 360,929	$ 332,927
Payables for salaries or bonuses	183,473	273,070
Interest payables	39,885	6,118
Payables for compensation of employees	-	32,000
Payables for compensation of directors	-	10,000

(Continued)

	December 31	
	2022	2021
Payables for imported raw materials	$ 136,427	$ 92,399
Payables for utilities	58,995	6,403
Payables for freight	138,998	187,421
Others	428,742	553,317
	$ 1,347,449	$ 1,493,655
Other liabilities		
Contract liabilities	$ 606,883	$ 915,110
Others	46,391	34,951
	$ 653,274	$ 950,061

(Concluded)

21. PROVISIONS

	December 31	
	2022	2021
Current		
Safety provision (a)	$ 113,123	$ 68,039
Non-current		
Employee benefits (b)	$ 12,349	$ 10,363

a. The safety provision is based on the regulations of mainland China. When a company produces, stores, or transports hazardous chemicals, a specific ratio of safety provision should be recognized. Safety provision can be written off on actual expenses. As the safety provision balance reaches the specified rate, the Group may apply to competent authority for lower provision ratio.

b. The provision for employee benefits is based on the Group’s employee pension. The present value of the long-term employee benefit were carried out by qualified actuaries.

22. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages.

The employees of the Group’s subsidiaries in mainland China and Malaysia are members of the state-managed retirement benefit plans operated by their respective governments. The subsidiaries are required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

Accordingly, the Group recognized pension expenses of $99,388 thousand and $80,160 thousand for the years ended December 31, 2022 and 2021, respectively.

b. Defined benefit plans

The defined benefit plans adopted by the Company in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Group is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Group has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31	
	2022	**2021**
Present value of defined benefit obligation	$ 535,373	$ 565,598
Fair value of plan assets	(299,483)	(313,118)
Net defined benefit liabilities	$ 235,890	$ 252,480

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liabilities**
Balance at January 1, 2021	$ 560,069	$ (333,274)	$ 226,795
Current service cost	4,191	-	4,191
Net interest expense (income)	2,100	(1,255)	845
Recognized in profit or loss	6,291	(1,255)	5,036
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(5,022)	(5,022)
Actuarial loss - changes in demographic assumptions	12,876	-	12,876
Actuarial gain - changes in financial assumptions	(4,408)	-	(4,408)
Actuarial loss - experience adjustment	21,156	-	21,156
Recognized in other comprehensive income	29,624	(5,022)	24,602
Contributions from the employer	-	(2,801)	(2,801)
Benefits paid	(30,386)	29,234	(1,152)
Balance at December 31, 2021	$ 565,598	$ (313,118)	$ 252,480

(Continued)

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2022	$ 565,598	$ (313,118)	$ 252,480
Current service cost	3,612	-	3,612
Net interest expense (income)	2,828	(1,573)	1,255
Recognized in profit or loss	6,440	(1,573)	4,867
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(26,326)	(26,326)
Actuarial gain - changes in financial assumptions	(4,539)	-	(4,539)
Actuarial loss - experience adjustment	12,137	-	12,137
Recognized in other comprehensive income	7,598	(26,326)	(18,728)
Contributions from the employer		(2,729)	(2,729)
Benefits paid	(44,263)	44,263	-
Balance at December 31, 2022	$ 535,373	$ (299,483)	$ 235,890

(Concluded)

Through the defined benefit plans under the Labor Standards Act, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government or corporate bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plans’ debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31	
	2022	2021
Discount rate	1.125%	0.500%
Expected rate of salary increase	3.000%	2.500%

If possible reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2022	2021
Discount rate		
0.25% increase	$ (7,863)	$ (8,837)
0.25% decrease	$ 8,066	$ 9,074
Expected rate of salary increase/decrease		
0.25% increase	$ 7,789	$ 8,749
0.25% decrease	$ (7,634)	$ (8,567)

The sensitivity analysis previously presented may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2022	2021
Expected contributions to the plans for the next year	$ 2,697	$ 2,803
Average duration of the defined benefit obligation	6.3 years	6.8 years

23. EQUITY

a. Ordinary shares

	December 31	
	2022	2021
Number of shares authorized (in thousands)	2,000,000	2,000,000
Shares authorized	$ 20,000,000	$ 20,000,000
Number of shares issued and fully paid (in thousands)	1,354,763	1,347,121
Shares issued	$ 13,547,626	$ 13,471,206
Capital collected in advance	$ 4,288	$ 6,559

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

A total of 100,000 thousand shares of the Company’s authorized shares was reserved for the issuance of employee share options; the remaining unissued shares will be issued by the board of directors in future installments as needed, and some of them will be designated as preference shares.

The change in the Company’s share capital was mainly due to the exercise of employee share options. The capital collected in advance was the advance share payment received by employees for executing share options.

b. Capital surplus

	December 31	
	2022	2021
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)		
Issuance of ordinary shares	$ 783,836	$ 793,949
Donations	21,898	21,898
Employee share options exercised and expired	327,162	310,742
Treasury share transactions	219,189	219,189
May only be used to offset a deficit		
Unclaimed dividends	881	585
May not be used for any purpose		
Employee share options	34,989	42,068
	$ 1,387,955	$ 1,388,431

Note: 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).

c. Retained earnings and dividends policy

Under the dividends policy, 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. The issuance of share dividends shall be distributed after such proposal of profit distribution is resolved by the shareholders in the shareholders' meeting. The board of directors is authorized to adopt a special resolution to distribute dividends in cash, and such distribution shall be reported and submitted in the shareholders' meeting.

For the policies on the distribution of employees' compensation and remuneration of directors, refer to employees' compensation and remuneration of directors in Note 25(g).

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset 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 appropriations of earnings for 2021 and 2020 were as follows:

	For the Year Ended December 31	
	2021	2020
Legal reserve	$ 257,369	$ 242,128
Cash dividends	$ 1,311,831	$ 1,292,348
Cash dividends per share (NT$)	$ 1.00	$ 1.00

The above appropriations for cash dividends were resolved by the Company's board of directors on March 8, 2022 and March 18, 2021, respectively; the other proposed appropriations were resolved by the shareholders in their meeting on May 26, 2022 and July 21, 2021.

The appropriation of earnings for 2022 was resolved by the Company's board of directors on March 6, 2023. The appropriation and dividends per share were as follows:

	For the Year Ended December 31, 2022
Legal reserve	$ -
Cash dividends	$ 263,583
Cash dividends per share (NT$)	$ 0.2

The above appropriation for cash dividends was resolved by the Company's board of directors; the other proposed appropriations will be resolved by the shareholders in their meeting to be held on May 24, 2023.

d. Special reserve

On the first-time adoption of IFRS, the Group appropriated to special reserve the amount that was the same as the unrealized revaluation increment transferred to retained earnings, which was $341,773 thousand.

The special reserve may be reversed on the disposal or reclassification of the related assets.

e. Other equity items

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

	For the Year Ended December 31	
	2022	**2021**
Balance at January 1	$ (1,153,241)	$ (896,268)
Recognized for the year		
Exchange differences on translating the financial statements of foreign operations	763,468	(260,103)
Related income tax	(11,840)	3,130
Balance at December 31	$ (401,613)	$ (1,153,241)

2) Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2022	2021
Balance at January 1	$ 8,785,437	$ 5,064,268
Recognized for the year		
Unrealized gain - equity instruments	(2,085,072)	4,167,086
Share from associates accounted for using the equity method	2,312	(9)
Cumulative unrealized (loss) gain of equity instruments transferred to retained earnings due to disposal	(78,641)	(445,908)
Balance at December 31	$ 6,624,036	$ 8,785,437

f. Treasury shares

	Purpose of Buy-back
	Shares Transferred to Employees (In Thousands of Shares)
Number of shares at January 1, 2021	40,000
Decrease during the year	(1,335)
Number of shares at December 31, 2021	38,665
Number of shares at January 1, 2022	38,665
Increase during the year	-
Number of shares at December 31, 2022	38,665

Under the Securities and Exchange Act, the Company shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote.

24. REVENUE

	For the Year Ended December 31	
	2022	2021
Revenue from sales	$ 72,526,564	$ 81,787,061
Revenue from logistics and warehousing services	293,079	155,367
	$ 72,819,643	$ 81,942,428

25. NET (LOSS) PROFIT

Information about net (loss) profit is as follows:

a. Interest income

	For the Year Ended December 31	
	2022	2021
Bank deposits	$ 29,402	$ 26,722

b. Other income

	For the Year Ended December 31	
	2022	2021
Operating lease rental income	$ 84,583	$ 86,509
Commission income	7	85
Dividends	569,529	378,426
Government grant income (Note 29)	150,529	71,125
Indemnity income (Note 35)	266,785	80,306
Others	82,648	54,682
	$ 1,154,081	$ 671,133

c. Other gains and losses

	For the Year Ended December 31	
	2022	2021
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily classified as at FVTPL	$ 162	$ 50
Net foreign exchange (losses) gains	(148,127)	22,802
Gain on disposal of right-of-use asset	-	125,554
Loss on disposal of property, plant and equipment	(5,873)	(17,708)
Bank charges (including bonds)	(52,016)	(48,260)
Others	(39,583)	(225,630)
	$ (245,437)	$ (143,192)

d. Finance costs

	For the Year Ended December 31	
	2022	2021
Interest on bank loans (including bonds)	$ 286,887	$ 232,653
Interest on lease liabilities	888	1,041
	$ 287,775	$ 233,694

e. Depreciation and amortization

	For the Year Ended December 31	
	2022	2021
Property, plant and equipment	$ 1,726,043	$ 1,694,816
Right-of-use assets	51,231	54,168
Computer software	9,275	8,272
Long-term prepaid expenses	211,320	197,739
	$ 1,997,869	$ 1,954,995
An analysis of depreciation by function		
Operating costs	$ 1,494,338	$ 1,465,633
Operating expenses	261,253	266,213
Other losses	21,683	17,138
	$ 1,777,274	$ 1,748,984
An analysis of amortization by function		
Operating costs	$ 210,350	$ 196,806
Operating expenses	10,245	9,205
	$ 220,595	$ 206,011

f. Employee benefits expense

	For the Year Ended December 31	
	2022	2021
Short-term benefits	$ 1,243,443	$ 1,288,913
Post-employment benefits (Note 22)		
Defined contribution plans	99,388	80,160
Defined benefit plans	4,867	5,036
Total post-employment benefits	104,255	85,196
Share-based payments		
Equity-settled	9,342	45,445
Other employee benefits	106,316	106,819
Total employee benefits expense	$ 1,463,356	$ 1,526,373
An analysis of employee benefits expense by function		
Operating costs	$ 986,737	$ 1,014,560
Operating expenses	476,619	511,813
	$ 1,463,356	$ 1,526,373

g. Employees’ compensation and remuneration of directors

According to the Company’s Articles of Incorporation, the Company accrued employees’ compensation and remuneration of directors and supervisors at rates of no less than 1% and no higher than 1%, respectively, of net profit less accumulated deficit. As it was net loss for the year ended December 31, 2022, the Company did not estimate the employees’ compensation and the remuneration of directors for the year.

The compensation of employees and the remuneration of directors for the years ended December 31, 2021, which were approved by the Company's board of directors on March 8, 2022 is as follows:

Accrual rate

	For the Year Ended December 31, 2021
Compensation of employees	1.44%
Remuneration of directors	0.45%

Amount

	For the Year Ended December 31, 2021
	Cash
Compensation of employees	$ 32,000
Remuneration of directors	$ 10,000

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

There is no difference between the actual amounts of employees' compensation and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2021 and 2020.

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

h. Gains or losses on foreign currency exchange

	For the Year Ended December 31	
	2022	2021
Foreign exchange gains	$ 455,424	$ 419,463
Foreign exchange losses	(603,551)	(396,661)
	$ (148,127)	$ 22,802

26. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of income tax (benefit) expense are as follows:

	For the Year Ended December 31	
	2022	2021
Current tax		
In respect of the current year	$ 99,107	$ 651,987
Income tax on unappropriated earnings	-	32,000
Adjustments for prior year	22,340	18,140
	121,447	702,127
Deferred tax		
In respect of the current year	(607,445)	(80,719)
Income tax (benefit) expense recognized in profit or loss	$ (485,998)	$ 621,408

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

	For the Year Ended December 31	
	2022	2021
(Loss) profit before tax from continuing operations	$ (1,722,222)	$ 2,768,870
Income tax (benefit) expense calculated at the statutory rate (25%)	$ (430,556)	$ 692,218
Permanent differences	108,174	298,448
Tax-exempt income	(144,873)	(416,858)
Additional income tax under the Alternative Minimum Tax Act	-	22,404
Tax on unappropriated earnings	-	32,000
Effect of different tax rates of group entities operating in other jurisdictions	(41,083)	(24,944)
Adjustments for prior years' tax	22,340	18,140
Income tax (benefit) expense recognized in profit or loss	$ (485,998)	$ 621,408

The corporate tax rate applicable to subsidiaries in China is 25%. Tax rates applicable to the Group's entities operating in other jurisdictions are based on the tax laws in those jurisdictions.

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2022	2021
Deferred income tax expenses (benefit)		
In respect of the current year		
Translation of foreign operations	$ 11,840	$ (3,130)
Remeasurement of defined benefit plans	3,750	(4,920)
	15,590	(8,050)
Total income tax recognized in other comprehensive income	$ 15,590	$ (8,050)

c. Current tax assets and liabilities

	December 31 2022	December 31 2021
Current tax assets		
Tax refund receivable	$ 182,876	$ 142,571
Current tax liabilities		
Income tax payable	$ 78,633	$ 105,721

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities are as follows:

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Exchange Differences	Closing Balance
Deferred tax assets					
Temporary differences					
Allowance for write - down of inventories	$ 170,416	$ (98,498)	$ -	$ 3,200	$ 75,118
Exchange differences on translating the financial statements of foreign operations	34,660	-	(11,840)	-	22,820
Defined benefit obligations	50,490	4,180	(3,750)	-	50,920
Allowance for impairment loss	7,910	(961)	-	134	7,083
Others	28,462	(917)	-	247	27,792
	291,938	(96,196)	(15,590)	3,581	183,733
Loss carryforwards	527,118	703,631	-	4,231	1,234,980
	$ 819,056	$ 607,435	$ (15,590)	$ 7,812	$ 1,418,713
Deferred tax liabilities					
Temporary differences					
Investment income abroad	$ 117,480	$ (10)	$ -	$ -	$ 117,470
Land revaluation incremental tax	99,828	-	-	-	99,828
Others	58,911	-	-	6,449	65,360
	$ 276,219	$ (10)	$ -	$ 6,449	$ 282,658

For the year ended December 31, 2021

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Exchange Differences	Closing Balance
Deferred tax assets					
Temporary differences					
Allowance for write - down of inventories	$ 20,977	$ 149,547	$ -	$ (108)	$ 170,416
Exchange differences on translating the financial statements of foreign operations	31,530	-	3,130	-	34,660
Defined benefit obligations	45,350	220	4,920	-	50,490
Allowance for impairment loss	7,894	59	-	(43)	7,910
Others	13,866	14,651	-	(55)	28,462
	119,617	164,477	8,050	(206)	291,938
Loss carryforwards	554,236	(24,160)	-	(2,958)	527,118
	$ 673,853	$ 140,317	$ 8,050	$ (3,164)	$ 819,056
Deferred tax liabilities					
Temporary differences					
Investment income abroad	$ 117,490	$ (10)	$ -	$ -	$ 117,480
Land revaluation incremental tax	99,828	-	-	-	99,828
Others	3	59,608	-	(700)	58,911
	$ 217,321	$ 59,598	$ -	$ (700)	$ 276,219

e. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2022 comprised:

Unused Amount	Expiry Year
$ 587,050	2023
949,572	2024
377,675	2025
204,676	2026
2,820,947	2027
$ 4,939,920	

f. The aggregate amount of temporary differences associated with investments for which deferred tax liabilities have not been recognized

As of December 31, 2022 and 2021, the taxable temporary differences associated with investments in subsidiaries for which no deferred tax liabilities have been recognized were $2,140,000 thousand and $2,480,000 thousand, respectively.

g. Domestic income tax assessments

	Assessment Year
The Company	2020
TUI	2020
WCI	2020
UVC	2020

27. (LOSS) EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2022	**2021**
Basic (loss) earnings per share	$ (0.94)	$ 1.66
Diluted earnings per share		$ 1.62

The (loss) earnings and weighted average number of ordinary shares outstanding used in the computation of (loss) earnings per share are as follows:

Net (Loss) Profit for the Year

	For the Year Ended December 31	
	2022	**2021**
(Loss) earnings used in the computation of basic and diluted earnings per share	$ (1,236,224)	$ 2,147,462

The weighted average number of ordinary shares outstanding (in thousands of shares) is as follows:

	For the Year Ended December 31	
	2022	**2021**
Weighted average number of ordinary shares used in the computation of basic (loss) earnings per share	1,313,101	1,297,478
Effect of potentially dilutive ordinary shares		
Employee share options		24,829
Compensation of employees		1,858
Weighted average number of ordinary shares used in the computation of diluted earnings per share		1,324,165

The Company may settle the compensation or bonuses paid to employees in cash or shares; therefore, the Company assumes that the entire amount of the compensation or bonuses will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved by the Company's board of directors in the following year.

28. SHARE-BASED PAYMENT ARRANGEMENTS

a. Employee share option plan of the Group - employee share options

Qualified employees of the Company and its subsidiaries were granted 40,000 options on August 15, 2019. Each option entitles the holder with the right to subscribe for one thousand ordinary shares of the Company. The options granted are valid for 6 years and exercisable at 50%, 75% or 100%, respectively, after the second, third or fourth year from the grant date.

Information on employee share options is as follows:

	For the Year Ended December 31			
	2022		2021	
	Number of Options (In Thousands of Units)	**Weighted-average Exercise Price ($)**	**Number of Options (In Thousands of Units)**	**Weighted-average Exercise Price ($)**
Balance at January 1	24,396	$8.9	40,000	$9.4
Options exercised	(7,409)	8.6	(15,510)	8.9
Options expired	(462)	8.5	(94)	8.9
Balance at December 31	16,525	8.5	24,396	8.9
Options exercisable, end of the year	7,034	8.5	4,443	8.9

Options granted in August 2019 were priced using the Black-Scholes pricing model, and the inputs to the model are as follows:

	August 2019
Grant-date share price	$9.90
Exercise price (Note)	$9.90
Expected volatility	26.01%; 25,67%; 25.03%
Expected life	4; 4.5; 5 years
Expected dividend yield	-
Risk-free interest rate	0.52%; 0.53%; 0.54%

The fair value of employee share options, which were granted on August 15, 2019, was calculated based on their vesting period that starts from the second, third and fourth year from the grant date. Compensation costs recognized were $9,342 thousand and $26,141 thousand for the years ended December 31, 2022 and 2021, respectively.

Note: The exercise price will be adjusted according to the aforementioned employee share option plan.

b. Employee share option plan of the Group - transferred treasury shares

Employees of the Company were transferred 1,335 thousand shares on September 8, 2021 according to the treasury share transfer regulation of the Company by $9.34. The total compensation cost recognized was $19,304 thousand.

29. GOVERNMENT GRANTS

a. In 2022 and 2021, the Group received government grants of $137,553 thousand and $58,422 thousand in mainland China, respectively. The grants were immediate financial supports based on investment agreements.

b. In 2017, the Group received an air pollution prevention grant of RMB2,972 thousand from mainland China government. The government grant was initially recognized as long-term deferred income, then transferred to other income based on the depreciation of the relevant assets.

   In 2022 and 2021, the long-term deferred income of $1,268 thousand and $1,241 thousand was transferred to other income, respectively.

   As of December 31, 2022 and 2021, the balances of the deferred income were $5,203 thousand and $6,363 thousand, respectively.

c. In 2017, 2016 and 2014, the Group received government grants of RMB20,000 thousand, RMB3,250 thousand and RMB26,400 thousand in mainland China, respectively. The grants were special subsidy of Panjin City, Liaoning Province of mainland China, and development of strategic emerging industries of Sichuan Province. The government grants were initially recognized as long-term deferred income. After the construction of related assets is completed, the government grants transferred to other income based on the depreciation of the assets.

   In 2022 and 2021, the long-term deferred income of $11,708 thousand and $11,462 thousand, respectively, was transferred to other income.

   As of December 31, 2022 and 2021, the balances of the deferred income were $155,874 thousand and $164,933 thousand, respectively.

30. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. It was estimated that the Group’s overall strategy remains unchanged in the short term.

The capital structure of the Group consists of net liability (total liability offset by cash and cash equivalents and financial assets at amortized cost) and net asset (total asset offset by cash and cash equivalents and financial assets at amortized cost).

Key management personnel of the Group review the capital structure on a quarterly basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends policy and the amount of new debt issued or existing debt redeemed.

The Group has a target net liability ratio of 50% determined as the proportion of net debt to assets.

Net Liability Ratio

The net liability ratio at end of the reporting period was as follows:

	December 31	
	2022	**2021**
Liabilities	$ 24,456,220	$ 23,875,107
Cash and cash equivalents (Note)	(4,278,542)	(4,377,252)
Net liabilities	$ 20,177,678	$ 19,497,855
Assets	$ 50,562,422	$ 53,771,844
Cash and cash equivalents (Note)	(4,278,542)	(4,377,252)
Net assets	$ 46,283,880	$ 49,394,592
Net liability to net asset ratio	44%	39%

Note: Cash and cash equivalents include financial assets at amortized cost.

31. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

December 31, 2022

	Carrying Amount	Fair Value			
		Level 1	**Level 2**	**Level 3**	**Total**
Financial liabilities					
Financial liabilities at amortized cost					
Domestic corporate bonds payable	$ 8,990,911	$ -	$ 9,012,414	$ -	$ 9,012,414

December 31, 2021

	Carrying Amount	Fair Value			
		Level 1	**Level 2**	**Level 3**	**Total**
Financial liabilities					
Financial liabilities at amortized cost					
Domestic corporate bonds payable	$ 5,991,133	$ -	$ 6,025,200	$ -	$ 6,025,200

Apart from the mentioned above, the management considered that the carrying amounts of financial assets and financial liabilities not measured at fair value approximated their fair values or were unmeasurable.

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

1) Fair value hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 42,227	$ -	$ -	$ 42,227
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	$ 11,075,657	$ -	$ -	$ 11,075,657
Domestic unlisted shares	-	-	671,501	671,501
Foreign unlisted shares	-	-	6	6
	$ 11,075,657	$ -	$ 671,507	$ 11,747,164

December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Mutual funds	$ 25,665	$ -	$ -	$ 25,665
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares and emerging market shares	$ 13,154,544	$ -	$ -	$ 13,154,544
Foreign listed shares	49,135	-	-	49,135
Domestic unlisted shares	-	-	699,460	699,460
Foreign unlisted shares	-	-	8	8
	$ 13,203,679	$ -	$ 699,468	$ 13,903,147

There were no transfers between Levels 1 and 2 in the current and prior years.

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

For the year ended December 31, 2022

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2022	$ 699,468
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	(41,808)
Purchases	27,374
Proceed from return of investment	(13,527)
Balance at December 31, 2022	$ 671,507

For the year ended December 31, 2021

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2021	$ 618,588
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	76,603
Purchases	27,375
Proceed from return of investment	(23,044)
Sales/settlements	(54)
Balance at December 31, 2021	$ 699,468

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

Financial Instrument	Valuation Technique and Inputs
Financial liabilities - domestic corporate bonds payable	The fair value is calculated using a volume-weighted average price on the TPEx at the end of the reporting period.

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

The fair values of unlisted equity securities - ROC were determined using the asset approach. The approach is mainly utilized to evaluate venture capital firms. In this approach, the net asset value is taken into account. The market approach is used for determining the fair values of other securities, in which the fair value of the target securities is determined based on the market transaction price and market conditions of the listed equity securities of other similar companies.

c. Categories of financial instruments

	December 31			
	2022		2021	
Financial assets				
Financial assets mandatorily classified as at FVTPL	$	42,227	$	25,665
Financial assets at amortized cost (1)		8,110,805		9,605,046
Equity instruments at FVTOCI		11,747,164		13,903,147
Financial liabilities				
Financial liabilities at amortized cost (2)		22,888,327		21,497,989

1) The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, debt investments, notes receivable, trade receivables, other receivables and refundable deposits.

2) The balances included financial liabilities at amortized cost, which comprise notes payable, short-term borrowings, trade payable, current portion of long-term borrowings, other payables, bonds issued, long-term borrowings and guarantee deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity investments, receivables, payables, and borrowings. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Group through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

1) Market risk

The Group activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

There has been no change to the Group exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The Company and several subsidiaries of the Company have foreign currency denominated sales and purchases, which exposed the Group to foreign currency risk. Approximately 15% of the Group's sales is denominated in currencies other than the functional currency, whilst almost 30% of costs is denominated in currencies other than the functional currencies of the Group's entities.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the year are set out in Note 38.

Sensitivity analysis

The Group is mainly exposed to the USD.

The following table details the Group's sensitivity to a 3% increase and decrease in the New Taiwan dollar, RMB and MYR against the USD. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 3%. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusted their translation at the end of the year for a 3% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit associated with the New Taiwan dollar and RMB strengthening 3% against the USD. For a 3% weakening of the New Taiwan dollar and RMB against the USD, there would be an equal and opposite impact on pre-tax (loss) profit, and the balances below would be negative.

	USD Impact	
	For the Year Ended December 31	
	2022	**2021**
Profit or loss	$ 34,834	$ 50,710

This was mainly attributable to the exposure on outstanding receivables, payables and borrowings denominated in USD.

The Group's sensitivity to foreign currency decreased for the year ended December 31, 2022 mainly due to the decrease in the amount of payables in USD, leading to the decrease in the amount of net foreign currency liabilities.

b) Interest rate risk

The Group is exposed to interest rate risk because the Group borrows funds at both fixed and floating interest rates. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetites ensuring the most cost-effective hedging strategies are applied.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the year were as follows:

	December 31	
	2022	**2021**
Fair value interest rate risk		
Financial assets	$ 39,377	$ 38,513
Financial liabilities	14,789,595	17,453,432
Cash flow interest rate risk		
Financial liabilities	4,967,974	400,000

The Group is exposed to fair value interest rate risk in relation to fixed-rate bank borrowings and bonds payable. The Group aims to keep borrowings at floating rates to minimize fair value interest rate risk.

The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank borrowings. It is the Group's policy to keep its borrowings at floating interest rates so as to minimize the fair value interest rate risk.

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the year. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the year was outstanding for the whole year. A 50 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher/lower and all other variables were held constant, the Group pre-tax profit for the years ended December 31, 2022 and 2021 would decrease/increase by $24,840 thousand and $2,000 thousand, respectively.

The Group's sensitivity to interest rates increased for the year ended December 31, 2022 mainly due to the increase in the amount of variable-rate bank borrowings.

c) Other price risk

The Group was exposed to equity price risk through its investments in fund beneficiary certifications and equity securities. Equity investments are held for strategic rather than for trading purposes, the Group does not actively trade these investments. The Group's equity price risk is mainly concentrated on strategic investments of domestic equity instruments.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the year.

If equity prices had been 5% higher/lower, post-tax other comprehensive income for the years ended December 31, 2022 and 2021 would have increased/decreased by $587,358 thousand and $695,157 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The Group's sensitivity to equity prices decreased because the Group held less equity securities in the current period.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the year, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of the counterparty to discharge its obligation, could be the carrying amount of the respective recognized financial assets as stated in the balance sheets.

The Company adopts a policy of only dealing with creditworthy counterparties. Before accepting any new clients, the relevant departments perform credit evaluation and internal credit scoring, sales and administration departments assess the potential customers' credit quality and define credit limit for customers. Limits and scoring attributed to customers are reviewed twice a year.

Besides, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate impairment losses are recognized on irrecoverable amounts.

The Group transacts with a large number of customers. The Group did not have significant credit risk exposure from any single counterparty or any group of counterparties having similar characteristics. Concentration of credit risk to any counterparty did not exceed 5% of gross monetary assets at any time during the years ended December 31, 2022 and 2021.

The Group's concentration of credit risk by geographical locations was mainly in mainland China, which accounted for 62% and 60% of total trade receivables as of December 31, 2022 and 2021, respectively.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2022 and 2021, the Group had available unutilized bank loan facilities set out in (b) below.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time and regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

	0-3 Months	3 Months to 1 Year	1-5 Years	Over 5 years
December 31, 2022				
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 2,955,470	$ 192,394	$ -	$ -
Lease liabilities	3,584	11,476	14,108	3,729
Variable interest rate liabilities	1,257,517	500,000	3,210,457	-
Fixed interest rate liabilities	1,563,223	7,374,572	5,830,000	-
	$ 5,779,794	$ 8,078,442	$ 9,054,565	$ 3,729
December 31, 2021				
Non-derivative financial liabilities				
Non-interest bearing liabilities	$ 3,587,060	$ 587,030	$ -	$ -
Lease liabilities	3,614	10,417	21,692	6,019
Variable interest rate liabilities	-	-	400,000	-
Fixed interest rate liabilities	2,099,016	1,237,742	14,086,830	-
	$ 5,689,690	$ 1,835,189	$ 14,508,522	$ 6,019

b) Financing facilities

	December 31	
	2022	2021
Unsecured bank loan facilities		
Amount used	$ 10,735,769	$ 9,903,905
Amount unused	31,354,358	26,211,578
	$ 42,090,127	$ 36,115,483

e. Transfers of financial assets

During the years ended December 31, 2022 and 2021, the Group entered into discount loan transaction by using some of its banker's acceptance bills in mainland China. According to the loan contract, if these banker's acceptance bills are not recoverable at maturity, transferees have the right to demand the Group to pay the unsettled balance. Since the Group has not transferred the significant risks and rights relating to these banker's acceptance bills, the Group continues to recognize the full carrying amounts of these banker's acceptance bills.

As of December 31, 2022 and 2021, the carrying amounts of these banker's acceptance bills that have been transferred but not derecognized were $817,496 thousand and $1,919,683 thousand, respectively. (Including eliminated on consolidation inter-subsidiary acceptance bills of 576,724 thousand and 1,231,142 thousand, respectively.) The carrying amounts of the related liabilities were $817,496 thousand and $1,919,683 thousand, respectively.

32. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed as follows:

a. Related party name and category

Related Party Name	Related Party Category
Lien Hwa Industrial Holdings Corp. (LHIHC)	With the same chairman
Lien Hwa Property Development Corp. (LHPDC)	Subsidiary of LHIHC
Linde Lienhwa Industrial GASES Co., Ltd. (LLIG)	Associate of LHIHC
Lien Hwa Industrial GASES (Soochow) Co., Ltd. (LLIG Soochow)	Associate of LLIG
Asia Union Electronic Chemical Corp. (AUECC)	Associate of LLIG
Harbinger Venture Management Co., Ltd. (HVMC)	With the same chairman
Lienhwa United LPG Co., Ltd. (LPG)	The Company is its director.

b. Purchases of goods

Related Party Category	For the Year Ended December 31	
	2022	2021
Associates of investors with significant influence over the Group	$ 31,400	$ 29,000

c. Lease arrangements - the Group is lessee

Line Item	Related Party Category/Name	December 31 2022	December 31 2021
Lease liabilities	Associates of investors with significant influence over the Group	$ 202	$ 663
	LHPDC	12,139	20,020
		$ 12,341	$ 20,683

Related Party Category/Name	For the Year Ended December 31 2022	For the Year Ended December 31 2021
Interest expense		
Associates of investors with significant influence over the Group	$ 20	$ 39
LHPDC	320	417
	$ 340	$ 456

d. Lease arrangements - the Group is lessor

Future lease payments receivable are as follows:

Related Party Category/Name	December 31 2022	December 31 2021
Associates of investors with significant influence over the Group		
AUECC	$ 34,702	$ 58,385
LPG	3,969	3,473
	$ 38,671	$ 61,858

Lease income was as follows:

Related Party Category/Name	For the Year Ended December 31 2022	For the Year Ended December 31 2021
Associates of investors with significant influence over the Group		
AUECC	$ 18,641	$ 18,681
LPG	5,530	5,530
	$ 24,171	$ 24,211

e. Service revenue

Line Item	Related Party Category/Name	For the Year Ended December 31 2022	2021
Other income	Associates of investors with significant influence over the Group	$ 49	$ 70
	Subsidiaries of investors with significant influence over the Group		
	LHPDC	546	516
		$ 595	$ 586

Transactions with related parties were made at prices and terms comparable to those that would be obtained in similar transactions with non-related parties.

f. Other receivables from related parties (excluding loans to related parties)

Line Item	Related Party Category/Name	December 31 2022	2021
Other receivables - related parties	Associates of investors with significant influence over the Group		
	LPG	$ 1,547	$ 1,427
	AUECC	-	1,848
	LLIG	540	535
	Subsidiaries of investors with significant influence over the Group		
	LHPDC	75	46
		$ 2,162	$ 3,856

g. Refundable deposits

Line Item	Related Party Category/Name	December 31 2022	2021
Other non-current assets	Subsidiaries of investors with significant influence over the Group		
	LHPDC	$ 1,571	$ 1,692

h. Payables to related parties

Line Item	Related Party Category/Name	December 31 2022	2021
Trade payables	Associates of investors with significant influence over the Group	$ 4,841	$ 1,971

i. Guarantee deposits received

Line Item	Related Party Category/Name	December 31 2022	December 31 2021
Guarantee deposits received	Associate of investors with significant influence over the Group		
	AUECC	$ 3,685	$ 3,315

j. Remuneration of key management personnel

The remuneration of directors and key executives was as follows:

	December 31 2022	December 31 2021
Short-term employee benefits	$ 32,648	$ 42,872
Post-employment benefits	460	463
Share-based payments	1,498	3,808
	$ 34,606	$ 47,143

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

33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following asset were provided as performance bond for bank:

	December 31 2022	December 31 2021
Restricted deposit (recorded as financial assets at amortized cost)	$ 33,907	$ 33,049

34. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant commitments and contingencies of the Group as of December 31, 2022 and 2021 were as follows:

a. As of December 31, 2022 and 2021, unused letters of credit for purchases of raw materials, machinery and equipment amounted to approximately $515,075 thousand and $751,984 thousand, respectively.

b. Unrecognized commitments were as follows:

	December 31 2022	December 31 2021
Acquisition of raw materials and supplies	$ 1,988,242	$ 1,928,537
Acquisition of property, plant and equipment	$ 863,853	$ 1,198,340

c. As of December 31, 2022, the Company provided financial guarantee for subsidiaries investees to purchase raw materials or to obtain bank loan facilities. The amount of financial guarantee was as follows:

1) Taizhou Union Plastics - US$20,000 thousand.

2) Nanchong Unicizer Industrial - RMB638,000 thousand.

3) UPC Chemicals (Malaysia) - US$50,000 thousand.

4) Panjin Union Materials - RMB258,000 thousand.

5) Panjin Union Chemical - RMB800,000 thousand.

6) Union Hong Kong - US$15,000 thousand and EUR7,281 thousand.

35. SIGNIFICANT LOSSES FROM DISASTERS

On January 29, 2021, a fire damaged the Group's production line of specialty plasticizers (specialty chemicals) in the Linyuan Plant. The accident caused property losses and caused disruption of the Group's operation in 2021. The insurance company paid the replacement cost for the total loss of the assets. After deducting the policy deductible, the final approved claim amount was $346,785 thousand. The Group received an insurance claim prepayment amount of $80,000 thousand in June 2021 (accounted for as other income in 2021), and the remaining claim settlement amount of $266,785 thousand was recognized as indemnity income.

36. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In order to save management costs and enhance the competitiveness of the Group, the board of directors resolved on March 6, 2023 to adjusted the holding structure as follows:

a. The Group's intends to merge Granfaith and Faithouse, the 100% indirectly owned BVI subsidiaries. Granfaith will be the surviving company while Faithouse will be dissolved in the merger.

b. The Group's originally held 100% of Nanchong Unicizers and Sichung Logistics indirectly through the above-mentioned subsidiaries. After the above-mentioned merger is completed, it will continue to process the merger of Nanchong Unicizers and Sichung Logistics. After the merger, Nanchong Unicizers will be the surviving company while Sichung Logistics will be dissolved in the merger.

37. OTHER ITEMS

Due to the impact of the COVID-19 pandemic which has evolved globally and currently in Taiwan, the global economy and financial industry are still facing significant uncertainties. As of the date the consolidated financial statements were authorized for issue, the Group assessed that the pandemic did not have a material impact on its ability to continue as a going concern, nor did it have an impact on the impairment of assets or increase the risks arising from financing activities. The Group is continuously observing and assessing the impact of the pandemic on the aforementioned aspects.

38. SIGNIFICANT FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2022

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
Financial assets			
Monetary items			
USD	$ 3,740	30.710 (USD:NTD)	$ 114,855
USD	7,263	6.965 (USD:RMB)	223,047
MYR	17,233	4.390 (USD:MYR)	120,552
			$ 458,454
Non-monetary items			
Investments accounted for using the equity method			
USD	748	30.710 (USD:NTD)	$ 22,979
Financial liabilities			
Monetary items			
USD	9,338	30.710 (USD:NTD)	$ 286,770
USD	37,806	6.965 (USD:RMB)	1,161,022
MYR	24,557	4.390 (USD:MYR)	171,787
			$ 1,619,579

December 31, 2021

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
Financial assets			
Monetary items			
USD	$ 16,692	27.680 (USD:NTD)	$ 462,035
USD	18,121	6.376 (USD:RMB)	501,589
MYR	11,594	4.176 (USD:MYR)	76,849
			$ 1,040,473
Non-monetary items			
Investments accounted for using the equity method			
USD	666	27.680 (USD:NTD)	$ 18,441

(Continued)

	Foreign Currency (In Thousands)	Exchange Rate	Carrying Amount (In Thousands)
Financial liabilities			
Monetary items			
USD	$ 23,999	27.680 (USD:NTD)	$ 664,292
USD	71,881	6.376 (USD:RMB)	1,989,666
MYR	30,963	4.176 (USD:MYR)	205,234
			$ 2,859,192

(Concluded)

For the years ended December 31, 2022 and 2021, net foreign exchange (losses) gains were $(148,127) thousand and $22,802 thousand, respectively. It is impractical to disclose net foreign exchange (losses) gains by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

39. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others (Table 1)

2) Endorsements/guarantees provided (Table 2)

3) Marketable securities held (excluding investments in subsidiaries and associates) (Table 3)

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital (Table 4)

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital (None)

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital (None)

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 5)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 6)

9) Trading in derivative instruments (None)

10) Intercompany relationships and significant intercompany transactions (Table 7)

11) Information on investees (Table 8)

b. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area (Table 9)

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year (Table 10)

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year (Table 10)

c) The amount of property transactions and the amount of the resultant gains or losses (None)

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes (Note 34 and Table 2)

e) The highest balance, the ending balance, the interest rate range, and total current year interest with respect to financing of funds (None)

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services (None)

c. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 11)

40. SEGMENT INFORMATION

a. General information

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the regions where the Group operates; thus, the reportable segments are as follows:

- Eastern China - Zhenjiang Union Chemical, Taizhou Union Chemical, Taizhou Union Plastics, Taizhou Union Logistics, Jiangsu Union Logistics, ZhenJiang Union Torch Estate.
- Southern China - Zhongshan Unicizers, Zhuhai Unicizers and Guangdong Union Logistics.
- Northern China - Panjin Union Chemical, Panjin Union Logistics, Panjin Union Materials and Panjin Union Plastics.
- Central China - Nanchong Unicizers and Sichung Logistics.

- Taiwan - The Company, Wei Chen Investment Co., Union Venture Capital Corp. and Taiwan Union International Investment Corporation.

- Other regions - Union Hong Kong Petrochemicals, Glory Ace, UPC Chemicals (Malaysia) Sdn. Bhd., UPCM Trading (Thailand), UPCM Trading (Vietnam) and other overseas Investment Companies.

b. Information of reportable segments

	For the Year Ended December 31, 2022							
	Eastern China	**Southern China**	**Northern China**	**Central China**	**Taiwan**	**Other Regions**	**Adjustment and Elimination**	**Total**
Revenue from external customers	$ 33,713,711	$ 16,663,108	$ 9,661,694	$ 3,166,409	$ 4,171,186	$ 5,443,535	$ -	$ 72,819,643
Inter-segment revenue	2,306,532	2,466,327	3,738,482	486,632	1,332,482	12,539,517	(22,869,972)	-
Segment revenue	$ 36,020,243	$ 19,129,435	$ 13,400,176	$ 3,653,041	$ 5,503,668	$ 17,983,052	$ (22,869,972)	$ 72,819,643
Interest revenue	$ 99,895	$ 8,858	$ 10,510	$ 3,055	$ 2,202	$ 5,093	$ (100,211)	$ 29,402
Finance costs	39,558	48,234	94,201	32,535	171,532	1,926	(100,211)	287,775
Significant gains or losses								
Depreciation expense	623,334	238,140	437,244	193,621	148,672	136,263	-	1,777,274
Amortization expense	63,959	63,005	51,233	13,761	27,612	1,025	-	220,595
Segment income (loss)	(267,873)	(577,121)	(610,911)	(220,974)	468,541	(27,886)	-	(1,236,224)

	December 31, 2022							
	Eastern China	**Southern China**	**Northern China**	**Central China**	**Taiwan**	**Other Regions**	**Adjustment and Elimination**	**Total**
Asset of segment	$ 17,553,456	$ 6,429,363	$ 10,300,373	$ 2,825,026	$ 44,731,023	$ 6,828,526	$ (38,105,345)	$ 50,562,422
Liability of segment	3,828,632	3,061,209	6,326,648	1,931,526	16,551,105	2,640,667	(9,883,567)	24,456,220

	For the Year Ended December 31, 2021							
	Eastern China	**Southern China**	**Northern China**	**Central China**	**Taiwan**	**Other Regions**	**Adjustment and Elimination**	**Total**
Revenue from external customers	$ 41,408,865	$ 19,631,757	$ 7,603,675	$ 4,069,742	$ 4,338,662	$ 4,889,727	$ -	$ 81,942,428
Inter-segment revenue	3,111,660	3,033,504	5,418,416	1,487,138	1,347,794	13,463,029	(27,861,541)	-
Segment revenue	$ 44,520,525	$ 22,665,261	$ 13,022,091	$ 5,556,880	$ 5,686,456	$ 18,352,756	$ (27,861,541)	$ 81,942,428
Interest revenue	$ 74,033	$ 8,712	$ 5,752	$ 2,973	$ 58	$ 842	$ (65,648)	$ 26,722
Finance costs	31,800	38,373	67,046	35,101	126,285	737	(65,648)	233,694
Significant gains or losses								
Depreciation expense	696,226	214,768	400,328	191,014	121,787	124,861	-	1,748,984
Amortization expense	46,450	47,177	69,544	-	28,596	14,244	-	206,011
Segment income (loss)	859,733	605,461	158,549	(204,357)	102,788	625,288	-	2,147,462

	December 31, 2021							
	Eastern China	**Southern China**	**Northern China**	**Central China**	**Taiwan**	**Other Regions**	**Adjustment and Elimination**	**Total**
Asset of segment	$ 19,992,723	$ 6,268,273	$ 9,813,845	$ 3,598,355	$ 48,731,883	$ 6,341,778	$ (40,975,013)	$ 53,771,844
Liability of segment	6,217,003	2,386,804	5,902,026	2,502,284	16,162,938	2,481,357	(11,777,305)	23,875,107

c. Revenue from major products and services

The Group’s sale of petroleum products accounts for at least 90% of the Group’s revenue.

d. Geographical information

The Group mainly operates in mainland China, revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below:

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2022	2021	2022	2021
China	$ 63,204,922	$ 72,714,039	$ 13,748,332	$ 13,354,193
Taiwan	4,171,186	4,338,662	2,154,412	2,086,276
Others	5,443,535	4,889,727	2,502,323	2,458,131
	$ 72,819,643	$ 81,942,428	$ 18,405,067	$ 17,898,600

Non-current assets include property, plant and equipment, computer software, right-of-use assets and other non-current assets.

e. Information about major customers

No revenue from any individual customer exceeded 10% of the Group’s total revenues for the years ended December 31, 2022 and 2021.

UPC TECHNOLOGY CORP. AND SUBSIDIARIES

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

No. (Note 1)	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Actual Amount Drawn	Interest Rate	Nature of Financing (Note 2)	Transaction Amount	Reasons for Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrowing Company	Financing Company's Total Financing Amount Limits
													Item	Value		
1	Zhenjiang Union Chemical	ZhenJiang Union Torch Estate	Receivable from related parties	Yes	$ 1,366,914 (RMB 310,000 thousand)	$ 1,102,350 (RMB 250,000 thousand)	$ 730,417 (RMB 165,650 thousand)	1.51%	2	$ -	Operating capital	$ -	-	$ -	$ 2,217,661 (RMB 502,939 thousand) (Note 3)	$ 4,435,322 (RMB 1,005,879 thousand) (Note 4)
		Panjin Union Logistics	Receivable from related parties	Yes	485,034 (RMB 110,000 thousand)	242,517 (RMB 55,000 thousand)	198,423 (RMB 45,000 thousand)	1.51%	2	-	Operating capital	-	-	-	2,217,661 (RMB 502,939 thousand) (Note 3)	4,435,322 (RMB 1,005,879 thousand) (Note 4)
		Panjin Union Chemical	Receivable from related parties	Yes	1,499,196 (RMB 340,000 thousand)	793,692 (RMB 180,000 thousand)	573,222 (RMB 130,000 thousand)	1.51%	2	-	Operating capital	-	-	-	2,217,661 (RMB 502,939 thousand) (Note 3)	4,435,322 (RMB 1,005,879 thousand) (Note 4)
		Nanchong Unicizers	Receivable from related parties	Yes	529,128 (RMB 120,000 thousand)	264,564 (RMB 60,000 thousand)	-	1.51%	2	-	Operating capital	-	-	-	2,217,661 (RMB 502,939 thousand) (Note 3)	4,435,322 (RMB 1,005,879 thousand) (Note 4)
		Panjin Union Materials	Receivable from related parties	Yes	485,034 (RMB 110,000 thousand)	220,470 (RMB 50,000 thousand)	154,329 (RMB 35,000 thousand)	1.51%	2	-	Operating capital	-	-	-	2,217,661 (RMB 502,939 thousand) (Note 3)	4,435,322 (RMB 1,005,879 thousand) (Note 4)
		Taizhou Union Chemical	Receivable from related parties	Yes	264,564 (RMB 60,000 thousand)	264,564 (RMB 60,000 thousand)	-	1.51%	2	-	Operating capital	-	-	-	2,217,661 (RMB 502,939 thousand) (Note 3)	4,435,322 (RMB 1,005,879 thousand) (Note 4)
		Zhuhai Unicizers	Receivable from related parties	Yes	132,282 (RMB 30,000 thousand)	132,282 (RMB 30,000 thousand)	132,282 (RMB 30,000 thousand)	1.51%	2	-	Operating capital	-	-	-	2,217,661 (RMB 502,939 thousand) (Note 3)	4,435,322 (RMB 1,005,879 thousand) (Note 4)
		Zhongshan Unicizers	Receivable from related parties	Yes	132,282 (RMB 30,000 thousand)	132,282 (RMB 30,000 thousand)	44,094 (RMB 10,000 thousand)	1.51%	2	-	Operating capital	-	-	-	2,217,661 (RMB 502,939 thousand) (Note 3)	4,435,322 (RMB 1,005,879 thousand) (Note 4)
		Taizhou Union Plastics	Receivable from related parties	Yes	132,282 (RMB 30,000 thousand)	132,282 (RMB 30,000 thousand)	-	1.51%	2	-	Operating capital	-	-	-	2,217,661 (RMB 502,939 thousand) (Note 3)	4,435,322 (RMB 1,005,879 thousand) (Note 4)
2	Glory Ace	Union Hong Kong	Receivable from related parties	Yes	598,845 (US$ 19,500 thousand)	598,845 (US$ 19,500 thousand)	598,845 (US$ 19,500 thousand)	-	2	-	Operating capital	-	-	-	599,923 (US$ 19,535 thousand) (Note 5)	599,923 (US$ 19,535 thousand) (Note 6)
3	CHL	UPC Chemicals (Malaysia)	Receivable from related parties	Yes	506,715 (US$ 16,500 thousand)	245,680 (US$ 8,000 thousand)	-	-	2	-	Operating capital	-	-	-	12,704,842 (US$ 413,704 thousand) (Note 7)	25,409,686 (US$ 827,408 thousand) (Note 8)
		UPCM Trading (Thailand)	Receivable from related parties	Yes	92,130 (US$ 3,000 thousand)	92,130 (US$ 3,000 thousand)	46,065 (US$ 1,500 thousand)	-	2	-	Operating capital	-	-	-	12,704,842 (US$ 413,704 thousand) (Note 7)	25,409,686 (US$ 827,408 thousand) (Note 8)
		Union Hong Kong	Receivable from related parties	Yes	307,100 (US$ 10,000 thousand)	264,106 (US$ 8,600 thousand)	264,106 (US$ 8,600 thousand)	-	2	-	Operating capital	-	-	-	12,704,842 (US$ 413,704 thousand) (Note 7)	25,409,686 (US$ 827,408 thousand) (Note 8)

(Continued)

No. (Note 1)	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Actual Amount Drawn	Interest Rate	Nature of Financing (Note 2)	Transaction Amount	Reasons for Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrowing Company	Financing Company's Total Financing Amount Limits
													Item	Value		
4	Guangdong Union Logistics	Zhuhai Unicizers	Receivable from related parties	Yes	$ 132,282 (RMB 30,000 thousand)	$ 132,282 (RMB 30,000 thousand)	$ 121,259 (RMB 27,500 thousand)	1.51%	2	$ -	Operating capital	$ -	-	$ -	$ 185,569 (RMB 42,085 thousand) (Note 9)	$ 185,569 (RMB 42,085 thousand) (Note 10)
		Zhongshan Unicizers	Receivable from related parties	Yes	44,094 (RMB 10,000 thousand)	44,094 (RMB 10,000 thousand)	5,732 (RMB 1,300 thousand)	1.51%	2	-	Operating capital	-	-	-	185,569 (RMB 42,085 thousand) (Note 9)	185,569 (RMB 42,085 thousand) (Note 10)
5	Jiangsu Union Logistics	ZhengJiang Union Chemical	Receivable from related parties	Yes	242,517 (RMB 55,000 thousand)	-	-	1.51%	2	-	Operating capital	-	-	-	246,511 (RMB 55,906 thousand) (Note 11)	246,511 (RMB 55,906 thousand) (Note 12)
		Panjin Union Chemical	Receivable from related parties	Yes	176,376 (RMB 40,000 thousand)	176,376 (RMB 40,000 thousand)	176,376 (RMB 40,000 thousand)	1.51%	2	-	Operating capital	-	-	-	246,511 (RMB 55,906 thousand) (Note 11)	246,511 (RMB 55,906 thousand) (Note 12)
		Panjin Union Materials	Receivable from related parties	Yes	44,094 (RMB 10,000 thousand)	44,094 (RMB 10,000 thousand)	30,866 (RMB 7,000 thousand)	1.51%	2	-	Operating capital	-	-	-	246,511 (RMB 55,906 thousand) (Note 11)	246,511 (RMB 55,906 thousand) (Note 12)
6	Taizhou Union Plastics	Nanchong Unicizers	Receivable from related parties	Yes	1,300,773 (RMB 295,000 thousand)	948,021 (RMB 215,000 thousand)	903,927 (RMB 205,000 thousand)	1.51%	2	-	Operating capital	-	-	-	2,818,278 (RMB 639,153 thousand) (Note 13)	5,636,556 (RMB 1,278,305 thousand) (Note 14)
		Panjin Union Logistics	Receivable from related parties	Yes	396,846 (RMB 90,000 thousand)	264,564 (RMB 60,000 thousand)	264,564 (RMB 60,000 thousand)	1.51%	2	-	Operating capital	-	-	-	2,818,278 (RMB 639,153 thousand) (Note 13)	5,636,556 (RMB 1,278,305 thousand) (Note 14)
		Panjin Union Materials	Receivable from related parties	Yes	1,234,632 (RMB 280,000 thousand)	1,014,162 (RMB 230,000 thousand)	899,518 (RMB 204,000 thousand)	1.51%	2	-	Operating capital	-	-	-	2,818,278 (RMB 639,153 thousand) (Note 13)	5,636,556 (RMB 1,278,305 thousand) (Note 14)
		Panjin Union Chemical	Receivable from related parties	Yes	1,322,820 (RMB 300,000 thousand)	1,190,538 (RMB 270,000 thousand)	1,058,256 (RMB 240,000 thousand)	1.51%	2	-	Operating capital	-	-	-	2,818,278 (RMB 639,153 thousand) (Note 13)	5,636,556 (RMB 1,278,305 thousand) (Note 14)
		Taizhou Union Logistics	Receivable from related parties	Yes	330,705 (RMB 75,000 thousand)	198,423 (RMB 45,000 thousand)	52,913 (RMB 12,000 thousand)	1.51%	2	-	Operating capital	-	-	-	2,818,278 (RMB 639,153 thousand) (Note 13)	5,636,556 (RMB 1,278,305 thousand) (Note 14)
		ZhenJiang Union Chemical	Receivable from related parties	Yes	132,282 (RMB 30,000 thousand)	132,282 (RMB 30,000 thousand)	-	1.51%	2	-	Operating capital	-	-	-	2,818,278 (RMB 639,153 thousand) (Note 13)	5,636,556 (RMB 1,278,305 thousand) (Note 14)
		Taizhou Union Chemical	Receivable from related parties	Yes	352,752 (RMB 80,000 thousand)	352,752 (RMB 80,000 thousand)	88,188 (RMB 20,000 thousand)	1.51%	2	-	Operating capital	-	-	-	2,818,278 (RMB 639,153 thousand) (Note 13)	5,636,556 (RMB 1,278,305 thousand) (Note 14)
		Zhuhai Unicizers	Receivable from related parties	Yes	132,282 (RMB 30,000 thousand)	132,282 (RMB 30,000 thousand)	-	1.51%	2	-	Operating capital	-	-	-	2,818,278 (RMB 639,153 thousand) (Note 13)	5,636,556 (RMB 1,278,305 thousand) (Note 14)
		Zhongshang Unicizers	Receivable from related parties	Yes	132,282 (RMB 30,000 thousand)	132,282 (RMB 30,000 thousand)	44,094 (RMB 10,000 thousand)	1.51%	2	-	Operating capital	-	-	-	2,818,278 (RMB 639,153 thousand) (Note 13)	5,636,556 (RMB 1,278,305 thousand) (Note 14)
7	Sichung Logistics	Nanchong Unicizers	Receivable from related parties	Yes	154,329 (RMB 35,000 thousand)	154,329 (RMB 35,000 thousand)	142,865 (RMB 32,400 thousand)	1.51%	2	-	Operating capital	-	-	-	157,960 (RMB 35,823 thousand) (Note 15)	157,960 (RMB 35,823 thousand) (Note 16)

(Continued)

No. (Note 1)	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Actual Amount Drawn	Interest Rate	Nature of Financing (Note 2)	Transaction Amount	Reasons for Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrowing Company	Financing Company's Total Financing Amount Limits
													Item	Value		
8	Zhongshan Unicizers	Zhuhai Unicizers	Receivable from related parties	Yes	$ 440,940 (RMB 100,000 thousand)	$ 440,940 (RMB 100,000 thousand)	$ 220,470 (RMB 50,000 thousand)	1.51%	2	$ -	Operating capital	$ -	-	$ -	$ 3,224,981 (RMB 731,388 thousand) (Note 17)	$ 6,449,963 (RMB 1,462,776 thousand) (Note 18)
		Panjin Union Chemical	Receivable from related parties	Yes	132,282 (RMB 30,000 thousand)	132,282 (RMB 30,000 thousand)	-	1.51%	2	-	Operating capital	-	-	-	3,224,981 (RMB 731,388 thousand) (Note 17)	6,449,963 (RMB 1,462,776 thousand) (Note 18)
		ZhenJiang Union Chemical	Receivable from related parties	Yes	132,282 (RMB 30,000 thousand)	132,282 (RMB 30,000 thousand)	-	1.51%	2	-	Operating capital	-	-	-	3,224,981 (RMB 731,388 thousand) (Note 17)	6,449,963 (RMB 1,462,776 thousand) (Note 18)
9	Zhuhai Unicizers	Zhongshang Unicizers	Receivable from related parties	Yes	396,846 (RMB 90,000 thousand)	264,564 (RMB 60,000 thousand)	-	1.51%	2	-	Operating capital	-	-	-	1,201,401 (RMB 272,464 thousand) (Note 19)	2,402,802 (RMB 544,927 thousand) (Note 20)
		Nanchong Unicizers	Receivable from related parties	Yes	132,282 (RMB 30,000 thousand)	132,282 (RMB 30,000 thousand)	-	1.51%	2	-	Operating capital	-	-	-	1,201,401 (RMB 272,464 thousand) (Note 19)	2,402,802 (RMB 544,927 thousand) (Note 20)
		ZhenJiang Union Chemical	Receivable from related parties	Yes	132,282 (RMB 30,000 thousand)	132,282 (RMB 30,000 thousand)	-	1.51%	2	-	Operating capital	-	-	-	1,201,401 (RMB 272,464 thousand) (Note 19)	2,402,802 (RMB 544,927 thousand) (Note 20)
10	Panjin Union Logistics	Panjin Union Chemical	Receivable from related parties	Yes	88,188 (RMB 20,000 thousand)	88,188 (RMB 20,000 thousand)	44,094 (RMB 10,000 thousand)	1.51%	2	-	Operating capital	-	-	-	504,733 (RMB 114,468 thousand) (Note 21)	1,009,466 (RMB 228,935 thousand) (Note 22)
11	Panjin Union Materials	Panjin Union Chemical	Receivable from related parties	Yes	617,316 (RMB 140,000 thousand)	308,658 (RMB 70,000 thousand)	154,329 (RMB 35,000 thousand)	1.51%	2	-	Operating capital	-	-	-	721,809 (RMB 163,698 thousand) (Note 23)	1,443,619 (RMB 327,296 thousand) (Note 24)
		Panjin Union Logistics	Receivable from related parties	Yes	88,188 (RMB 20,000 thousand)	88,188 (RMB 20,000 thousand)	-	1.51%	2	-	Operating capital	-	-	-	721,809 (RMB 163,698 thousand) (Note 23)	1,443,619 (RMB 327,296 thousand) (Note 24)
12	Panjin Union Chemical	Panjin Union Logistics	Receivable from related parties	Yes	88,188 (RMB 20,000 thousand)	-	-	1.51%	2	-	Operating capital	-	-	-	751,136 (RMB 170,349 thousand) (Note 25)	1,502,272 (RMB 340,698 thousand) (Note 26)
13	Taizhou Union Chemical	Taizhou Union Logistics	Receivable from related parties	Yes	132,282 (RMB 30,000 thousand)	132,282 (RMB 30,000 thousand)	-	1.51%	2	-	Operating capital	-	-	-	1,280,165 (RMB 290,327 thousand) (Note 27)	2,560,330 (RMB 580,653 thousand) (Note 28)
		Panjin Union Chemical	Receivable from related parties	Yes	264,564 (RMB 60,000 thousand)	-	-	1.51%	2	-	Operating capital	-	-	-	1,280,165 (RMB 290,327 thousand) (Note 27)	2,560,330 (RMB 580,653 thousand) (Note 28)
		Taizhou Union Plastics	Receivable from related parties	Yes	529,128 (RMB 120,000 thousand)	352,752 (RMB 80,000 thousand)	-	1.51%	2	-	Operating capital	-	-	-	1,280,165 (RMB 290,327 thousand) (Note 27)	2,560,330 (RMB 580,653 thousand) (Note 28)
		Nanchong Unicizers	Receivable from related parties	Yes	264,564 (RMB 60,000 thousand)	132,282 (RMB 30,000 thousand)	44,094 (RMB 10,000 thousand)	1.51%	2	-	Operating capital	-	-	-	1,280,165 (RMB 290,327 thousand) (Note 27)	2,560,330 (RMB 580,653 thousand) (Note 28)
		Zhuhai Unicizers	Receivable from related parties	Yes	264,564 (RMB 60,000 thousand)	132,282 (RMB 30,000 thousand)	-	1.51%	2	-	Operating capital	-	-	-	1,280,165 (RMB 290,327 thousand) (Note 27)	2,560,330 (RMB 580,653 thousand) (Note 28)

(Continued)

No. (Note 1)	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Actual Amount Drawn	Interest Rate	Nature of Financing (Note 2)	Transaction Amount	Reasons for Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrowing Company	Financing Company's Total Financing Amount Limits
													Item	Value		
		Panjin Union Materials	Receivable from related parties	Yes	$ 88,188 (RMB 20,000 thousand)	$ -	$ -	1.51%	2	$ -	Operating capital	$ -	-	$ -	$ 1,280,165 (RMB 290,327 thousand) (Note 27)	$ 2,560,330 (RMB 580,653 thousand) (Note 28)
		Zhongshang Unicizers	Receivable from related parties	Yes	88,188 (RMB 20,000 thousand)	88,188 (RMB 20,000 thousand)	-	1.51%	2	-	Operating capital	-	-	-	1,280,165 (RMB 290,327 thousand) (Note 27)	2,560,330 (RMB 580,653 thousand) (Note 28)
		Zhenjiang Union Chemical	Receivable from related parties	Yes	132,282 (RMB 30,000 thousand)	132,282 (RMB 30,000 thousand)	-	1.51%	2	-	Operating capital	-	-	-	1,280,165 (RMB 290,327 thousand) (Note 27)	2,560,330 (RMB 580,653 thousand) (Note 28)
					$ 16,673,126	$ 12,091,979	$ 6,993,328			$ -						

Note 1: 1 for Zhenjiang Union Chemical. 2 for Glory Ace. 3 for CHL. 4 for Guangdong Union Logistics. 5 for Jiangsu Union Logistics. 6 for Taizhou Union Plastics. 7 for Sichung Logistics. 8 for Zhongshan Unicizers. 9 for Zhuhai Unicizers. 10 for Panjin Union Logistics 11 for Panjin Union Materials. 12 for Panjin Union Chemical 13 for Taizhou Union Chemical.

Note 2: The nature of financing is as follows:

a. Business transaction, fill in 1.
b. The need for short-term financing, fill in 2.

Note 3: Financing limit for each borrowing company shall not exceed 50% of Zhenjiang Union Chemical's net equity in latest financial statements which were audited or reviewed.

Note 4: Financing company's total financing amount limits shall not exceed 100% of Zhenjiang Union Chemical's net equity in latest financial statements which were audited or reviewed.

Note 5: Financing limit for each borrowing company shall not exceed 100% of Glory Ace's net equity in latest financial statements which were audited or reviewed.

Note 6: Financing company's total financing amount limits shall not exceed 100% of Glory Ace's net equity in latest financial statements which were audited or reviewed.

Note 7: Financing limit for each borrowing company shall not exceed 50% of Constant's net equity in latest financial statements which were audited or reviewed.

Note 8: Financing company's total financing amount limits shall not exceed 100% of Constant's net equity in latest financial statements which were audited or reviewed.

Note 9: Financing limit for each borrowing company shall not exceed 100% of Guangdong Union Logistics' net equity in latest financial statements which were audited or reviewed.

Note 10: Financing company's total financing amount limits shall not exceed 100% of Guangdong Union Logistics' net equity in latest financial statements which were audited or reviewed.

Note 11: Financing limit for each borrowing company shall not exceed 100% of Jiangsu Union Logistics' net equity in latest financial statements which were audited or reviewed.

Note 12: Financing company's total financing amount limits shall not exceed 100% of Jiangsu Union Logistics' net equity in latest financial statements which were audited or reviewed.

Note 13: Financing limit for each borrowing company shall not exceed 50% of Taizhou Union Plastics' net equity in latest financial statements which were audited or reviewed.

Note 14: Financing company's total financing amount limits shall not exceed 100% of Taizhou Union Plastics' net equity in latest financial statements which were audited or reviewed.

Note 15: Financing limit for each borrowing company shall not exceed 100% of Sichung Logistics' net equity in latest financial statements which were audited or reviewed.

Note 16: Financing company's total financing amount limits shall not exceed 100% of Sichung Logistics' net equity in latest financial statements which were audited or reviewed.

Note 17: Financing limit for each borrowing company shall not exceed 50% of Zhongshan Unicizers' net equity in latest financial statements which were audited or reviewed.

Note 18: Financing company's total financing amount limits shall not exceed 100% of Zhongshan Unicizers' net equity in latest financial statements which were audited or reviewed.

Note 19: Financing limit for each borrowing company shall not exceed 50% of Zhuhai Unicizers' net equity in latest financial statements which were audited or reviewed.

Note 20: Financing company's total financing amount limits shall not exceed 100% of Zhuhai Unicizers' net equity in latest financial statements which were audited or reviewed.

Note 21: Financing limit for each borrowing company shall not exceed 50% of Panjin Union Logistics' net equity in latest financial statements which were audited or reviewed.

Note 22: Financing company's total financing amount limits shall not exceed 100% of Panjin Union Logistics' net equity in latest financial statements which were audited or reviewed.

Note 23: Financing limit for each borrowing company shall not exceed 50% of Panjin Union Materials' net equity in latest financial statements which were audited or reviewed.

Note 24: Financing company's total financing amount limits shall not exceed 100% of Panjin Union Materials' net equity in latest financial statements which were audited or reviewed.

Note 25: Financing limit for each borrowing company shall not exceed 50% of Panjin Union Chemical's net equity in latest financial statements which were audited or reviewed.

(Continued)

Note 26: Financing company's total financing amount limits shall not exceed 100% of Panjin Union Chemical's net equity in latest financial statements which were audited or reviewed.

Note 27: Financing limit for each borrowing company shall not exceed 50% of Taizhou Union Chemical's net equity in latest financial statements which were audited or reviewed.

Note 28: Financing company's total financing amount limits shall not exceed 100% of Taizhou Union Chemical's net equity in latest financial statements which were audited or reviewed.

(Concluded)

UPC TECHNOLOGY CORP. AND SUBSIDIARIES

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

No. (Note 1)	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Amount Provided to Each Guaranteed Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Amount Endorsed/ Guaranteed by Collateralized by Properties	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Maximum Endorsement/ Guarantee Amount Allowable	Guarantee Provided by Parent Company	Guarantee Provided by Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name	Nature of Relationship (Note 2)										
0	The Company	Taizhou Union Plastics	b	$ 13,382,874 (Note 3)	$ 614,200 (US$ 20,000 thousand)	$ 614,200 (US$ 20,000 thousand)	$ -	$ -	2.29 %	$ 40,148,622 (Note 3)	Y	N	Y
		Nanchong Unicizers	b		3,408,466 (RMB 773,000 thousand)	2,813,197 (RMB 638,000 thousand)	565,215 (RMB 128,184 thousand)	-	10.51 %		Y	N	Y
		UPC Chemicals (Malaysia)	b		1,535,500 (US$ 50,000 thousand)	1,535,500 (US$ 50,000 thousand)	626 (MYR 90 thousand)	-	5.74 %		Y	N	N
		Panjin Union Materials	b		1,417,622 (RMB 321,500 thousand)	1,137,625 (RMB 258,000 thousand)	268,973 (RMB 61,000 thousand)	-	4.25 %		Y	N	Y
		Panjin Union Chemical	b		4,629,870 (RMB1,050,000 thousand)	3,527,520 (RMB 800,000 thousand)	1,087,667 (RMB 246,670 thousand)	-	13.18 %		Y	N	Y
		Union Hong Kong	b		698,878 (US$ 15,000 thousand) (EUR 7,281 thousand)	698,878 (US$ 15,000 thousand) (EUR 7,281 thousand)	302,240 (US$ 2,084 thousand) (EUR 7,281 thousand)	-	2.61 %		Y	N	N
1	Zhongshan Unicizers	Panjin Union Chemical	d	3,224,981 (Note 3)	3,528 (RMB 800 thousand)	3,528 (RMB 800 thousand)	-	-	0.05%	9,674,944 (Note 3)	Y	N	Y
2	Zhenjiang Union Chemical	Jiangsu Union Logistics	d	2,217,661 (Note 3)	6,614 (RMB 1,500 thousand)	6,614 (RMB 1,500 thousand)	1,891 (RMB 429 thousand)	-	0.15%	6,652,983 (Note 3)	N	N	Y
3	Panjain Union Materials	Panjin Union Chemical	d	721,809 (Note 3)	53,177 (RMB 12,060 thousand)	53,177 (RMB 12,060 thousand)	-	-	3.68%	2,165,428 (Note 3)	N	N	Y

(Continued)

Note 1: 0 for the Company. 1 for Zhongshan Unicizers. 2 for Zhenjiang Union Chemical. 3 for Panjain Union Materials

Note 2: Relationships between the endorsement/guarantee provider and the guaranteed party are as follows:

a. A company with which it does business.
b. A Company in which the company directly and indirectly holds more than 50 percent of the voting shares.
c. A Company that directly and indirectly holds more than 50 percent of the voting shares in the Company.
d. Companies in which the company holds, directly and indirectly, 90% or more of the voting shares.
e. The Company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
f. All capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.
g. Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: The total amount of endorsement or guarantee that the Company, Zhongshan Unicizers, Zhenjiang Union Chemical and Panjain Union Materials are allowed to provide is up to 150% of the net equity of the latest financial statements of the Company, Zhongshan Unicizers, Zhenjiang Union Chemical and Panjain Union Materials which were audited or reviewed. The limits on endorsement or guarantee amount provided to each guaranteed party is up to 50% of the net equity of the latest financial statements of the Company, Zhongshan Unicizers, Zhenjiang Union Chemical and Panjain Union Materials which were audited or reviewed.

(Concluded)

UPC TECHNOLOGY CORP. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Company (Note 2)	Financial Statement Account	December 31, 2022				Note
				Shares/Units (In Thousands)	Carrying Amount (Note 3)	Percentage of Ownership (%)	Fair Value	
The Company	Domestic listed shares							
	Lien Hwa Industrial Holdings Corp.	With the same chairman	Financial assets at FVTOCI - noncurrent	143,262	$ 7,177,409	9.68	$ 7,177,409	
	MiTAC Holdings Corporation	〃	〃	99,803	2,944,177	8.27	2,944,177	
	Domestic unlisted shares							
	Lienhwa United LPG	The Company is its director	〃	4,923	61,633	17.29	61,633	
	Harbinger Venture Capital Corp.	With the same chairman	〃	7	53	3.35	53	
	Harbinger VI Venture Capital Corp.		〃	3,214	39,948	13.28	39,948	
UVC	Domestic listed shares and emerging market shares							
	U.D. ELECTRONIC CORP.		〃	19	607	0.02	607	
	ACTi Corporation		〃	517	5,388	1.46	5,388	
	Visco Vision Inc.		〃	123	35,049	0.20	35,049	
	Domestic unlisted shares							
	Harbinger III Venture Capital Corp.		〃	15	333	15.00	333	
	Harbinger VI Venture Capital Corp.		〃	739	9,188	3.05	9,188	
	Harbinger VII Venture Capital Corp.	With the same chairman	〃	6,931	126,425	9.33	126,425	
	Harbinger VIII Venture Capital Corp.		〃	10,950	112,238	8.45	112,238	
	Taiwan Mobile Communication INC.		〃	447	2,466	1.10	2,466	
	Mercury Electronic		〃	306	3,787	1.24	3,787	
	Mutual funds							
	Capital Money Market Fund		Financial assets at FVTPL - current	2,577	42,227	-	42,227	
WCI	Domestic unlisted shares							
	Lien Yung Investment Corporation		Financial assets at FVTOCI - noncurrent	9,217	126,921	19.99	126,921	
	Tong Da Investment Corporation		〃	4,848	118,100	19.99	118,100	

(Continued)

Holding Company Name	Type and Name of Marketable Securities (Note 1)	Relationship with the Company (Note 2)	Financial Statement Account	December 31, 2022				Note
				Shares/Units (In Thousands)	Carrying Amount (Note 3)	Percentage of Ownership (%)	Fair Value	
TUI	Domestic listed shares							
	Getac Technology Corporation		Financial assets at FVTOCI - current	2,006	$ 88,565	0.33	$ 88,565	
	Asia Polymer Corporation		〃	11,811	333,070	1.99	333,070	
	Taita Chemical Company, Limited		〃	8,855	198,352	2.23	198,352	
	Synnex Technology International Corporation	With the same chairman	〃	4,950	293,040	0.30	293,040	
	Domestic unlisted shares							
	Harbinger Venture Management Co., Ltd.	With the same chairman	Financial assets at FVTOCI - noncurrent	863	19,286	19.99	19,286	
	Mitac Incorporated	〃	〃	914	51,123	0.22	51,123	
CHL	Foreign unlisted shares							
	Budworth		〃	30	6	3.33	6	

Note 1: Marketable Securities in this table are stocks, mutual funds and securities derived from these items under IFRS “Financial Instruments: Recognition and Measurement”.

Note 2: Issuers of financial instruments, which are not related parties, can skip the column.

Note 3: The carrying amounts of financial instruments measured at fair values are adjusted for fair values less accumulated impairment losses; the carrying amounts of financial instruments not measured at fair values are the original costs or amortized costs less accumulated impairment losses.

Note 4: Refer to Table 8 and Table 9 for the information of investments in subsidiaries and associates.

(Concluded)

UPC TECHNOLOGY CORP. AND SUBSIDIARIES

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

Company Name	Type And Name of Marketable Securities	Financial Statement Account	Counterparty	Nature of Relationship	Beginning Balance		Acquisition		Disposal				Share of Profit and Loss of Investment	Change in Evaluation of Profit and Loss	Ending Balance	
					Shares/Units (In Thousands)	Amount	Shares/Units (Note)	Amount	Shares/Units (In Thousands)	Amount	Carrying Amount	Gain (Loss) on Disposal			Shares/Units (In Thousands)	Amount
The Company	Shares															
	CHL	Investments accounted for using the equity method	Original capital contribution	Subsidiary	471,304	$ 25,895,473	21,000	$ 609,442	58,994 (Note 4)	$ -	$ 1,838,838	$ -	$ (1,657,934)	$ 734,936 (Note 1)	433,310	$ 23,743,079
	UPC Chemicals (Malaysia)	Investments accounted for using the equity method	Original capital contribution	Subsidiary	-	-	163,427 (Note 5)	1,838,838	-	-	-	-	(47,262)	(29,528) (Note 3)	163,427	1,762,048
CHL	Shares															
	Goldendust	Investments accounted for using the equity method	Original capital contribution	Subsidiary	87,208	7,640,518	12,000	344,950	-	-	-	-	(874,279)	145,788 (Note 3)	99,208	7,256,977
Goldendust	Shares															
	Zhongshang Unicizers	Investments accounted for using the equity method	Original capital contribution	Subsidiary	(Note 2)	6,713,635	(Note 2)	344,950	-	-	-	-	(718,852)	126,632 (Note 3)	(Note 2)	6,466,365
Prestige Spring	Shares															
	UPC Chemicals (Malaysia)	Investments accounted for using the equity method	Original capital contribution	Subsidiary	163,427	1,680,833	-	-	163,427 (Note 5)	1,838,838	1,838,838	-	(50,967)	208,972 (Note 3)	-	-

Note 1: The change in evaluation of profit and loss includes exchange differences on translating the financial statements of foreign operations of $732,556 thousand and unrealized gain on financial assets at fair value through other comprehensive income of $2,380 thousand.

Note 2: Limited company.

Note 3: The change in evaluation of profit and loss includes exchange differences on translating the financial statements of foreign operations.

Note 4: Proceeds from return of investment.

Note 5: Organizational restructuring, please refer to Note 12 (d) for details.

TABLE 5

UPC TECHNOLOGY CORP. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Trade receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
The Company	Zhenjiang Union Chemical	Entity that the Company directly or indirectly invests in	Sale	$ (205,093)	(3.73)	45 days, may be adjusted depending on the situation			$ 11,493	2.20	
	Taizhou Union Chemical	〃	Sale	(311,716)	(5.66)	45 days, may be adjusted depending on the situation			14,479	2.77	
	Zhuhai Unicizers	〃	Sale	(213,893)	(3.89)	45 days, may be adjusted depending on the situation			28,256	5.41	
	Panjin Union Chemical	〃	Sale	(534,833)	(9.72)	45 days, may be adjusted depending on the situation			165,596	31.71	
Zhongshan Unicizers	The Company	〃	Sale	(117,630)	(2.17)	45 days, may be adjusted depending on the situation			15,513	6.12	
	Zhenjiang Union Chemical	〃	Sale	(123,755)	(2.28)	30 days, may be adjusted depending on the situation			-	-	
Taizhou Union Chemical	Zhenjiang Union Chemical	〃	Sale	(245,883)	(2.50)	30 days, may be adjusted depending on the situation			11,792	2.00	
	Taizhou Union Plastics	〃	Sale	(191,388)	(1.95)	30 days, may be adjusted depending on the situation			-	-	
	Panjin Union Chemical	〃	Sale	(203,041)	(2.06)	30 days, may be adjusted depending on the situation			-	-	
	Nanchong Unicizers	〃	Sale	(225,897)	(2.30)	30 days, may be adjusted depending on the situation			79,149	13.40	
Zhuhai Unicizers	The Company	〃	Sale	(222,732)	(1.65)	45 days, may be adjusted depending on the situation			20,981	2.73	
	Zhongshan Unicizers	〃	Sale	(1,444,403)	(10.73)	30 days, may be adjusted depending on the situation			39,785	5.17	
	UPC Chemicals (Malaysia)	〃	Sale	(194,443)	(1.44)	45 days, may be adjusted depending on the situation			-	-	
Zhenjiang Union Chemical	The Company	〃	Sale	(177,293)	(1.20)	45 days, may be adjusted depending on the situation			14,313	1.73	
	Taizhou Union Chemical	〃	Sale	(331,904)	(2.24)	30 days, may be adjusted depending on the situation			7,087	0.86	
	Zhuhai Unicizers	〃	Sale	(240,075)	(1.62)	30 days, may be adjusted depending on the situation			-	-	
	Nanchong Unicizers	〃	Sale	(138,258)	(0.93)	30 days, may be adjusted depending on the situation			6,530	0.79	
Panjin Union Chemical	The Company	〃	Sale	(186,753)	(1.59)	45 days, may be adjusted depending on the situation			-	-	
	Zhenjiang Union Chemical	〃	Sale	(2,354,881)	(20.06)	30 days, may be adjusted depending on the situation			642,456	90.45	
	Taizhou Union Chemical	〃	Sale	(123,823)	(1.05)	30 days, may be adjusted depending on the situation			-	-	
	Zhuhai Unicizers	〃	Sale	(701,525)	(5.98)	30 days, may be adjusted depending on the situation			19,288	2.72	

(Continued)

Buyer/Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Trade receivable (Payable)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Nanchong Unicizers	Zhenjiang Union Chemical	Entity that the Company directly or indirectly invests in	Sale	$ (340,695)	(9.47)	30 days, may be adjusted depending on the situation			$ 4,096	2.59	
UPC Chemicals (Malaysia)	UPCM Chemicals (Thailand)	〃	Sale	(647,047)	(11.59)	90 days, may be adjusted depending on the situation			138,328	22.63	
	UPCM Chemicals (Vietnam)	〃	Sale	(871,286)	(15.60)	90 days, may be adjusted depending on the situation			184,912	30.25	
Union Hong Kong	Zhongshan Unicizers	〃	Sale	(153,773)	(1.42)	120 days, may be adjusted depending on the situation			37,629	3.33	
	Taizhou Union Chemical	〃	Sale	(5,849,577)	(54.17)	120 days, may be adjusted depending on the situation			376,511	33.33	
	Zhuhai Unicizers	〃	Sale	(1,619,501)	(15.00)	120 days, may be adjusted depending on the situation			151,721	13.43	
	Panjin Union Chemical	〃	Sale	(170,575)	(1.58)	120 days, may be adjusted depending on the situation			-	-	
	Panjin Union Materials	〃	Sale	(193,374)	(1.79)	120 days, may be adjusted depending on the situation			76,406	6.76	
	UPC Chemicals (Malaysia)	〃	Sale	(2,777,068)	(25.72)	120 days, may be adjusted depending on the situation			464,900	41.16	

(Concluded)

TABLE 6

UPC TECHNOLOGY CORP. AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Ending Balance		Turnover Rate	Overdue		Amount Received in Subsequent Period (Note)	Allowance for Impairment Loss
						Amount	Actions Taken		
The Company	Panjin Union Chemical	Entity that the Company directly or indirectly invests in	Trade receivables	$ 165,596	4.77	$ -		$ 136,582	$ -
Panjin Union Chemical	Zhenjiang Union Chemical	〃	Trade receivables	157,422	29.26	-		156,423	-
UPC Chemicals (Malaysia)	UPCM Trading (Thailand)	〃	Trade receivables	138,328	5.24	-		100,420	-
	UPCM Trading (Vietnam)	〃	Trade receivables	184,912	5.36	-		121,822	-
Union Hong Kong	Taizhou Union Chemical	〃	Trade receivables	376,511	11.76	-		376,511	-
	Zhuhai Unicizers	〃	Trade receivables	151,721	6.98	-		64,055	-
	UPC Chemicals (Malaysia)	〃	Trade receivables	464,900	8.10	-		283,508	-
Glory Ace	Union Hong Kong	〃	Other receivables	598,845	-	-		-	-
CHL	Union Hong Kong	〃	Other receivables	264,106	-	-		-	-
Zhongshan Unicizers	Zhuhai Unicizers	〃	Other receivables	222,737	-	-		198,423	-
Zhenjiang Union Chemical	Zhuhai Unicizers	〃	Other receivables	132,282	-	-		88,188	-
	Panjin Union Chemical	〃	Other receivables	573,418	-	-		220,470	-
	Panjin Union Logistics	〃	Other receivables	198,423	-	-		-	-
	ZhenJiang Union Torch Estate	〃	Other receivables	730,417	-	-		-	-
	Panjin Union Materials	〃	Other receivables	154,329	-	-		-	-
Taizhou Union Plastics	Panjin Union Chemical	〃	Other receivables	1,058,256	-	-		-	-
	Panjin Union Logistics	〃	Other receivables	264,564	-	-	-	-	-
	Panjin Union Materials	〃	Other receivables	899,518	-	-	-	-	-
	Nanchong Unicizers	〃	Other receivables	903,927	-	-	-	-	-
Jiangsu Union Logistics	Panjin Union Chemical	〃	Other receivables	176,376	-	-	-	-	-
Guangdong Union Logistics	Zhuhai Unicizers	〃	Other receivables	121,259	-	-		11,024	-
Panjin Union Materials	Panjin Union Chemical	〃	Other receivables	167,710	-	-		78,580	-
Sichung Logistics	Nanchong Unicizers	〃	Other receivables	142,865	-	-	-	-	-
Panjin Union Chemical	Zhenjiang Union Chemical	〃	Notes receivable	485,034	-	-	-	-	-

Note: It was the amount received as of March 15, 2023.

UPC TECHNOLOGY CORP. AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Company Name	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Notes 4 and 5)	Payment Terms	% of Total Sales or Total Assets (Note 3)
0	The Company	Taizhou Union Chemical	a	Sales	$ 311,716	The terms of transaction are the same as general business practices	-
		Zhuhai Unicizers	a	Sales	213,893	The terms of transaction are the same as general business practices	-
		Zhenjiang Union Chemical	a	Sales	205,093	The terms of transaction are the same as general business practices	-
		Panjing Union Chemical	a	Trade receivables - related parties	165,596	The terms of transaction are the same as general business practices	-
		Panjing Union Chemical	a	Sales	534,833	The terms of transaction are the same as general business practices	1
1	Glory Ace	Union Hong Kong	c	Other receivables - related parties	598,845	The terms of transaction are the same as general business practices	1
2	Zhongshan Unicizers	Zhuhai Unicizers	c	Other receivables - related parties	222,737	The terms of transaction are the same as general business practices	-
		Zhenjiang Union Chemical	c	Sales	123,755	The terms of transaction are the same as general business practices	-
		The Company	b	Sales	117,630	The terms of transaction are the same as general business practices	-
3	Taizhou Union Chemical	Panjain Union Chemical	c	Sales	203,041	The terms of transaction are the same as general business practices	-
		Nanchong Unicizers	c	Sales	225,897	The terms of transaction are the same as general business practices	-
		Taizhou Union Plastics	c	Other revenue	229,943	The terms of transaction are the same as general business practices	-
		Taizhou Union Plastics	c	Sales	191,388	The terms of transaction are the same as general business practices	-
		Zhenjiang Union Chemical	c	Sales	245,883	The terms of transaction are the same as general business practices	-

(Continued)

No. (Note 1)	Company Name	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Notes 4 and 5)	Payment Terms	% of Total Sales or Total Assets (Note 3)
4	Union Hong Kong	Taizhou Union Chemical	c	Trade receivables - related parties	$ 376,511	The terms of transaction are the same as general business practices	1
		UPC Chemicals (Malaysia)	c	Trade receivables - related parties	464,900	The terms of transaction are the same as general business practices	1
		Taizhou Union Chemical	c	Sales	5,849,577	The terms of transaction are the same as general business practices	12
		UPC Chemicals (Malaysia)	c	Sales	2,777,068	The terms of transaction are the same as general business practices	5
		Zhuhai Unicizers	c	Trade receivables - related parties	151,721	The terms of transaction are the same as general business practices	-
		Zhuhai Unicizers	c	Sales	1,619,501	The terms of transaction are the same as general business practices	3
		Zhongshan Unicizers	c	Sales	153,773	The terms of transaction are the same as general business practices	-
		Panjing Union Chemical	c	Sales	170,575	The terms of transaction are the same as general business practices	-
		Panjing Union Materials	c	Sales	193,374	The terms of transaction are the same as general business practices	-
5	Panjing Union Chemical	Zhenjiang Union Chemical	c	Trade receivables - related parties	157,422	The terms of transaction are the same as general business practices	-
		The Company	b	Sales	186,753	The terms of transaction are the same as general business practices	-
		Zhenjiang Union Chemical	c	Sales	2,354,881	The terms of transaction are the same as general business practices	3
		Zhuhai Unicizers	c	Sales	701,525	The terms of transaction are the same as general business practices	1
		Panjin Union Materials	c	Other income	201,255	The terms of transaction are the same as general business practices	-
		Zhenjiang Union Chemical	c	Notes receivables - related parties	485,034	The terms of transaction are the same as general business practices	1
		Taizhou Union Chemical	c	Sales	123,823	The terms of transaction are the same as general business practices	-
6	Taizhou Union Plastics	Panjing Union Chemical	c	Other receivables - related parties	1,058,256	The terms of transaction are the same as general business practices	2
		Panjin Union Logistics	c	Other receivables - related parties	264,564	The terms of transaction are the same as general business practices	1
		Panjin Union Materials	c	Other receivables - related parties	899,518	The terms of transaction are the same as general business practices	2
		Nanchong Unicizers	c	Other receivables - related parties	903,927	The terms of transaction are the same as general business practices	2

(Continued)

No. (Note 1)	Company Name	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Notes 4 and 5)	Payment Terms	% of Total Sales or Total Assets (Note 3)
7	Constant	Union Hong Kong	c	Other receivables - related parties	$ 264,106	The terms of transaction are the same as general business practices	1
8	Sichung Logistics	Nanchong Unicizers	c	Other receivables - related parties	142,865	The terms of transaction are the same as general business practices	-
9	Guangdong Union Logistics	Zhuhai Unicizers	c	Other receivables - related parties	121,259	The terms of transaction are the same as general business practices	-
		Zhuhai Unicizers	c	Other operating revenue	111,777	The terms of transaction are the same as general business practices	-
10	Jiangsu Union Logistics	Panjing Union Chemical	c	Other receivables - related parties	176,376	The terms of transaction are the same as general business practices	-
		Zhenjiang Union Chemical	c	Other operating revenue	124,537	The terms of transaction are the same as general business practices	-
11	Zhuhai Unicizers	Zhongshan Unicizers	c	Sales	1,444,403	The terms of transaction are the same as general business practices	3
		The Company	b	Sales	222,732	The terms of transaction are the same as general business practices	-
		UPC Chemicals (Malaysia)	c	Sales	194,443	The terms of transaction are the same as general business practices	-
12	Zhenjiang Union Chemical	Panjing Union Chemical	c	Other receivables - related parties	573,418	The terms of transaction are the same as general business practices	1
		Panjin Union Logistics	c	Other receivables - related parties	198,423	The terms of transaction are the same as general business practices	-
		ZhenJiang Union Torch Estate	c	Other receivables - related parties	730,417	The terms of transaction are the same as general business practices	1
		Nanchong Unicizers	c	Sales	138,258	The terms of transaction are the same as general business practices	-
		Panjin Union Materials	c	Other receivables - related parties	154,329	The terms of transaction are the same as general business practices	-
		The Company	b	Sales	177,293	The terms of transaction are the same as general business practices	-
		Zhuhai Unicizers	c	Sales	240,075	The terms of transaction are the same as general business practices	-
		Zhuhai Unicizers	c	Other receivables - related parties	132,282	The terms of transaction are the same as general business practices	-
		Taizhou Union Chemical	c	Sales	331,904	The terms of transaction are the same as general business practices	-

(Continued)

No. (Note 1)	Company Name	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Account	Amount (Notes 4 and 5)	Payment Terms	% of Total Sales or Total Assets (Note 3)
13	Nanchong Unicizers	Zhenjiang Union Chemical	c	Sales	$ 340,695	The terms of transaction are the same as general business practices	-
14	UPC Chemicals (Malaysia)	UPCM Chemicals (Vietnam)	c	Sales	871,286	The terms of transaction are the same as general business practices	1
		UPCM Chemicals (Thailand)	c	Sales	647,047	The terms of transaction are the same as general business practices	1
		UPCM Chemicals (Thailand)	c	Trade receivables - related parties	138,328	The terms of transaction are the same as general business practices	-
		UPCM Chemicals (Vietnam)	c	Trade receivables - related parties	184,912	The terms of transaction are the same as general business practices	-
15	Panjing Union Materials	Panjing Union Chemical	c	Other receivables - related parties	167,710	The terms of transaction are the same as general business practices	-

Note 1: The Business information between the Company and subsidiaries should be indicated in the number field, the method of filling in the number is as follows:

a. Parent fill in 0.
b. Subsidiaries fill from 1 respectively.

Note 2: The relationship with the counterparty includes three types as follows:

a. Parent to subsidiary.
b. Subsidiary to parent.
c. Between subsidiaries.

Note 3: The calculation of transaction percentage as follow: For balance sheet accounts, calculate by how much the ending balance account consolidated asset for; for income statement accounts, calculate by how much the accumulated amount account consolidated revenue for.

Note 4: The transaction amount’s threshold of disclosure is above NT$100,000 thousand.

Note 5: It has been written off when preparing consolidated financial report.

(Concluded)

TABLE 8

UPC TECHNOLOGY CORP. AND SUBSIDIARIES

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2022	December 31, 2021	Number of Shares (In Thousands)	%	Carrying Amount			
The Company	CHL	Tortola, British Virgin Islands	Investment	$ 13,127,287	$ 14,356,683	433,310	100.00	$ 23,743,079	$ (1,657,934)	$ (1,657,934)	Subsidiary
	Glory Ace	Tortola, British Virgin Islands	Trading	128,451	128,451	605	100.00	599,874	(48)	(48)	〃
	UVC	Tiding Blvd., Taipei City	Investment	250,013	250,013	22,701	100.00	393,390	(25,567)	(25,567)	〃
	WCI	Nangang Rd., Taipei City	〃	160,000	160,000	16,000	100.00	295,300	34,070	34,070	〃
	TUI	Minsheng E. Rd., Taipei City	〃	453,525	453,525	78,719	100.00	1,385,027	84,253	84,253	〃
	UPC Chemicals (Malaysia)	Selangeor, Malaysia	Manufacturing and selling of PLASTICIZERS and PA	1,838,838 (Note 3)	-	163,427	100.00	1,762,048	(98,229)	(47,262)	〃
CHL	Star Bright	Tortola, British Virgin Islands	Investment	1,348	1,348	51	100.00	279,610	(44,923)		Subsidiary
	Goldendust	〃	〃	3,070,575	2,725,625	99,208	100.00	7,256,977	(874,279)		〃
	Natural	〃	〃	3,278,180	3,278,180	105,400	100.00	4,200,036	(165,740)		〃
	Magic Props	〃	〃	919,533	919,533	28,140	100.00	2,069,422	(73,493)		〃
	Pure Fantasy	〃	〃	217,544	217,544	6,331	100.00	422,644	(103,715)		〃
	Modern Vantage	〃	〃	763,540	763,540	25,334	100.00	804,135	96,296		〃
	Charmon	〃	〃	972,950	972,950	31,637	100.00	1,295,577	10,856		〃
	Linkhope	〃	〃	88,755	88,755	3,000	100.00	259,245	12,805		〃
	Reachworld	〃	〃	87,960	87,960	3,000	100.00	195,667	10,151		〃
	Daywinn	〃	〃	711,773	711,773	23,380	100.00	1,444,416	(56,998)		〃
	Dragonoble	〃	〃	1,494,521	1,435,059	50,670	100.00	684,569	(214,833)		〃
	Pagerise	〃	〃	965,857	965,857	32,000	100.00	1,023,628	14,234		〃
	Greaterise	〃	〃	1,502,187	1,297,157	49,000	100.00	1,470,501	(180,122)		〃
	Granfaith	〃	〃	922,434	922,434	30,351	100.00	355,477	(109,237)		〃
	Faithouse	〃	〃	150,500	150,500	5,000	100.00	160,248	1,957		〃
	Prestige Spring	〃	〃	(Note 3)	1,251,836	-	-	-	(50,967)		〃
	Union Hong Kong	Tsimshatsui Kowloon, Hong Kong	Trading	913,293	913,293	232,409	100.00	1,149,931	71,692		〃
	Harbinger Ruyi	Tortola, British Virgin Islands	Investment	30,465	30,465	1,000	28.57	22,979	465		Subsidiary's investee company under the equity method

(Continued)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2022	December 31, 2021	Number of Shares (In Thousands)	%	Carrying Amount			
UVC	Inno Strategy	Tortola, British Virgin Islands	Investment	(Note 4)	$ 3,075	-	-	$ -	$ 478		Subsidiary
Star Bright	Logical Path Ltd.	Tsimshatsui Kowloon, Hong Kong	Investment	$ 37	37	10	100.00	279,601	(44,923)		Subsidiary
Prestige Spring	UPC Chemicals (Malaysia)	Selangor, Malaysia	Manufacturing and selling of PLASTICIZERS and PA	(Note 3)	1,251,836	-	-	-	(98,229)		Subsidiary
UPC Chemicals (Malaysia)	UPCM Trading (Thailand)	Bangkok, Thailand	Trading	28,905	28,905	30,000	100.00	8,896	(8,093)		Subsidiary
	UPCM Trading (Vietnam)	Ho Chi Minh City Vietnam	Trading	17,867	17,867	(Note 2)	100.00	12,305	(21,485)		Subsidiary

Note 1: Please refer to Table 9 for information of investees of Mainland China.

Note 2: Limited company.

Note 3: After the Company acquired UPC Chemicals (Malaysia) from Prestige Spring in November 2022, CHL merged the equity of Prestige Spring, and Prestige Spring dissolved in the merger.

Note 4: The Group completed the liquidation of Inno Strategy in December 2022.

(Concluded)

TABLE 9

UPC TECHNOLOGY CORP. AND SUBSIDIARIES

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

Investor Company	Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2022	Percentage of Ownership (%)	Net Income (Loss) of the Investee Company	Share of Profits/Losses (Note 2)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022
						Outflow	Inflow						
Goldendust	Zhongshan Unicizers	Manufacturing and selling of PLASTICIZERS and PA	US$ 108,080 thousand	b.	$ 2,139,461	$ 344,950	$ -	$ 2,484,411	100	$ (718,852)	$ (718,852) b.2)	$ 6,466,365	$ -
Zhongshan Unicizers, Logical Path Ltd, Goldendust and Magic Props	Zhenjiang Union Chemical	Manufacturing and selling of PLASTICIZERS and PA	US$ 77,340 thousand	b.	543,823	-	-	543,823	100	(175,864)	(175,864) b.2)	4,452,886	-
Zhongshan Unicizers, Logical Path Ltd, Pure Fantasy and Goldendust	Zhuhai Unicizers	Manufacturing and selling of PLASTICIZERS, PA and MA	US$ 35,500 thousand	b.	-	-	-	-	100	(583,949)	(583,949) b.2)	2,279,227	-
Charmon and Zhongshan Unicizers	Taizhou Union Chemical	Manufacturing and selling of PLASTICIZERS and PA	US$ 63,400 thousand	b.	466,785	-	-	466,785	100	21,756	21,756 b.2)	2,581,974	-
Modern Vantage	Taizhou Union Logistics	Warehousing and storage services	US$ 23,700 thousand	b.	648,157	-	-	648,157	100	96,296	96,296 b.2)	804,134	-
Natural and Daywinn	Taizhou Union Plastics	Manufacturing and selling of PVC	US$ 168,780 thousand	b.	3,068,081	-	-	3,068,081	100	(222,739)	(222,739) b.2)	5,644,451	-
Linkhope	Jiangsu Union Logistics	Logistics	US$ 3,000 thousand	b.	88,755	-	-	88,755	100	12,805	12,805 b.2)	259,245	-
Reachworld	Guangdong Union Logistics	Logistics	US$ 3,000 thousand	b.	87,960	-	-	87,960	100	10,151	10,151 b.2)	195,664	-
Dragonoble and Zhongshan Unicizers	Panjin Union Chemical	Manufacturing and selling of PLASTICIZERS and PA	US$ 105,000 thousand	b.	1,435,059	59,462	-	1,494,521	100	(445,158)	(445,158) b.2)	1,461,862	-
Zhenjiang Union Chemical	ZhenJiang Union Torch Estate	Real Estate Management	RMB 60,000 thousand	c.	-	-	-	-	100	(3,925)	(3,925) b.2)	235,814	-
Pagerise	Panjin Union Logistics	Warehousing and storage services	US$ 32,000 thousand	b.	965,857	-	-	965,857	100	14,234	14,234 b.2)	1,023,628	-
Greaterise	Panjin Union Materials	Manufacturing and selling of MA and related derivatives	US$ 49,000 thousand	b.	1,297,157	205,030	-	1,502,187	100	(180,122)	(180,122) b.2)	1,470,501	-
Granfaith and Zhongshan Unicizers	Nanchong Unicizers	Manufacturing and selling of PLASTICIZERS and PA	US$ 62,000 thousand	b.	922,434	-	-	922,434	100	(222,933)	(222,933) b.2)	733,601	-

(Continued)

Investor Company	Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2022	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2022	Percentage of Ownership (%)	Net Income (Loss) of the Investee Company	Share of Profits/Losses (Note 2)	Carrying Amount as of December 31, 2022	Accumulated Repatriation of Investment Income as of December 31, 2022
						Outflow	Inflow						
Faithouse	Sichung Logistics	Logistics	US$ 5,000 thousand	b.	$ -	$ -	$ -	$ -	100	$ 1,957	$ 1,957 b.2)	$ 159,907	$ -
Taizhou Union Plastics	Panjin Union Plastics	Manufacturing and selling of VCM	RMB 4,000 thousand	c.	-	-	-	-	100	129	129 b.2)	17,771	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2022	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on Amount of Investment Stipulated by the Investment Commission, MOEA
$12,272,971 (Note 3)	$15,208,453 (US$495,228.04 thousand) (Note 4)	(Note 5)

Note 1. The investment types are as follows:

a. Direct investment.
b. Indirect investment in Mainland China through a subsidiary in a third region (refer to the table above for investor companies in the third region).
c. Others-direct investment from Zhenjiang Union Chemical and Taizhou Union Plastics.

Note 2. In the column of investment income or loss as of December 31, 2022:

a. If there is no investment income or loss yet resulting from preparation, please indicate.

b. The basis of recognition of investment income or loss as follow:

1) Financial statements that were audited by international accounting firms which are in a cooperation with R.O.C. accounting firm.
2) Financial statements that were audited by the CPAs of the parent company in Taiwan.
3) Others: Financial statements that were not audited.

Note 3. Excluded (1) the investment amount of $934,394 thousand due to the remittance of funds from Taiwan outward to regions of Mainland China in the prior years, and the investor company liquidates after the end of operation; (2) Investment of $3,502,208 thousand that is remittance of company - owned funds from the third region of Mainland China.

Note 4. The exchange rate on December 31, 2022 is US$1=NT$30.71. Capitalization of retained earnings is not included.

Note 5. As the Company has been qualified with operations headquarters certification issued by Industrial Development Bureau on September 13, 2021, the amount of investment in Mainland China is not limited.

(Concluded)

UPC TECHNOLOGY CORP. AND SUBSIDIARIES

SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES
FOR THE YEAR ENDED DECEMBER 31, 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. Sales transactions

Investee Company	Activities in the Third Area	Price and Payment Terms Comparison with Normal Transactions	Sales		Unrealized Gain on Sale	Ending Notes/Trade Receivable	
			Price	%		Balance	%
Zhenjiang Union Chemical	-	The terms of transaction are the same as general business practices	$ 205,093	3.73	$ -	$ 11,493	2.20
Zhuhai Unicizers	-	〃	213,893	3.89	-	28,256	5.41
Panjing Union Chemical	-	〃	534,833	9.72	-	165,596	31.71
Taizhou Union Chemical	-	〃	311,716	5.66	-	14,479	2.77

2. Purchase transactions

Investee Company	Activities in the Third Area	Price and Payment Terms Comparison with Normal Transactions	Purchases		Ending Notes/Trade Payable	
			Price	%	Balance	%
Zhenjiang Union Chemical	-	The terms of transaction are the same as general business practices	$ 177,293	4.12	$ 14,313	4.08
Zhuhai Unicizers	-	〃	222,732	5.18	20,981	5.98
Panjing Union Chemical	-	〃	186,753	4.34	-	-
Zhongshan Unicizers	-	〃	117,630	2.74	15,513	4.42

3. Transactions of endorsements/guarantees (refer to Note 34 and Table 2)

TABLE 11

UPC TECHNOLOGY CORP.

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2022

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Lien Hwa Industrial Holdings Corp.	424,880,973	31.35
Synnex Technology International Corporation	68,992,033	5.09

Note 1: The information of major shareholders presented in this table is provided based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: Percentage of Ownership (%) = Number of shares owned/Total number of shares that have been issued without physical registration.

Note 3: The total number of shares that have been issued without physical registration (including treasury shares) is 1,355,206,607 shares.