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台湾玻璃工业公司
TAIWAN GLASS IND. CORP.

Annual Report 2021

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<http://www.taiwanglass.com>**

Prepared by TAIWANGLASS IND. CORP.
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I. Company Spokesperson:

1. Name : Lin, C M
2. Job Title: GM, Finance Dept.
3. Tel. No.: 02-27130333
4. E-mail: tgi@taiwanglass.com

Acting Spokesperson:

1. Name : Huang, Y H / Huang, C C
2. Job Title: Manager, Accounting Dept. / Manager, Planning Dept.
3. Tel. No.: 02-27130333
4. E-mail: tgi@taiwanglass.com

II. Company and factories: (No subsidiaries)

Entity	Address	Tel. No.
Head Office	11F, Taiwan Glass Building, No. 261, Sec. 3, Nanking E. RD., Taipei City	(02) 2713-0333
Taichung Factory	No. 377, Ziqiang Rd., Wuqi Dist., Taichung City	(04) 2639-0333
Taoyuan Factory	No. 1, Jingjian 5th Rd., Guanyin Industrial Park, Guanyin Township, Taoyuan County	(03) 483-7333
Lukang Factory	No. 11, Lugong Rd., Changhua Coastal Industrial Park, Lukang Township, Changhua County	(04) 781-0333
Changpin Factory	No. 52, Lugong Rd., Changhua Coastal Industrial Park, Lukang Township, Changhua County	(04) 781-2333
Hsinchu Factory	No. 470, Sec. 4, Zhonghua Rd., Hsinchu City	(03) 530-0333
TG Flagship Store	1F, Taiwan Glass Building, No. 261, Sec. 3, Nanking E. RD., Taipei City	(02) 2712-2189

III. Stock Transfer Registration:

1. Name: TGI Stock Affairs Div.
2. Address: 8F, Taiwan Glass Building, No. 261, Sec. 3, Nanking E. RD., Taipei City
3. Tel. No.: 02-27130333, Ext. 1325
4. Website: www.taiwanglass.com

IV. Independent Accountants:

1. Name: Hsiao, Teresa ; Fuh, Andrew
2. CPA Firm: Ernst & Young
3. Address: 9F, No. 333, Keelung Road, Sec. 1, Taipei City
4. Tel. No.: 02-27578888
5. Website: www.ey.com/zh_tw

V. The Name of Any Exchanges Where the Company's Securities Are Traded Offshore: None

VI. Website: www.taiwanglass.com

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One. Letter to Shareholders

I. 2021 Business Operation

(I) Production:

Type	Territory	Contents	Yearly Output 1,000MT
Flat Glass	Taiwan	<ul style="list-style-type: none"> 1 production line of flat glass in Taichung Factory 1 production line of flat glass in Lukang Factory 1 production line of ultra-thin glass in Taichung Factory Subtotal 3 production lines of flat glass 	317 (+50.7%)
	China	<ul style="list-style-type: none"> 12 production lines of flat glass in Kunshan, Chengdu, Tianjin, Dongguan, Qingdao, Donghai, Xianyang and Anhui Factories 1 production line of flat glass in Fujian Factory Subtotal 13 production lines 	2,754 (+8.8%)
Fiberglass Fabric & Fiberglass Reinforced	Taiwan	<ul style="list-style-type: none"> 1 production lines of fiber glass in Taoyuan Factory 1 production lines of fabric glass in Lukang Factory Subtotal 2 production lines 	77 (+16.9%)
	China	<ul style="list-style-type: none"> 4 production lines of fabric glass in Kunshan Factory 1 production line of fabric glass in Chengdu Factory 1 production line of fabric glass in Bengbu Factory Subtotal 6 production lines 	56 (+3.8%)
Container, Tableware Kitchenware	Taiwan	<ul style="list-style-type: none"> 7 production lines of container, tableware and kitchenware glass in Hsinchu Factory 	151 (-1.9%)
Autoglass	Taiwan	<ul style="list-style-type: none"> Production line of automotive glass in Taichung Factory 	7 (+28.8%)
	China	<ul style="list-style-type: none"> Production line of automotive glass in Yancheng Factory 	13 (+18.8%)
Total		-	3,375 (+11.3%)

(II) Sales:

Type	Territory	Sales Volume		Sales Amount	
		Thousand MT	Compared with 2020	NT\$ Million	Compared with 2020
Flat Glass	Taiwan	314	(+24.8%)	4,248	(+15.9%)
	China	2,878	(-0.2%)	35,196	(+32.9%)
	Subtotal	3,192	(+1.8%)	39,444 = US\$ 1,409mil	(+30.9%) Percentage of group's turnover 66.6%
Fiberglass Fabric & Fiberglass Reinforced	Taiwan	87	(+21.5%)	5,382	(+22.8%)
	China	90	(-6.9%)	9,895	(+65.7%)
	Subtotal	177	(+5.2%)	15,277 = US\$ 546mil	(+47.5%) Percentage of group's turnover 25.8%
Container, Tableware and Kitchenware	Taiwan	149	(-5.6%)	3,368 = US\$ 120mil	(-5.8%) Percentage of group's turnover 5.7%
Autoglass	Taiwan	7	(+24.9%)	593	(+20.9%)
	China	13	(+29.3%)	561	(+60.4%)
	Subtotal	20	(+27.7%)	1,154 = US\$ 41mil	(+37.3%) Percentage of group's turnover 1.9%
Total		3,538	(+1.7%)	59,243 = US\$ 2,116mil	(+31.9%) Domestic 86% / Export 14%

Type	Territory	Sales Volume		Sales Amount	
		Thousand MT	Compared with 2020	NT\$ Million	Compared with 2020
Merge Reversal		-	-	(3,177)	
Total after offset		-	-	56,066 = US\$ 2,002mil	(+34.0%)

(III) Financial report:

1. Due to the rise in product prices in 2021 and the increase in gross profit margin, leading to reduced costs and increased after-tax income.

2. Unit: NT\$ '000

Title	2021	2020	Comparison% 2021/2020
Operating Revenue	56,065,737	41,841,022	34.0%
Operating Income	11,557,967	2,515,844	359.4%
Net Income before Tax	13,931,097	2,991,221	365.7%
Net Income after Tax	12,231,239	2,460,548	397.1%
Net Income after Tax Attributable to Stockholders of the Parent	11,476,678	2,468,521	364.9%

(IV) Budget Execution:

Unit: NT\$ '000

Title	2021 Budget (Note)	2021 Amount	Proportion
Operating Revenue	54,378,000	56,065,737	103.1%
Net Income before Tax	8,778,000	13,931,097	-
Net Income after Tax Attributable to Stockholders of the Parent	8,678,000	11,476,678	-

Note: it refers to inner budget with unpublished financial projections

(V) Profitability Analysis:

Title	2021	2020
Return on Total Assets (ROA)	13.34 %	3.38 %
Return on Stockholder's Equity (ROE)	23.39 %	5.46 %
Ratio of Income before Tax to Paid-in Capital	47.91 %	10.29 %
Profit margin	21.82 %	5.88 %
EPS (adjusted retroactive)	NTD 3.95	NTD 0.85

2022 Annual Business Plan Outline:

Business Operation Strategy, Law Compliance & Economic Impact Analysis:

Looking ahead, after the fast rebound in 2021, the global economy will be faced with challenges in the post-pandemic era, such as global inflationary pressures, monetary policies of major central banks, risks of geopolitics like U.S.-China-Russia relations and global supply chain restructuring. Notably, China and Taiwan have both submitted applications for Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) last year. Given the high dependence on bilateral trade and investment, the aforementioned challenges and situations will certainly affect the future direction of the cross-strait economic development, to which both the government and industry should pay close attention.

Considering the economic and financial situation at home and abroad and changes in the global trading environment, Taiwan Glass has put emphasis on the optimization of organizational structure and operation of the Company in response to the rapidly changing global market. Climate change issues and net-zero by 2050 have nowadays become the global trend; thus we have set up management guidelines and performance targets for environmental protection, corporate social responsibility and corporate governance (ESG) to build a circular economy. Taiwan Glass has won the Silver Award in manufacturing sector of Taiwan Corporate Sustainability Awards (TCSA) for seven consecutive years. As for our corporate strategy, we are committed to improve water-saving technology by using recycled water instead of tap water to reduce water consumption

and manage water resources sustainably. The installation of photovoltaic systems, which generate 8700GW of power, on the roofs of our factories in Taoyuan, Hsinchu, Taichung and Lukang is expected to be completed in the fourth quarter of 2022, which aligns to our vision of practicing sustainability, energy conservation and green operation. We will also adopt AI smart manufacturing to reduce energy consumption and improve quality.

We endeavor to strengthen the Company's operation, so that we can pursue sustainable growth to live up to the expectations of stockholders, employees, clients and business partners. In the future, we will follow the global trend of sustainable development. Based on our core business and integration of business units within the Group, we will strive to create value for industry innovation to get a head start and break new ground.

Brief of Technology and R&D:

In response to the market's demand for glass with better mechanical strength, in 2020, we continued to develop ultra-thin glass with higher aluminum content to increase the value of glass. As a result, surface compressive stress and ion exchange depth have improved after chemical strengthening. In terms of optical properties, light transmittance has increased and the glass is clearer. The glass is now in stable production. In addition, glass can be deep processed with our privately developed technology, manufacturing high specification & high unit price anti-reflective glass, coated conductive glass, etc., to increase the quality of glass and bring our products to a wider application based on the original sales. Besides, the introduction of natural gas combustion system is underway, which allows reduced carbon emissions in the production process and better product competitiveness.

In the production of raw flat glass, TGI is committed to improving quality, reducing color-change time to lower costs. The production line TF-2 in Taichung Plant has adopted natural gas as one of the main fuels in the fourth quarter of 2021, which forms a dual-fuel system to increase production flexibility and reduce carbon emission, following the same way that the production line TF-4 in Lukang Plant does.

As the age of 5G is approaching, the demand for high-speed and high-frequency substrate has increased steadily. TG continues to expand production lines of low dielectric constant fiberglass fabric and develop products with lower dielectric constant and low dielectric loss to meet customers' needs for high-frequency products in the future. To meet the needs for thinner IC substrates and low coefficient of thermal expansion (Low CTE) for insulating materials, we have developed fiberglass with low CTE to avoid warpages or broken traces due to CTE differences between chips and substrates during packaging process. Furthermore, to meet downstream needs for thin FRP products, we developed flat CS fiberglass for high-fiberglass products, which helps to decrease warps substantially. TG also adopts Roving products certified by DNV GL for application in wind power generation to aid in global environmental protection as well as energy saving and carbon reduction.

Operating Prospects:

The global economy was expected to see a significant recovery and growth as countries around the world have gradually started to relax COVID-19 restrictions with increased vaccination rates. However, port congestion caused by the pandemic has led to continued global price spikes. Higher prices of crude oil, natural gas and raw materials are resulted from impacts of the Omicron variant and the Russia-Ukraine war starting from the end of February. In addition, the Chinese government has stuck to dynamic zero-COVID policy, resulting in global supply chain crisis and greater concerns about inflation. These factors create intensified uncertainty in the 2022 economic outlook. The International Monetary Fund (IMF) thus revised down the third time the 2022 global economic growth rate to 3.6%, lower than the 5.9% in the 2021 forecast. In response to the high domestic inflation, the Federal Reserve has adopted tight monetary policies by raising interest rates and shrinking the Fed's balance sheet since March, 2022. This year could potentially see seven interest rate hikes, and major countries in the world, including Taiwan, have also increased interest rates following the Fed. Thus, we have to pay close attention to the abovementioned possible risks to the 2022

economic development.

In terms of the performance of Taiwan Glass in 2021, the booming demand for raw materials and applied products, complemented with mitigation of the pandemic, has driven a strong demand from industries. The Group's consolidated revenue is NT\$56.07 billion, and the net profit before tax is NT\$13.93 billion, an outstanding operating performance for 2021. The following is a report on the business of each product.

As for flat glass, Taiwan's containment efforts against COVID-19 contributed to normal manufacturing, production and order processing of factories in Taiwan. TG continues to reduce production costs, increase the added value of products, and strengthen industry-academia collaboration to create product customization and differentiation. In view of the energy transition of Taiwan and the trend of reducing carbon emissions, new-builds and reconstruction of unsafe or old buildings should meet higher energy-saving standards of exterior walls. Our Low-E glass can effectively block at least 60% of outer heat sources and save 35% of the electricity consumed by air conditioners. Our goal and responsibility is to reduce electrical load and promote environmentally-friendly and energy-saving architectural products for people in all walks of life.

Better operation results in the flat glass market of China were achieved thanks to high demand and price. However, in the second half of the year, power crunch measures for dual control of energy consumption and intensity and real estate crisis have caused a domino effect on the entire industry chain. Coupled with Chinese government's goal to hit carbon emission peak and achieve carbon neutral, it is expected that the application of high-performance energy-saving and smart glass will become a trend with the continuous updates to energy-saving standards for buildings. Overall, this year has seen a relatively moderate growth in the supply and demand of the glass market, and we will seek progress while keeping growth.

In fiberglass business, Taiwan Glass is dedicated to reducing costs and speeding up research & development to increase our product value. As for electronic-grade fiberglass fabric, we have successfully developed and supplied the ultra-thin fiberglass fabric #1010 in response to the market needs in the future. Also, we have successfully developed low-dielectric (Low DK, coefficient: 4.58/10GHz) fiberglass fabric for high-speed, high-frequency transmission and remote business, which has been certified and continuously adopted by international terminal manufacturers. For FRP, the new kiln in cooperation with Owens Corning of the United States has improved production capacity and increased efficiency, coupled with advanced fiberglass formulation and production technology to supply clients with more comprehensive, high-performance and eco-friendly products.

As for container, tableware, kitchenware glass and our private brand, shipment of overseas orders was slightly affected due to port congestion, shortage of shipping containers and high freight rates; thus, we have increased tenders in the domestic market in response to this. The production lines of heat-resistant containers and kitchenware glass were merged into one kiln with two production lines. We have also increased unit price strategically to maintain profitability. As for our private brand, TG, all products and packaging of TG won the 2021 Red Dot Design Award, which helps to promote the sales of the products.

In terms of Shihlien Chemical Industrial Jiangsu Co., Ltd. (SCJ, 43.99% of its shareholding held by Taiwan Glass), market price of SCJ's products hit a record high with improved supply-demand balance of the soda ash market in 2021. Besides, the price of ammonium chloride surged thanks to the continuous rise in the price of urea in the fertilizer market, contributing to a record high of SCJ's annual operating performance. The consolidated operating income of Shihlien China Holding Co., Ltd. is US\$472 million and the consolidated net profit is US\$77 million. The industry is expected to continue booming and maintain its prosperity and profitability.

Important Sales Policy:

- | | | |
|--------------------------|------------------------|---------------------------|
| 1. Innovative Technology | 2. Excellent Quality | 3. Cost Efficiency |
| 4. Reasonable Price | 5. Product Development | 6. Comprehensive Services |

Two. Profile

I. Date of Establishment: August 25, 1964

II. Organization and Operations

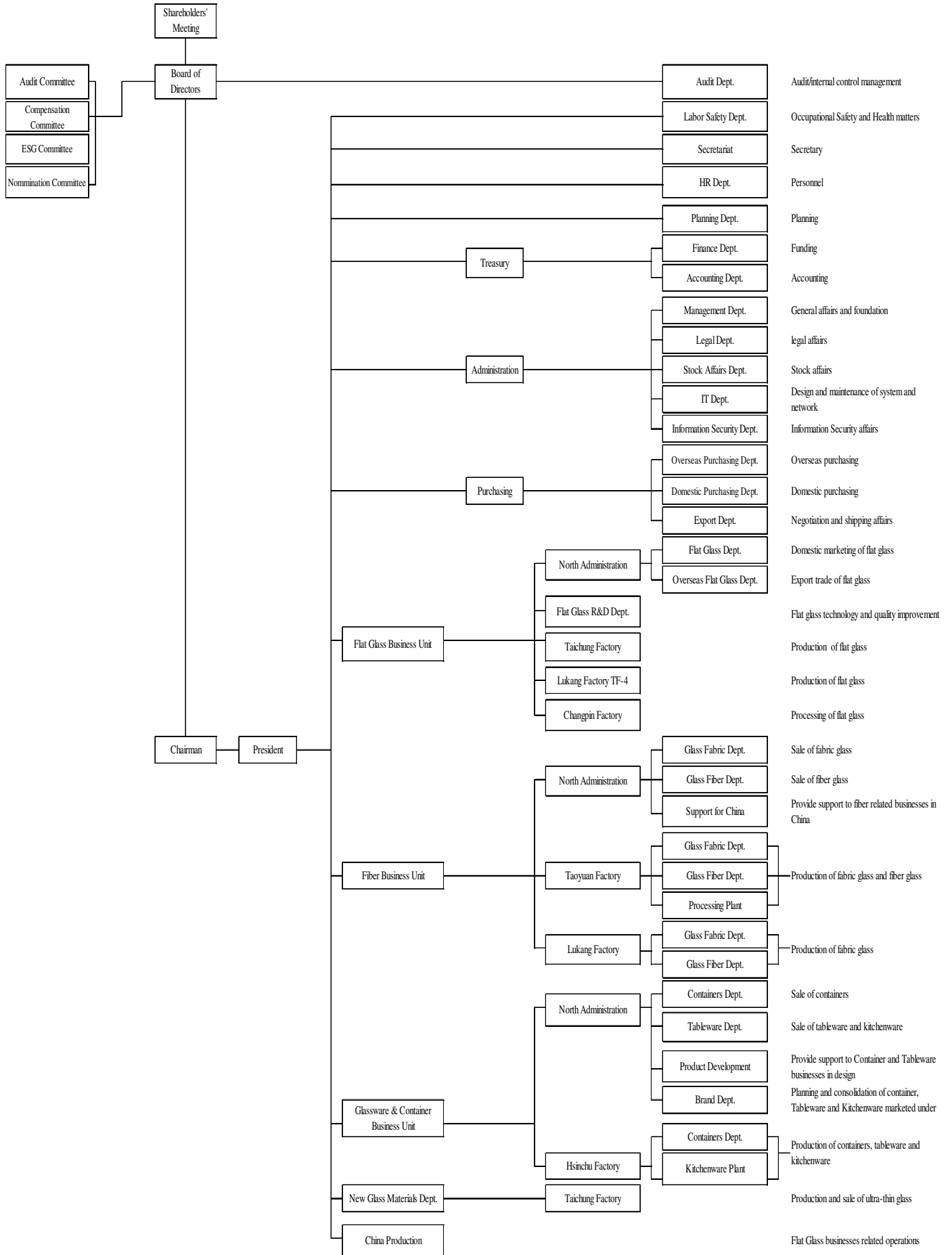
Year	Milestones
1964	Company was established with a capital of NT\$150 million
1965	Cooperated with Asahi, Japan for sheet glass TAA
1967	Hsinchu TS Factory sheet glass plant launched into production
1970	Cooperation with U.S. WHEATON GLASS for glass containers TAA
1972	TGI Building inaugurated
1973	TGI stock listed on Taiwan Stock Exchange
1974	Cooperated with Pilkington PLC. UK for tinted glass TAA
1977	Cooperated with Veba Glass Ag. Germany for tableware glass TAA
1980	Cooperated with Pilkington PLC. UK for float glass TAA
1983	Taichung TF Factory float glass plant production
1987	Cooperated with OWENS CORNING FIBERGLAS CORP. for fiberglass reinforced TAA Cooperated with Sibata Hario, Ltd. Japan for heat-resistant glass TAA
1988	Work with Kanebo, Ltd. Japan for fiberglass fabric glass TAA
1989	25 th Anniversary of Taiwan Glass Group
1990	Taoyuan TT Factory fiberglass fabric & fiberglass reinforced plant production
1992	Founder took the business trip to Mainland China.
1993	Taiwan Glass China Holding Ltd. established
1994	Cooperated with HERMANN HEYE for container glass TAA 30 th Anniversary of Taiwan Glass Group Establishment of TG Qingdao Factory
1995	Cooperated with Ishizuka Glass Co., Ltd. Japan for tableware TAA Taichung, Taoyuan and Hsinchu Factories ISO-9002 Certification TG Qingdao Glass Co., Ltd. plant production Founder paid the visit to Beijing
1997	TG Changjiang Glass Co., Ltd. plant production
1998	Lukang Factory TL factory fiberglass fabric plant production
2001	Taichia Glass Fiber Co., Ltd. established and groundbreaking Taoyuan, Hsinchu, Taichung and Lukang Factories ISO-14001 Certification
2002	Chairman Lin awarded with the Phoenix Award (USA) of 32 nd term TG Changjiang Glass Co., Ltd. CFG-2 plant production
2004	Taichia Glass Fiber Co. Ltd. plant production TG Donghai Glass Co. Ltd. plant production TG Chengdu Glass Co. Ltd. plant production 40 th Anniversary of Taiwan Glass Group
2005	TG Huanan Glass Co., Ltd. plant production Taichia Glass Fiber Co. Ltd. TFG-2 plant production
2006	TG Kunshan Glass Co., Ltd. CFG-3 plant production TG Tianjin Glass Co., Ltd. plant production Lukang Factory TF-4 float glass plant production
2007	Taichia Glass Fiber Co. Ltd. TFG-3 plant production

Year	Milestones
2008	TG Chengdu Glass Co. Ltd. CDG-2 plant production TG Huanan Glass Co., Ltd. HNG-2 plant production Taichia Glass Fiber Co. Ltd. TFG-4 plant production Hsinchu Factory TS-7 rolled glass furnace rebuilding to container glass furnace
2009	Taoyuan Factory TT-1 expansion FRP Lukang Factory TF-4 introduced Low-E glass coating technology. TG Fujian Photovoltaic Glass Co., Ltd. groundbreaking
2010	TG Yueda Autoglass Co., Ltd. established TG Taicang Architectural Glass Co., Ltd. established and groundbreaking TG Xianyang Glass Co., Ltd. established TG Anhui Glass Co., Ltd. established TG Wuhan Architectural Glass Co., Ltd. established TG Fujian Photovoltaic Glass Co., Ltd. plant production
2011	Changpin Factory plant production Hsinchu Factory ISO-22000 certification TG Yueda Solar Mirror Co., Ltd. established Taichia Chengdu Glass Fiber Co., Ltd. groundbreaking TG Anhui Glass Co., Ltd. groundbreaking TG Wuhan Architectural Glass Co., Ltd. groundbreaking TG TECO Vacuum Insulated Glass Corp.(TVIG) established TG Yueda Autoglass Co., Ltd. plant production
2012	TG Huanan Glass Co., Ltd. Low-E glass plant production TG Taicang Architectural Glass Co., Ltd. Low-E glass plant production TG Wuhan Architectural Glass Co., Ltd. Low-E glass plant production
2013	TG Xianyang Glass Co., Ltd. plant production TG Anhui Glass Co., Ltd. plant production Hsinchu Plant TS-10 heat-resistant container furnace plant production Hsinchu Plant TS-11 heat-resistant tableware furnace plant production TG Donghai Glass Co., Ltd. DHG-2 plant production Shihlien Chemical Industrial Jiangsu Co., Ltd. plant production
2014	Hsinchu Plant TS-4 container furnace plant production TG Donghai Glass Co., Ltd. DHG-3 plant production 50 th Anniversary of Taiwan Glass Group TG TECO Vacuum Insulated Glass Corp.(TVIG) plant production Taichung Plant TF-5 electronic-grade ultra-thin glass production
2015	Taichia Chengdu Glass Fiber Co., Ltd. plant production TG Yueda Solar Mirror Co., Ltd. Plant production The Company issued 130,000,000 new common shares, the aggregated amount was NT\$1,300,000,000
2016	The Company issued 400,000,000 new common shares, the aggregated amount was NT\$4,000,000,000
2017	TG (Qingdao) Photoelectric Technology Co., Ltd. established

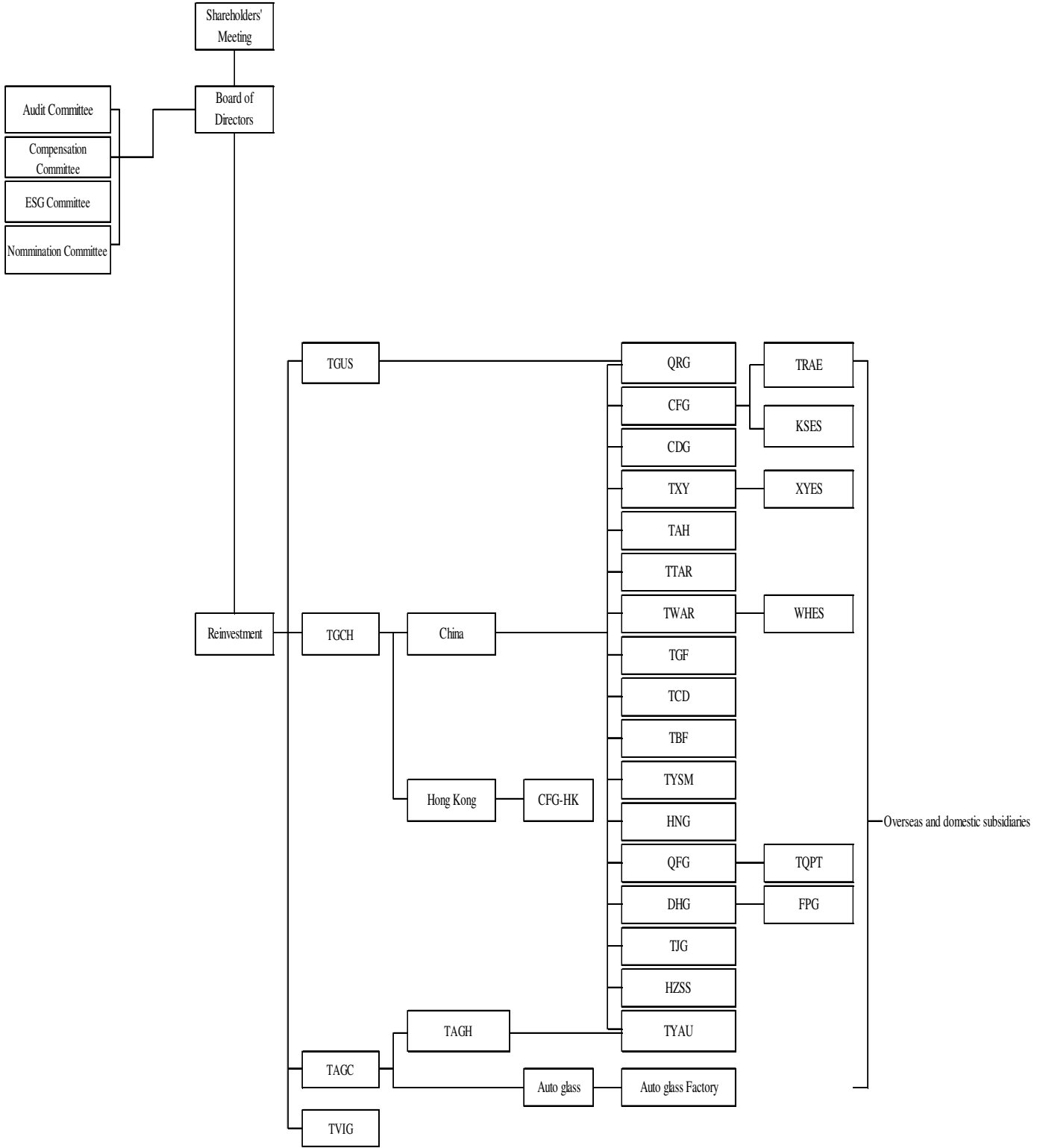
Year	Milestones
2018	Dissolution of Hario TG Glass Co.,Ltd
2019	Taichia Bengbu Glass Fiber Co., Ltd. plant production TG Changjing Glass Co., Ltd. merged with TG Kunshan Glass CO., Ltd.
2020	To Dispose Subsidiary of Yinan Silica Sand Co., Ltd.(YNSS) and TG Zhangzhou Silica Sand Co., Ltd.(ZZSS). Opening of the flagship store of our private brand—TG
2021	To Dispose Subsidiary of TG Fengyang Silica Sand Co., Ltd.(FYSS)

Three. Corporate Governance

I. Organization, and Functions and Operations of Departments



I. Organization, and Functions and Operations of Departments



II. Profiles of Directors, Supervisors, President, Executive Vice Presidents, Asst. VP, and supervisors of the various departments and branches:

(1) Information about directors:

Job Title (Note 1)	Nationality/ Country of Origin	Name	Gender	Age	Date when first elected (Note 2)	Date decayed	Term	Shareholding when elected		Current shareholding		Current Shares Held by Spouse & Dependents		Shares held in another's name		Major (academic/degrees) experience (Note 3)	Current Company & Other positions	Other Chief, Supervisors or Directors with a Spouse or Other Immediate Relative			NOTE
								Shares	%	Shares	%	Shares	%	Shares	%			Job Title	Name	Relationship	
Chairman	R.O.C.	Lin, P.F	Male	78	1967-09-16	From 2021-07-02 until 2024-07-01	3 years	20,603,512	0.71	20,603,512	0.71	2,690,233	0.09	-	-	TOT General Manager	Chairman of Tai Heng Investment Co., Ltd. Chairman of TGI Chemical Corp. Ltd. Chairman of TGI Chemical Corp. Ltd. TOS, QFG, QRG, CHG, CHG, HNG, HIG, HIG, HIG, TXY, TALT, TWR, TWS, SCS, SCSJ and TWG Supervisor of HSH.	Director	Lin, P.S	Brothers	Renewal of office on July 2, 2021.
Director	-	Lin, P.S	Male	77	1967-09-16	-	-	14,897,924	0.51	14,897,924	0.51	1,661,157	0.06	-	-	TGI Executive Director	TOT President & CEO General Manager of TWG Chairman of Ho Ho Investment Co., Ltd. Chairman of Tai Yo Investment Co., Ltd. Chairman of Lan Koa Sang Ksh Co., Ltd. Chairman of Tai Hong Golf Club Chairman of FPG, QFG, DIFR, QRG, SCL, SCL and TVH. Vice Chairman of TGCII Executive Director of HSB and TQPT. Director of TOS, CHG, HNG, HIG, HIG, TPAK, TXY, TAI, TWA, TCD, THF and HZSS	Chairman	Lin, P.F	Brothers	Renewal of office on July 2, 2021.
Director	-	Lin, P.C	Male	72	1976-04-21	-	-	6,191,002	0.21	6,191,002	0.21	4,729,447	0.16	-	-	TOT Executive Director	Chairman of Tai Chiu Investment Co., Ltd. Chairman of Tai Chiu Investment Co., Ltd. Director of TGI, TGIS and HNG. Director of TCH, QFG, QRG, CHG, TGE, CHG, HIG, TPAK, TXY, TALT, TWR, TCD, THF and HZSS General Manager of TGLS	Director	Lin, P.S	Brothers	Renewal of office on July 2, 2021.
Director	-	Lin, J.T	Male	67	2009-06-10	-	-	10,337,628	0.36	10,337,628	0.36	-	-	-	-	Director of Ptek's Holding Ltd. Chairman of Pangue Investment Co., Ltd.	Director of Ambassador Hotel Director of Chi-Yu Chemical Corp. Supervisor of FEATUPE INTERGRATION TECHNOLOGY INC.	Chairman	Lin, P.F	Brothers	Renewal of office on July 2, 2021.
Director	-	Peng C.H	Male	78	2018-06-13	-	-	10,000	0.00	10,000	0.00	-	-	-	-	Member/consultant of the Importers and Exporters Association of Taipei Member of the Taipei Development Industry Trade Association Group President of Merflo's Affiliates Vice chairman of the World Baseball Softball Confederation Chairman of Baseball Federation of Asia	Member/consultant of the Importers and Exporters Association of Taipei Member of the Taipei Development Industry Trade Association Group President of Merflo's Affiliates Vice chairman of the World Baseball Softball Confederation Chairman of Baseball Federation of Asia	Director	Lin, C.M	Father & son	Renewal of office on July 2, 2021.
Director	-	Tai Heng Investment Co., Ltd.	Female	70	2015-06-09	-	-	420,137,922	14.44	420,137,922	14.44	-	-	-	-	Director of Ptek's Holding Ltd. Chairman of Pangue Investment Co., Ltd.	Director of Ambassador Hotel Director of Chi-Yu Chemical Corp. Supervisor of FEATUPE INTERGRATION TECHNOLOGY INC.	Director	Lin, P.S	Husband & wife	Renewal of office on July 2, 2021.
Director	-	Lin, L.L	Female	70	2015-06-09	-	-	-	0.06	1,661,157	0.06	14,897,934	0.51	-	-	G. MGR, Sunrise Department Store	Vice Chairman of XUE XUE INSTITUTE Vice Chairman of XUE XUE FOUNDATION Director of SCII Supervisor of SCJ	Director	Lin, P.S	Husband & wife	Renewal of office on July 2, 2021.
Director	-	Tai Heng Investment Co., Ltd.	Male	50	2000-04-28	-	-	420,137,922	14.45	420,137,922	14.45	-	-	-	-	TGI President, China	Chief Operating Officer, TGI China and Fm Glass Independent Director of WES Printed Circuit Co., Ltd. Chairman of TAGE, CTG, CDE, TXY, TAI, TWR, TWA, TWA, TAGE, TYSM, TTAU, HZSS and XYES. Director of TCH, QFG, QRG, HNG, HIG, HIG, TCD and TDF Executive Director of KSSIS and WHIS. General Manager of KSSIS, WHIS and XYES Supervisor of TRAE.	Chairman	Lin, P.F	Father & son	Renewal of office on July 2, 2021.
Director	-	Tai Heng Investment Co., Ltd.	Male	72	1996-04-01	-	-	420,137,922	14.45	420,137,922	14.45	-	-	-	-	G. MGR, TGI Fiber	Chief Operating Officer, TGI Fiber	Director	None	None	Renewal of office on July 2, 2021.
Director	-	Su, Y.T	Male	72	1996-04-01	-	-	-	0.00	28,124	0.00	44,333	0.00	-	-	G. MGR, TGI Fiber	Chief Operating Officer, TGI Fiber	Director	None	None	Renewal of office on July 2, 2021.
Director	-	Tai Heng Investment Co., Ltd.	Male	43	2004-10-06	-	-	-	-	-	-	-	-	-	-	G.M, TGI Fiber	G. MGR, TGI Fiber Vice Chairman of TAGE Director of TAGE, CTG, QFG, QRG, CTG, TGF, HNG, HIG, TPAK, TXY, TALT, TWR, TYSM, TCD, THF, TTAU, HZSS and TVH. Supervisor of WHIS, XYES, SCS, SCSJ	Chairman	Lin, P.F	Father & son	Renewal of office on July 2, 2021.
Director	-	Lin, C.Y	Male	43	2004-10-06	-	-	-	-	35,701	0.01	-	-	-	-	G.M, TGI Fiber	G. MGR, TGI Fiber Vice Chairman of TAGE Director of TAGE, CTG, QFG, QRG, CTG, TGF, HNG, HIG, TPAK, TXY, TALT, TWR, TYSM, TCD, THF, TTAU, HZSS and TVH. Supervisor of WHIS, XYES, SCS, SCSJ	Director	Lin, C.H	Brothers	Renewal of office on July 2, 2021.

II. Profiles of Directors, Supervisors, President, Executive Vice Presidents, Asst. VP, and supervisors of the various departments and branches:
 (I) Information about directors:

Job Title (Note 1)	Nationality/ Country of Origin	Name	Gender	Age	Date when first elected (Note 2)	Date elected	Term	Shareholding when elected		Current shareholding		Current Shares Held by Spouse & Dependents		Shares held in another's name		Major (academic degree) experience (Note 3)	Current Company & Other positions	Other Chief Supervisors or Directors with a Spouse or Other Immediate Relative		Note
								Shares	%	Shares	%	Shares	%	Shares	%			Job Title	Name	
Director	U.S.A.	Ho Ho Investment Co., Ltd. Lin, C. M	Male	42	2006-06-09	From 2021-07-02 until 2024-07-01	3 years	402,748,231	13.85	402,748,231	13.85	-	-	-	-	VGM, TGI Finance	G. MGR, TGI Finance Director of FITECH FISM, TV, AITAGH and SCIT Supervisor of ONGOR, CTEC, CGLING, TEGJING, UTAH, TTY, TABITWAK, TCD, JHF, HESS, TARK, and TYRE	Director	Lin, P C	Father & son
Director	R.O.C.	Ho Ho Investment Co., Ltd. Tsu, T H	Male	66	2017-10-26	-	-	402,748,231	13.85	402,748,231	13.85	-	-	-	-	VGM, TGI Purchasing	VGM, TGI Purchasing	None	None	
Director	"	Lin, S W	Male	46	2021-07-02	-	-	25,000	0.00	25,000	0.00	8,000	0.00	-	Chief of Department of Real Estate Market, CBRE Limited Taiwan Branch Vice President of the Investment Dept., DBS Bank Hong Kong	Director of Simohic Securities Chairman of Cha Mao Business Consulting Co., Ltd. Chairman of Sin Sheng Li Investment Co., Ltd.	None	None		
Independent Director	"	Lin, S C	Male	69	2021-07-02	-	-	-	-	-	-	-	-	-	Visiting Professor of Dept. of International Business, CYCU Chairman of CPC Political Deputy Minister of Ministry of Economic Affairs	Emeritus Professor of CYCU Consultant of CSABC Independent Director of Swastor Holding Co., Ltd. - Kuala Ruber Ind. Co., Ltd. and Formosa Textile Co., Ltd.	None	None		
Independent Director	"	Lin, Z Y	Male	68	2021-07-02	-	-	-	-	-	-	-	-	-	Chairman of Taiwan Garment Industry Association ED of Taiwan Textile Federation	Chairman of Teckley Industrial Co., Ltd. Honorary Consul of Embassy of the Kingdom of Hawaii in the Republic of China (Taiwan) Chairman of Taiwan Smart Textile Association	None	None		
Independent Director	"	Wang, Y C	Male	52	2021-07-02	-	-	-	-	-	-	-	-	-	Previous position as Researcher of National Policy Foundation Policy Consultant of Hsinchu City Gov. Member of Remembrance Committee of Trade-Van Co., Ltd.	Current position as Associate Professor of Dept. of Business Administration, Chung Hua Univ. Director of Chung Hua Univ. & World Senior High School Independent Director of Loos Lin Fen Holding, Supervisor of Li-Wai Wind Solar Energy Co. Ltd. Supervisor of Li-Wai Wind Solar Energy Co. Ltd. Chairman of Pearl's Holiday Decoration Inc.	None	None		

Note 1: The name of corporate shareholder, if any, shall be identified, and the following table 1 shall be completed.

Note 2: The circumstances resulting in suspension of initial inauguration date for the Company's director or supervisor, if any, shall be noted.

Note 3: The relevant job title and function in the CPA office or its affiliate in said period, if any, shall be identified.

Note: Director Hsu, L L acted as a supervisor of the Company from June 10, 2009 until August 27, 2014, and also a director of the Company as of June 9, 2015.
 Director Lin, H T acted as a supervisor of the Company from March 19, 1988 until June 9, 2009, and also a director of the Company as of June 10, 2009.

Table 1: Key Shareholders of Major Institutional Shareholders

December 31, 2021

Institutional shareholder Name (Note 1)	Major Shareholders of Institutional Shareholders (Note 2)	%
Tai Hong Investment Co., Ltd.	Ho Ho Investment Co., Ltd.	29.4%
	Tai Cheng Investment Co., Ltd.	11.4%
	Lin, P F	14.0%
	Lin, P S	14.0%
	Lin, P C	14.0%
Ho Ho Investment Co., Ltd.	Tai Hong Investment Co., Ltd.	32.2%
	Tai Yu Investment Co., Ltd.	19.8%
	Tai Chia Investment Co., Ltd.	19.8%
Tai Chien Investment Co., Ltd.	Ho Ho Investment Co., Ltd.	19.7%
	Tai Chia Investment Co., Ltd.	12.2%
	Tai Yu Investment Co., Ltd.	12.1%
	Lin, P F	15.2%
	Lin, P S	15.2%
	Lin, P C	15.2%
Lim Ken Seng Kah Kih Co., Ltd.	Tai Chia Investment Co., Ltd.	16.7%
	Tai Yu Investment Co., Ltd.	19.8%
	Lin, P F	15.3%
	Lin, P S	15.3%
	Lin, P C	15.3%

Note 1: The director/supervisor who represents a corporate shareholder, if any, shall identify the corporate shareholder's name.

Note 2: Please specify the major shareholders' name (those with shareholdings in the first top 10) and their shareholdings. If the major shareholder is a corporation, please also complete the following Table 2.

Table 2: Key Shareholders of Major Institutional Shareholders in Table 1

December 31, 2021

Institutional shareholder Name (Note 1)	Major Shareholders of Institutional Shareholders (Note 2)	%
Tai Cheng Investment Co., Ltd.	Tai Yu Investment Co., Ltd.	14.8%
	Lin, P F	21.9%
	Lin, P S	21.9%
	Lin, P C	21.9%
Tai Yu Investment Co., Ltd.	Tai Chia Investment Co., Ltd.	40.9%
	Ho Ho Investment Co., Ltd.	16.5%
	Tai Chien Investment Co., Ltd.	16.2%
Tai Chia Investment Co., Ltd.	Tai Yu Investment Co., Ltd.	25.8%
	Tai Chien Investment Co., Ltd.	13.1%
	Lin, P F	10.1%
	Lin, P S	10.1%
	Lin, P C	10.1%
Tai Hong Investment Co., Ltd.	See Table 1	See Table 1
Ho Ho Investment Co., Ltd.	See Table 1	See Table 1

Note 1: Names of the major shareholders identified in Table 1 who are corporations, if any, shall be specified.

Note 2: Please specify the names of the corporate shareholders' major shareholders (those with shareholdings in the first top 10) and their shareholdings.

Directors' Independence Status and Their Relevant Work Experience (2)

I. Information disclosure on the professional qualifications of directors and the independence of independent directors:

Conditions		Professional qualifications and experience (Note 1)	Status of independence (Note 2) (See the following page for independence requirements)	Number of public companies where the person holds the title as independent director	Not under any of the categories stated in Article 30 of the Company Law
Name					
Director	Lin, P F	Current position as Chairman of TGI, TGF, TCD, TBF and TGCH. Previous position as GM of TGI Industry experience and work experience required by the Company.	(5) 、(9) 、(11)	-	✓
	Lin, P S	Current position as President of TGI. Previous position as ED of TGI. Industry experience and work experience required by the Company.	(5) 、(9) 、(11)	-	✓
	Lin, P C	Current position as ED of TGI and Chairman of TJG, TGUS and HNG. Previous position as ED of TGI Industry experience and work experience required by the Company.	(5) 、(9) 、(11)	-	✓
	Lim, H T	Current position as Director of The Ambassador Hotel Co., Ltd. and Chiyeh Chemical Co., Ltd. Supervisor of Feature Integration Technology Inc. Previous position as Chairman of Bo Chi Investment Co., Ltd. Industry experience and work experience required by the Company.	(1) 、(4) 、(5) 、(6) 、 (7) 、(8) 、(9) 、 (10) 、(11)	-	✓
	Peng, C H	Current position as CEO of Meifu Group. Previous position as Director of Importers and Exporters Association of Taipei. Industry experience and work experience required by the Company.	(1) 、(3) 、(4) 、(5) 、 (6) 、(7) 、(8) 、(9) 、 (10) 、(11)	-	✓
	Hsu, L L	Current position as Vice Chairman of Xue Xue Int'l Culture Creative Co. Previous position as GM of Sunrise Department Store. Industry experience and work experience required by the Company.	(1) 、(9)	-	✓
	Lin, C H	Current position as COO of TGI Flat Glass Business & China Prod. Previous position as GM of TG China Prod. Industry experience and work experience required by the Company.	(3) 、(9)	-	✓
	Su, Y T	Current position as COO of TG Fiberglass Business. Previous position as GM of TG Fiberglass Business. Industry experience and work experience required by the Company.	(3) 、(9) 、(10)	-	✓
	Lin, C Y	Current position as GM of TG Fiberglass Business. Previous position as VGM of TG Fiberglass Business. Industry experience and work experience required by the Company.	(3) 、(9)	-	✓
	Lin, C M	Current position as GM of TG Finance Div. Previous position as VGM of TG Finance Div. Industry experience and work experience required by the Company.	(3) 、(9)	-	✓
	Tsai, T M	Current position as VGM of TG Purchasing Div. Previous position as AGM of TG Purchasing Div. Industry experience and work experience required by the Company.	(3) 、(6) 、(7) 、(8) 、 (9) 、(10) 、	-	✓
	Lien, S W	Current position as Director of SinoPac Securities. Previous position as Vice President of the Investment Dept., DBS Bank Hong Kong Industry experience and work experience required by the Company.	See next page for status of independence	-	✓
Independent Director	Lin, S C	Current position as Emeritus Professor of CYCU and Consultant of CNAIC. Previous position as Visiting Professor of Dept. of International Business, CYCU, Chairman of CPC, Political Deputy Minister of Ministry of Economic Affairs. Industry experience and work experience required by the Company.	See next page for status of independence	3	✓
	Lin, Z Y	Current position as Chairman of Tex-Ray Industrial Co., Ltd., Honorary Consul of Embassy of the Kingdom of Eswatini in the Republic of China (Taiwan), Chairman of Taiwan Smart Textile Association. Previous position as Chairman of Taiwan Garment Industry Association, ED of Taiwan Textile Federation. Industry experience and work experience required by the Company.	See next page for status of independence	0	✓
	Wang, Y C	Current position as Associate Professor of Dept. of Business Administration, Chung Hua Univ. Director of Chung Hua Univ. & World Senior High School, Independent Director of Lou Lih Fen Holding, Supervisor of Lih-Wei Wind Solar Energy Co. Ltd., Chairman of Pearl's Holiday Decoration Inc. Previous position as Researcher of National Policy Foundation, Policy Consultant of Hsinchu City Gov., Member of Remuneration Committee of Trade-Van Co., Ltd. Industry experience and work experience required by the Company.	See next page for status of independence	1	✓

Status of independence:

- (1) Not an employee of the Company or its affiliates.
- (2) Not a director or supervisor of the Company or its affiliates (excluding the capacity of independent director of the Company or its parents, or a subsidiary directly or indirectly held by the Company with more than 50% of the shares with voting power).
- (3) Not a natural person, spouse, underage child, or under the title of a third party who holds more than 1% of the outstanding shares issued by the Company or among the top 10 natural person shareholders.
- (4) Not a spouse, kin at the second pillar under the Civil Code, or the lineal blood relatives within the third pillar under the Civil Code as specified in (1) through (3).
- (5) Not a director, supervisor or employee of a corporate shareholder who directly holds more than 5% of the outstanding shares issued by the Company, or a director, supervisor or employee of a corporate shareholder who is among the top 5 shareholders. (excluding the capacity of independent director of the Company or its parents, or a subsidiary directly or indirectly held by the Company with more than 50% of the shares with voting power)
- (6) Not a director, supervisor, manager or shareholder holding more than 5% of the outstanding shares of specific company or institution in business or financial relation with the Company. (excluding the capacity of independent director of the Company or its parents, or a subsidiary directly or indirectly held by the Company with more than 50% of the shares with voting power)
- (7) Not a professional, owner, partner, director, supervisor, manager of proprietorship, partnership, company or institution that provide business, legal, financial and accounting services to the Company or a spouse to the aforementioned persons, provided that this restriction does not apply to any member of the remuneration committee who exercises powers pursuant to Article 7 of the Regulations Governing the Establishment and Exercise of Powers of Remuneration Committees of Companies Whose Stock is Listed on the TWSE or Traded on the GTSM (excluding the capacity of independent director of the Company or its parents, or a subsidiary directly or indirectly held by the Company with more than 50% of the shares with voting power)
- (8) Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company (this is not limited to the specified company or institution holds 20 percent or more and no more than 50 percent of the total number of issued shares of the company, and the independent directors who work concurrently for a company and its parent company or subsidiary, or a subsidiary of the same parent company according to these regulations or local laws).
- (9) Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT\$500,000, or a spouse. However, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.
- (10) Not a spouse to or kin at the second pillar under the Civil Code to any other director.
- (11) No government apparatus agency, juristic person or its representative is elected under Article 27 of the Company Law.

II. Diversity and Independence of the Board of Directors:

- (1) Board Diversity: Explanation on the diversity policy, goals and its implementation. The diversity policy includes but not limited to the standard of electing directors, the professional qualification and experience of the board of directors, the composition condition or ratio of gender, age, nationality, culture and etc; and also, the explanation on the specific goals and achievement of the above-mentioned policy.

The company enacted the “Board Diversity Policy” and disclosed on the company’s website. Candidate selections are based on the professional qualification and the effort of involvement, including but not limited to the gender, age, culture, educational background, race, professional experience, skills, knowledge and term in service. The average age of board members is 67, with professional backgrounds of manufacturing industry and academic, and with their expertise in finance, business, management, laws ,etc. The nomination of independent directors in the future will follow the long-term development goals of the company, the implementation of audit committee and remuneration committee to consider the related candidates whether be able to complement and to improve the overall talent, experience, specialized knowledge of the board of directors, and to nominate those with related specialities to achieve the goals of diversified in the members of the board of directors. Article 20 of the company’s Corporate Governance Best Practice Principle stated that the board of directors shall possess the following abilities: ability to make operational judgement, ability to perform accounting and financial analysis, ability to conduct management administration, ability to conduct crisis management, knowledge of the

industry, an international market perspective, ability to lead and ability on the policy decision-making. The current diversity policy on the members of the board of directors and its implementation as shown on the attached table 1 of the next page.

- (II) Independence of the board of directors: Explanation on the number of independent directors and ratio. The explanation on the independence of the board of directors, explaining on whether with the circumstances of paragraph 3 and 4 from the article 26-3 of the Securities and Exchange Act and including descriptions of the circumstances which directors, supervisors or between directors and supervisors as spouse and with relatives within second degree kinship.

The Company's Board consists of 15 members, among which 3 are independent directors. The members of the board of directors did not violate those stated in the paragraph 3 and 4 of article 26-3 of the securities exchange act. There are 7 directors who are spouses or relatives within second degree kinship.

Three independent directors of the company came into service on July 2, 2021, as their first term serves as the company's independent director. None of the independent directors, spouse, relatives within second degree of kinship served as the directors, supervisors or employees of the company or its affiliated companies. The company conducted the qualification check for the independent directors when the independent directors elected and in the terms of service, and to fill in the qualification check form for independent directors to ensure the independence of the independent directors. The 3 current independent directors were qualified under the qualification check of independent directors. None of the independent director as the spouse or relatives with second degree kinship with each other and nor are the spouse or relatives with second degree kinship to between directors and independent directors. The independent director, his/her spouse and relatives within second degree kinship (or under others' name) were not holding the company's share. The independent director not serve as the director, supervisor or employees of the companies with certain relationship with the company (refer to the specification from the subparagraph 5 to 8, paragraph 1, article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. The independent directors were not providing commercial, legal, finance, accounting and other services to the company and its affiliated companies within the most recent two years.

Attached Table 1: The current diversity policy of the member of the board of directors and its implementation.

Core Items of Diversification	Basic elements				Work experience								Professional development						
	Name	Gender	Concurrently the Employee of the Company	Age			Term Served as the Independent Director of the Company	Glass manufacture	Finance	Import and Export trade	Procurement and Supply	Public administration	Cultural and Creative	Architectural Development	Commerce and Management	Finance	Glass manufacture	Economy	International trade
				41 to 50	51 to 60	61 to 70													
Director	Lin, P F	Male	✓			✓	-	✓						✓					
	Lin, P S	Male	✓			✓	-	✓						✓					
	Lin, P C	Male				✓	-	✓						✓					
	Lin, H T	Male			✓	-								✓					
	Peng, C H	Male				✓	-		✓					✓					
	Hsu, L L	Female			✓	-						✓							
	Lin, C H	Male	✓			✓	-	✓						✓					
	Su, Y T	Male	✓			✓	-	✓							✓				
	Lin, C Y	Male	✓			✓	-	✓							✓				
	Lin, C M	Male	✓			✓	-	✓							✓				
	Tsai, T M	Male	✓			✓	-	✓	✓						✓			✓	
	Lien, S W	Male				✓	-		✓						✓			✓	
	Independent Director	Lin, S C	Male			✓	✓								✓				✓
Lin, Z Y		Male			✓	✓			✓					✓				✓	
Wang, Y C		Male			✓	✓					✓			✓				✓	

- The specific management goals and implementation of the board diversity policy:

Management Goals: More than one third of the board of directors with the experience and specialities in glass industry.

Implementation: 8 of the directors with the experience and specialities in glass industry and with more than one third of the board of directors, which the goal is meet.

Note 1: Professional Qualification and experience: Explanation on the professional qualification and experience of individual directors and supervisors. For example, the member of the audit committee and with the specialities of accounting and finance shall include his or her accounting or finance background and working experience, and in addition to explain whether or not with any of the circumstances stated in any of the paragraph of the Article 30 of the Company Act.

Note 2: Independent directors shall explain the circumstances of fulfill the independence, including but not limited to himself, herself, spouse, relatives within second degree kinship serve as the director, supervisor or employees of the company or its affiliated companies; shareholding of the company and ratio by himself/herself, spouse, relatives within second degree kinship(or under others' name); served as director, supervisor or employees of the company with certain relationship with the company (refer to the subparagraph 5 to 8, Paragraph 1, Article 3 of the Regulation Governing Appointment of Independent Directors and Compliance Matters for Public Companies); the amount of compensation from providing services of commerce, legal, finance, accounting and others to the company or its affiliated companies within the most recent 2 years.

Note 3: Please refer to the Best Practice Referencing Sample on the website of Corporate Governance Center, TWSE for the ways of disclosure.

(II) President, Vice Presidents, Assistant Executive Vice Presidents and general managers of the departments and branches:

Job Title (Note 1)	Nationality	Name	Gender	On-Board Date	Shareholding		Current Shares Held by Spouse & Dependents		Shares held in another's name		Major (academic degree) experience (Note 2)	Positions with other companies	Spouse or kinship within the second pillar under the Civil Code and who is a manager			Manager acquire employees' stock option	Note
					Shares	%	Shares	%	Shares	%			Job Title	Name	Relationship		
President & CEO	R.O.C.	Lin, P.S	Male	2009-06-10	14,897,934	0.51	1,661,157	0.06	-	-	TGI Executive Director	General Manager of TVIG Chairman of Ho Ho Investment Co., Ltd./Tai Yu Investment Co., Ltd./Lim Ken Seng Kah Kih Co., Ltd./Tai Hong Golf Club Chairman of PFG.QFG.DHG.QRG.SCH.SCJ and TVIG Vice Chairman of TGCH Executive Director of HSB and TQPT TGIS.CFG.TGF.CDG.HNG.TJG.TTAR.TXY.TAH.TWAR.TCD.TBF.FYSS and HZSS	None	None	-	None	
Vice President	"	Lin, C.H	"	2005-02-01	1,206,111	0.04	1,090	0.00	-	-	TGI President, China	Independent director of WUS Printed Circuit Co., Ltd Chairman of TAGC.CFG.CDG.TXY.TAH.TTAR.TWAR.TAGH.TYSM.TYAU.HZSS and XYES Director or of TGCH.QFG.QRG.TGF.HNG.TJG.DHG.TCD and TBF Executive Director of KSES and WHES General Manager of KSES.WHES and XYES Supervisor of TRAE	Vice President Lin, C.Y	Brothers	-	"	
Vice President	"	Su, Y.T	"	1996-04-01	28,124	0.00	44,533	0.00	-	-	G. MGR, TGI Fiber	None	None	-	"		
Vice President	"	Lin, C.Y	"	2012-06-05	355,701	0.01	-	-	-	-	VP, TGI Fiber	Vice Chairman of TAGH Director of TGCH.TAGC.QFG.QRG.CFG.TGF.CDG.HNG.TJG.DHG.TTAR.TXY.TAH.TWAR.TYSM.TCD.TBF.TYAU.HZSS and TVIG Supervisor of WHES.XYES and KSES	Vice President Lin, C.H	Brothers	-	"	
Vice President Financial Officer	U.S.A.	Lin, C.M	"	2012-06-05	464,778	0.02	1,832,005	0.06	-	-	VP, TGI Finance	Director of TGCH.TYSM.TYAU.TAGH and SCH Supervisor of QFG.QRG.CFG.TGF.CDG.HNG.TJG.DHG.TTAR.TXY.TAH.TWAR.TCD.TBF.HZSS. TAGC and TVIG	None	None	-	"	
Vice President	R.O.C.	Chen, C.C	"	2009-06-10	33,416	0.00	-	-	-	-	Foreman, TGI Lukang Factory	Associate Bachelor's	General Manager of TBF	None	None	-	Discharged on July 2, 2021.
Vice President	"	Tsai, T.M	"	2017-10-26	20,824	0.00	-	-	-	-	AGM, TGI Purchasing	Bachelor's	None	None	None	None	
Manager, Accounting	"	Huang, Y.H	Female	2014-06-09	-	-	-	-	-	-	Deputy Manager, TGI Accounting Dept.	Bachelor's	None	None	-	"	
Manager, Corporate Governance affairs	"	Pan, Y.L	"	2019-01-18	-	-	-	-	-	-	Manager, TGI Secretary Dept.	Bachelor's	None	None	-	"	

Note 1: To include the information about presidents, vice presidents, assistant VPs, and general managers of departments/branches, and those job titles equivalent to presidents, vice presidents or assistant VPs.

Note 2: The relevant job title and function in the CPA office or its affiliate in said period, if any, shall be identified.

III. Remuneration to Directors, Supervisors, Presidents and Vice Presidents

(I) Remuneration to Directors, Supervisors, Presidents and Vice Presidents:

(1) Remuneration to directors (Independent Director)

Job Title	Name	Remuneration to Directors				Relevant remuneration received by directors who are also employees				December 31, 2021				
		Remuneration (A)		Directors Remuneration (C)		Salaries, bonus and special subsidies (E)		Pension (F)		The sum of A, B, C, D, E, F and G to Earnings (%)		Whether remuneration on from any reinvested other than subsidiaries is received?		
		The Company consolidated financial statements	All companies included in the consolidated financial statements	The Company consolidated financial statements	All companies included in the consolidated financial statements	The Company consolidated financial statements	All companies included in the consolidated financial statements	The Company consolidated financial statements	All companies included in the consolidated financial statements	The sum of A, B, C, D, E, F and G to Earnings (%)	The Company consolidated financial statements			
Chairman	Lin, P. F.	-	315	23,817	23,817	360	0.21	5,933	-	1,150	-	1,150	0.28	-
	Lin, P. S.	-	315	23,817	23,817	240	0.21	6,002	108	1,150	-	1,150	0.28	-
Director	Lin, P. C.	960	-	23,817	23,817	240	0.21	-	-	-	-	-	0.21	-
	Lin, H. T.	-	-	11,908	11,908	120	0.10	-	-	-	-	-	0.10	-
Independent Director	Peng, C. H.	-	-	11,908	11,908	120	0.10	-	-	-	-	-	0.10	-
	Tai Hong Investment Co., Ltd.	-	-	11,908	11,908	120	0.10	-	-	-	-	-	0.10	-
Independent Director	Hsu, L. L. (Note1)	-	-	11,909	11,909	240	0.11	3,178	-	583	-	583	0.14	-
	Tai Hong Investment Co., Ltd.	-	160	11,909	11,909	240	0.11	3,178	-	583	-	583	0.14	-
Independent Director	Lin, C. H.	-	179	11,909	11,909	120	0.11	2,846	108	653	-	653	0.14	-
	Tai Hong Investment Co., Ltd.	-	179	11,909	11,909	120	0.11	2,846	108	653	-	653	0.14	-
Independent Director	Lin, C. Y.	-	146	11,909	11,909	120	0.11	2,673	-	531	-	531	0.13	-
	Tai Hong Investment Co., Ltd.	-	146	11,909	11,909	120	0.11	2,673	-	531	-	531	0.13	-
Independent Director	Lin, C. M. (Note2)	-	141	11,909	11,909	120	0.11	2,789	-	513	-	513	0.13	-
	Tai Hong Investment Co., Ltd.	-	131	11,909	11,909	120	0.10	2,284	-	478	-	478	0.13	-
Independent Director	Lin, S. W. (Note3)	-	-	5,954	5,954	60	0.05	-	-	-	-	-	0.05	-
	Tai Hong Investment Co., Ltd.	-	67	5,954	5,954	60	0.05	1,427	51	80	-	80	0.06	-
Independent Director	Lin, S. C. (Note5)	600	-	-	-	-	0.01	-	-	-	-	-	0.01	-
	Tai Hong Investment Co., Ltd.	600	-	-	-	-	0.01	-	-	-	-	-	0.01	-
Independent Director	Lin, Z. Y. (Note5)	600	-	-	-	-	0.01	-	-	-	-	-	0.01	-
	Tai Hong Investment Co., Ltd.	600	-	-	-	-	0.01	-	-	-	-	-	0.01	-
Independent Director	Wang, Y. C. (Note5)	600	-	-	-	-	0.01	-	-	-	-	-	0.01	-
	Tai Hong Investment Co., Ltd.	600	-	-	-	-	0.01	-	-	-	-	-	0.01	-
Independent Director	Lin, F. C. (Note6)	600	-	-	-	-	0.01	-	-	-	-	-	0.01	-
	Tai Hong Investment Co., Ltd.	600	-	-	-	-	0.01	-	-	-	-	-	0.01	-
Independent Director	Chen, C. C. (Note6)	600	-	-	-	-	0.01	-	-	-	-	-	0.01	-
	Tai Hong Investment Co., Ltd.	600	-	-	-	-	0.01	-	-	-	-	-	0.01	-
Independent Director	Hwang, T. Y. (Note6)	600	-	-	-	-	0.01	-	-	-	-	-	0.01	-
	Tai Hong Investment Co., Ltd.	600	-	-	-	-	0.01	-	-	-	-	-	0.01	-
Total	15 persons	4,560	1,454	178,628	178,628	1,920	1.63	27,132	267	5,138	-	5,138	1.91	1.92

* Apart from what is listed in the table above, the company's directors did not receive any pay for the services they provided in the previous year's financial report (e.g., providing consultations as non-staff).

Note1: Change of Corporate Director Represented by Director Hsu, L.L. on 2nd July, 2021.

Note2: Change of Corporate Director Represented by Director Lin, C.M. on 2nd July, 2021.

Note3: Director Lien, S.W. was newly elected on 2nd July, 2021.

Note4: Director Chen, C.C. resigned on 1st July, 2021.

Note5: Director Lin, S.C., Lin, Z.Y. and Wang, Y.C. was newly elected on 2nd July, 2021.

Note6: Director Lin, F.C., Chen, C.C. and Hwang, C.Y. resigned on 1st July, 2021.

(2) Remuneration to President and Vice Presidents

		NTD thousand										December 31, 2021		
Job Title	Name	Salary (A)		Pension (B)		Bonus and special subsidies, et al. (C)		Employee Remuneration (D)				The sum of A, B, C and D in proportion to earnings (%)		Whether remuneration from any reinvestees other than subsidiaries is received?
		The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements	The Company		All companies included in the consolidated financial statements		The Company	All companies included in the consolidated financial statements	
								Cash	Stock	Cash	Stock			
President & CEO	Lin, P S	3,915	3,915	108	108	2,087	2,087	1,150	-	1,150	-	0.07	0.07	-
Vice President	Lin, C H	1,970	1,970	-	-	1,208	1,208	583	-	583	-	0.03	0.03	-
Vice President	Su, Y T	2,103	3,014	108	108	743	743	653	-	653	-	0.03	0.03	-
Vice President	Lin, C Y	1,790	1,918	-	-	883	883	531	-	531	-	0.03	0.03	-
Vice President	Lin, C M	1,731	1,731	-	-	1,058	1,058	513	-	513	-	0.03	0.03	-
Vice President	Tsai, T M	1,610	1,610	-	-	674	674	478	-	478	-	0.02	0.02	-
Vice President	Chen, C C (Note)	820	1,021	51	51	607	607	80	-	80	-	0.01	0.02	-
Total	7 persons	13,939	15,179	267	267	7,260	7,260	3,988	-	3,988	-	0.22	0.23	-

Note: Vice President Chen, C.C. resigned on 1st July, 2021.

(3) The top five top executives remuneration

		NTD thousand										December 31, 2021				
Job Title	Name	Salary (A)		Pension (B)		Bonus and special subsidies, et al. (C)		Employee Remuneration (D)				The sum of A, B, C and D in proportion to earnings (%)		Whether remuneration from any reinvestees other than subsidiaries is received?		
		The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements	The Company	All companies included in the consolidated financial statements	Cash	Stock	The Company	All companies included in the consolidated financial statements			
President & CEO	Lin, P S	3,915	3,915	108	108	2,087	2,087	2,087	2,087	1,150	-	1,150	-	0.07	0.07	-
Vice President	Su, Y T	2,103	3,014	108	108	743	743	743	743	653	-	653	-	0.03	0.03	-
Vice President	Lin, C H	1,970	1,970	-	-	1,208	1,208	1,208	1,208	583	-	583	-	0.03	0.03	-
Vice President	Lin, C Y	1,790	1,918	-	-	883	883	883	883	531	-	531	-	0.03	0.03	-
Vice President	Lin, C M	1,731	1,731	0	0	1,058	1,058	1,058	1,058	513	-	513	-	0.03	0.03	-
Total	5 persons	11,509	12,548	216	216	5,979	5,979	5,979	5,979	3,430	-	3,430	-	0.19	0.19	-

(4) Names of general managers to whom employee bonus was allocated, and the status of allocation:

		December 31, 2021			
		NTD thousand			
Job Title	Name	Cash	Stock	Total	Total in proportion to earnings (%)
Director	Lin, P F	1,150	-	1,150	0.010
	Lin, P S	1,150	-	1,150	0.010
	Lin, C H	583	-	583	0.005
	Su, Y T	653	-	653	0.006
	Lin, C Y	531	-	531	0.005
	Lin, C M	513	-	513	0.004
	Tsai, T M	478	-	478	0.004
	Chen, C C	80	-	80	0.001
General Manager	Manager, Corporate governance affairs	352	-	352	0.003
	Manager, Accounting	318	-	318	0.003
	Total	5,808	-	5,808	0.051

Note: Vice President Chen, C.C. resigned on 1st July, 2021.

(II) Specify and compare the remuneration to directors, supervisors, President and Vice Presidents of the Company in proportion to the earnings from the Company and the companies included in the consolidated financial statements in the latest 2 years, and specify the policies, standards, combinations, procedure of decision-making of remunerations and their relation to business performance and future risk.

A. Proportion to Earnings (%):

Name	The Company		All companies included in the consolidated financial statements	
	2020	2021	2020	2021
Director	2.91%	1.91%	3.00%	1.92%
Supervisor	-	-	-	-
President and Vice Presidents	0.79%	0.22%	0.85%	0.23%

B. The relationship between the remuneration and performance of the directors, independent directors and managers of the company is explained as follows.

1. Directors:

(1) Annual surplus earnings for remuneration: If there is a surplus in the annual final account, 1.5% of the surplus will be allocated as the directors' compensation, and the compensation will be distributed differently according to the positions of the directors, the degree of participation in the company's operations, etc.

(2) Fixed travel expenses: Not related to directors' individual performances.

2. Independent directors: Fixed remuneration. No participation in the surplus earning distribution according to individual performances.

3. Managers:

(1) Salary: Salary adjustment made according to operating performance.

(2) Quarterly remuneration on operating performance: Compensation will be paid based on the comparison between the current quarter's operating performance and the best operating performance in recent years.

(3) Annual surplus earnings remuneration on performance: If there is a surplus in the annual final account, production & sales bonuses will be given based on actual performances of managers.

IV. Status of Corporate Governance

(I) Information about functions and operations of the Board of Directors

The Board of Directors has called 7 meetings (A) in the most recent year, and the directors' attendance is stated as follows:

Job Title	Name (Note 1)	Actual number of attendance (B)	Attend through proxy	Actual attendance rate (%) (B/A) (Note 2)	Remarks
Attendance of the 19 th and 20 th Board of Directors (from Jan. 1st to Dec. 31st 2021: 7 Board of Director meetings in the year)					
Chairman	Lin, P F	7	0	100.00	
Director	Lin, P S	7	0	100.00	Renewal of office on July 2, 2021.(Number of the times that the director should be present at the meeting this year: 7 times)
	Lin, P C	7	0	100.00	
	Lim, H T	6	1	85.71	
	Peng, C H	7	0	100.00	
	Lim Ken Seng Kah Kih Co., Ltd. Hsu, L L	2	0	100.00	
	Tai Hong Investment Co., Ltd. Hsu, L L	4	1	80.00	New office assumed on July 2,2021. (Number of the times that the director should be present at the meeting this year: 5 times)
	Tai Hong Investment Co., Ltd. Lin, C H	7	0	100.00	Renewal of office on July 2, 2021. (Number of the times that the director should be present at the meeting this year: 7 times)
	Tai Hong Investment Co., Ltd. Su, Y T	7	0	100.00	
	Tai Hong Investment Co., Ltd. Lin, C Y	7	0	100.00	
	Tai Chien Investment Co., Ltd. Lin, C M	2	0	100.00	Discharged on July 1, 2021. (Number of the times that the director should be present at the meeting this year: 2 times)
	Ho Ho Investment Co., Ltd. Lin, C M	5	0	100.00	New office assumed on July 2,2021. (Number of the times that the director should be present at the meeting this year: 5 times)
	Ho Ho Investment Co., Ltd. Chen, C C	0	0	0.00	Discharged on July 1, 2021. (Number of the times that the director should be present at the meeting this year: 2 times)
	Ho Ho Investment Co., Ltd. Tsai, T M	7	0	100.00	Renewal of office on July 2, 2021. (Number of the times that the director should be present at the meeting this year: 7 times)
	Lien, S W	5	0	100.00	New office assumed on July 2,2021. (Number of the times that the director should be present at the meeting this year: 5 times)
Independent Director	Lin, F C	2	0	100.00	Discharged on July 1, 2021. (Number of the times that the director should be present at the meeting this year: 2 times)
	Chen, C C	2	0	100.00	
	Hwang, T Y	2	0	100.00	
	Lin, S C	5	0	100.00	New office assumed on July 2,2021. (Number of the times that the director should be present at the meeting this year: 5 times)
	Lin, Z Y	5	0	100.00	
	Wang, Y C	5	0	100.00	

Other matters to be specified:

(A) If any of the following circumstances occur, it is necessary to specify the dates of the board meetings, sessions, contents of motion, all independent directors' opinions, and the Company's responses towards independent directors' opinions:

- (1) Matters referred to in Article 14-3 of the Securities and Exchange Act.
- (2) In addition to item (1), other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors: None.
- (B) If any director's recusal from the discussion or voting of proposal due to conflict of interest should occur, director's name, contents of motion, causes for recusal, and voting should be specified: None.
- (C) The company listed on TWSE/TPEX shall disclose the evaluation cycle and duration, scope of evaluation, methodology, and evaluation contents of the self (peer) evaluation of the Board of Directors and fill out the "Board of Directors Evaluation Status": self-evaluation of the Board of Directors was implemented in 2021, please refer to "Board of Directors Evaluation Status" on the following page for detail.
- (D) Measures taken to strengthen the functioning of the Board of Directors (e.g. establishment of the Audit Committee, increasing transparency) to assist the board in carrying out its various duties: The Company's Board has approved "Self-Evaluation or Peer Evaluation of the Board of Directors" on March, 2020.

Note 1: The name and representative of the institutional shareholder of any director who is a corporation, if any, shall be disclosed.

Note 2:

- (1) Where a specific director may be relieved from duty before the end of the fiscal year, specify the date of discharge. His actual attendance rate (%) to Board session shall be calculated on the basis of the actual number of sessions held and the number of sessions he attended.
- (2) Where a reelection may be held for filling the vacancies of directors before the end of the fiscal year, list out both the new and the discharged directors, and specify if they are the former directors, or newly elected, re-elected and the date of the reelection. Their attendance rate (%) at the Board session shall be calculated on the basis of the actual number of sessions held and the number of sessions they attended during the term of office.

Board of Directors Evaluation Report

Evaluation cycle (Note 1)	Evaluation period (Note 2)	Evaluation scope (Note 3)	Evaluation method (Note 4)	Evaluation content (Note 5)
Executed once a year	<p>From January 1, 2021 until December 31, 2021</p> <p>Only the newly elected directors and independent directors (Lien, S W, Lin, S C, Lin, Z Y, Wang, Y C)</p> <p>The duration of assessment is after the election, July 2, 2021 to December 31, 2021.</p>	Performance evaluation of the Board of Directors and individual directors	<p>The Corporate Governance Officer will fill out self-evaluation questionnaire of the Board, while the Board members will separately fill out self-evaluation questionnaire for individual directors. Members of Functional Committee filled in the performance evaluation questionnaires individually.</p>	<p>Board of Directors performance evaluation questionnaire will cover the following aspects: participation in the operation of the Company, the quality of the Board of Directors' decision making, composition and structure of the Board of Directors, election and continuing education of the directors, and internal control.</p> <p>Performance evaluation questionnaire for the individual director will cover the following aspects: alignment of the goals and missions of the Company, awareness of the duties of a director, participation in the operation of the Company, management of internal relationship and communication, the director's professionalism and continuing education, and internal control.</p> <p>Performance Evaluation criteria of Functional Committee: Participation in the operation of the company, awareness of the duties of the functional committee, improvement of quality of decisions made by the functional committee, makeup of the functional committee and election of its members, internal control and etc.</p>

Note 1: Fill out the frequency of the evaluation of the Board of Directors, e.g. once a year.

Note 2: Fill in the period covered by the evaluation of Board of Directors, e.g., evaluate the effectiveness of the Board of Directors from January 1, 2019 to December 31, 2019.

Note 3: The scope of evaluation includes performance of the Board of Directors as a whole, individual director, and the functional committee.

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

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

- (1) Performance evaluation of the Board of Directors as a whole: shall at least include participation in the operation of the Company, the quality of the Board of Directors' decision making, composition and structure of the Board of Directors, election and continuing education of the directors, and internal control and more.
- (2) Performance evaluation for the individual directors: shall at least include alignment of the goals and missions of the Company, awareness of the duties of a director, participation in the operation of the Company, management of internal relationship and communication, the director's professionalism and continuing education, and internal control and more.
- (3) Performance evaluation of the functional committees: participation in the operation of the Company, awareness of the duties of the functional committee, the quality of decisions made by the functional committee, composition of the functional committee and election of its members, and internal control and more.

(II) Information about Functions and Operations of Audit Committee :

The Audit Committee has called 6 meetings in the most recent year, and the directors' attendance is stated as follows:

Job Title	Name (Note 1)	Actual number of attendance	Attend through proxy	Actual attendance rate (%) (Note 2)	Remarks
Attendance of the 2 nd and 3 rd Audit Committee (from Jan. 1st to Dec. 31st 2021: 6 Audit Committee meetings in the year)					
The 2 nd of Independent Director	Lin, F C	2	0	100.00	Discharged on July 1, 2021. (Number of the times that the director should be present at the meeting this year: 2 times)
	Chen, C C	2	0	100.00	
	Hwang, T Y	2	0	100.00	
The 3 rd of Independent Director	Lin, S C	4	0	100.00	New office assumed on July 2, 2021. (Number of the times that the director should be present at the meeting this year: 4 times)
	Lin, Z Y	4	0	100.00	
	Wang, Y C	4	0	100.00	

Other matters to be specified:

- I. If any of the following circumstances should occur, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified:
- (I) Matters referred to in Article 14-5 of the Securities and Exchange Act. See Annual Report for the "Important Resolutions of the Audit Committee."
- (II) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors: None.
- II. If any independent director's recusal from the discussion or voting of proposal due to conflict of interest should occur, director's name, contents of motion, causes for recusal, and voting should be specified: None.
- III. Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g. discussion items, methods and results of audits of corporate finance or operations, etc.)
- (I) The CPAs hired by the Company participates in the Audit Committee meeting periodically to review or audit the financial statements of the Company and its domestic and overseas subsidiaries. The CPAs also report important accounting/audit issues to the independent directors and exchange opinions on adjusting the journal entries and the effects or account presentation due to amendments to laws. Communications between the independent directors and CPAs are stated as follows:
- 2021-03-15: Report of audit results for 2020 financial statements. Discuss and communicate the impacts of the amended regulations related to stock exchange and securities, and introduce the amended regulations and updates to the Corporate Governance Evaluation System.
 - 2021-08-09: Report of audit results of the Second Quarter (Q2) 2021 financial statements. Inventory of the Company—analysis of the data of raw materials. Introduction of regulations related to stock exchange and securities and progress of their amendments.
 - 2021-11-08: Report of audit results of the Third Quarter (Q3) 2020 financial statements. Reviewed financial data. Discuss and communicate the impacts of the amended regulations related to stock exchange and securities.
- (II) Internal audits are conducted in accordance with the annual audit plan and internal audit report is provided to independent directors for review by the end of the next month after the audit. A quarterly follow-up report will be provided to the independent directors if internal control defects or improved results of defects are found. The internal audit chief attends the Audit Committee meeting to present audit report. Communications between the independent directors and the internal audit chief are stated as follows:
- 2021-03-15: (1) 2020-10~2021-01 internal audit report
(2) Assessment of the effectiveness of 2020 internal control system and Statement of Internal Control System.
 - 2021-05-10: 2021-02~03 internal audit report.
 - 2021-08-09: 2021-04~06 internal audit report.
 - 2021-08-30: 2021-07 internal audit report.
 - 2021-10-18: 2021-08 internal audit report.
 - 2021-11-08: (1)2021-09 internal audit report.
(2) Motion for 2022 audit plan.
- IV Key matters of the year and its operation situation:
- (I) Audit Committee of the Company is composed of 3 independent directors, assisting the board of directors to supervise fair presentation of financial reports of the Company, the hiring (and dismissal), independence, and performance of certificated public accountants of the Company, effective implementation of the internal control system of the Company, compliance with relevant laws and

- regulations by the Company and management of the existing or potential risks of the Company.
- (II) 6 meetings were convened by the Audit Committee in 2021. Contents of each proposal and follow-ups are listed in the chart of "Resolutions related to Securities and Exchange Act §14-5." Key matters are as follows:
1. Evaluation of the External Auditor's Independence.
 2. Motion for amendments to the "Regulations Governing the Acquisition and Disposition of Assets", "Operating Procedure for Financial Derivatives Transactions", "Operating Procedure for Making Endorsements/Guarantees", "Operating Procedure for Granting Loans to Others".
 3. Motion for amendments to the "Internal Control System".
 4. Loaning funds to subsidiaries and making endorsements or guarantees for subsidiaries.
 5. Audit the Financial Report.
 6. Motion for audit plan.
 7. Review the Business Report.

Note 1: Where a specific independent director may be relieved from duty before the end of the fiscal year, specify the date of discharge. His actual attendance rate (%) to Board session shall be calculated on the basis of the actual number of sessions held and the number of sessions he attended.

Note 2: Where a reelection may be held for filling the vacancies of independent directors before the end of the fiscal year, list out both the new and the discharged independent directors, and specify if they are the former independent directors, or newly elected, re-elected and the date of the reelection. Their attendance rate (%) at the Audit Committee session shall be calculated on the basis of the actual number of sessions held and the number of sessions they attended during the term of office.

Matters referred to in Article 14-5 of the Securities and Exchange Act.

Meeting	Date	Items		All independent directors' opinions and the Company's handling of the independent directors' opinions	
The 13 th meeting of the 2 nd Audit Committee	2021-03-15	Approval	1	Motion for 2020 Business Report.	Approved by Independent Directors
			2	Motion for parent company only financial statement & consolidated financial statements 2020.	
			3	Motion for 2020 earning distribution.	
			4	2020 TG evaluation of the External Auditor's Independence.	
			5	2021 TG commissioned Ernst & Young Accounting Firm for audit and public funds certification.	
			6	Motion for the assessment of effective internal control system and "Statement of Declaration of Internal Control System" 2020.	
			7	TGCH applied for the credit of US\$20,000 thousand with O-Bank, and asked TG to be the guarantor.	
			8	TXY applied for the credit of US\$6,000 thousand with the Mega International Commercial Bank, and asked TG to be the guarantor.	
The 14 th meeting of the 2 nd Audit Committee	2021-05-10	Approval	1	Motion for amendments to the "Internal Control System".	Approved by Independent Directors
			2	TGCH, invested by TG, increase of TG/TGCH investment in TWAR by RMB250,000 thousand.	
The 1 st meeting of the 3 rd Audit Committee	2021-08-09	Elected	1	Election of the convener/chairman of the 3rd Audit Committee.	Approved by Independent Directors
		Approval	1	TAG applied for the credit of NT\$300,000 thousand with the Chang-Hwa Bank · First Bank · the JihSun Bank, and asked TG to be the guarantor.	
			2	TGCH applied for the credit of US\$33,000 thousand with KGI Bank, and asked TG to be the guarantor.	
			3	TG and TGCH applied for credit of US\$24,000 thousand with Land Bank of Taiwan, and asked TG and TGCH to be the guarantor for each other.	
			4	TGCH, HNG and TYAU applied for the loan of US\$40,500 thousand with Taiwan Cooperative Bank, and asked TG to be the guarantor.	
5	TCD and TYAU applied for the loan of RMB59,000 thousand with First Bank, and asked TG to be the guarantor.				
The 2 nd meeting of the 3 rd Audit Committee	2021-08-30	Approval	1	TG Fengyang Holding Co., Ltd (TGFH, a subsidiary reinvested by TGCH. TGCH, a subsidiary reinvested by TGI) - Indirect Transfer of TG Fengyang Silica Sand Co., Ltd. (FYSS)	Approved by Independent Directors
The 3 rd meeting of the 3 rd Audit Committee	2021-10-18	Approval	1	TGCH, a subsidiary reinvested by TGI, to Adjust the Investment Structure of TG Fujian Photovoltaic Glass Co., Ltd. (FPG, a subsidiary reinvested by TGCH)	Approved by Independent Directors
			2	Debt for Equity Swap - TG Donghai Glass Co., Ltd. (DHG, a subsidiary reinvested by TGCH. TGCH, a subsidiary reinvested by TGI) to Increase Investment in TG Fujian Photovoltaic Glass Co., Ltd. (FPG) by RMB496,000,000.	
The 4 th meeting of the 3 rd Audit Committee	2021-11-18	Approval	1	Motion for audit plan 2022.	Approved by Independent Directors
			2	TGCH, invested by TG, increase of TG/TGCH investment in TCD by RMB356,697 thousand.	
			3	TAG applied for import and export quota of US\$1,000 thousand with the Mizuho Bank, and asked TG to be the guarantor.	
			4	TGCH applied for import and export quota of US\$10,000 thousand with Bank of Kaohsiung, and asked TG to be the guarantor.	
			5	TGCH applied for the credit of US\$10,000 thousand with Taishin International Bank, and asked TG to be the guarantor.	
			6	TGF applied for the credit of RMB100,000 thousand with the First Bank, and asked TG to be the guarantor.	
			7	TCD applied for the credit of US\$30,000 thousand with the Mega International Commercial Bank, and asked TG to be the guarantor.	
			8	TCD applied for the credit of US\$25,000 thousand with the First Bank, and asked TG to be the guarantor.	
			9	TBF applied for the credit of RMB45,000 thousand with the First Bank, and asked TG to be the guarantor.	
			10	TBF applied for the credit of US\$10,000 thousand with the Shanghai Commercial & Saving Bank, and asked TG to be the guarantor.	
The 5 th meeting of the 3 rd Audit Committee	2022-03-07	Approval	1	Motion for 2021 Business Report.	Approved by Independent Directors
			2	Motion for parent company only financial statement & consolidated financial statements 2021.	
			3	Motion for 2021 earning distribution.	
			4	2021 TG evaluation of the External Auditor's Independence.	
			5	2022 TG commissioned Ernst & Young Accounting Firm for audit and public funds certification.	
			6	Motion for change of independent auditors from Ernst & Young.	
			7	Motion for amendments to the "Regulations Governing the Acquisition and Disposition of Assets".	
			8	Motion for the assessment of effective internal control system and "Statement of Declaration of Internal Control System" 2021.	
			9	Motion for amendments to the "Internal Control System".	
			10	TG Solar Mirror Co., Ltd. (TYSM, a subsidiary reinvested by TGCH, a subsidiary reinvested by TGI) to Conduct Capital Reduction and Capital Repatriation	

(III) Corporate Governance Implementation Status and Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”

Evaluation Item	Implementation Status(Note)		Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
1. Does the company establish and disclose the Corporate Governance Best-Practice Principles based on “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies”?	V	The Company established “Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies” and disclosed on the Company’s website.	No discrepancy.
2. Shareholding Structure & Shareholders’ Rights (1) Does the company establish an internal operating procedure to deal with shareholders’ suggestions, doubts, disputes and litigations, and implement based on the procedure? (2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares? (3) Does the company establish and execute the risk management and firewall system within its conglomerate structure? (4) Does the company establish internal rules against insiders trading with undisclosed information?	V V V V	(1) The suggestions from shareholders, or doubts or disputes will be handled and settled by the spokesperson and deputy spokesperson. (2) Keep touch with the internal staff. (3) Handled by dedicated personnel <i>ex officio</i> . (4) The Company has established its “Insider Trading Policy”.	No discrepancy.
3. Composition and Responsibilities of the Board of Directors (1) Does the Board develop and implement a diversified policy for the composition of its members?	V	(1) The Company has established the “Board Directors Diversity Policy” and disclosed on the Company’s website. Selection of candidates is based on the diversity standard, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge, and service tenure. The average age of all board directors is 63 years old, with professional background in manufacturing and academia, and expertise in finance, business, management, and law. Independent directors shall be nominated in	(1) No discrepancy.

Evaluation Item	Implementation Status(Note)		Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	
		<p>line with the Company's long-term development goals, as well as the operation of the Audit Committee and the Remuneration Committee in the future. The Company will consider whether or not the candidates are complementary to other directors, and may enhance the overall talent, experience and expertise of the Board, and nominate those with relevant expertise to achieve the goal of diversifying the members of the Board.</p> <p>1. There are 15 board directors, including 3 independent directors, accounting for 20% of board director and 1 female board director. The age groups of the board directors are as follows: Under 40 years: 0 director / 41-50 years old: 4 directors / 51-60 years old: 1 director / 61-70 years old: 5 directors / 71-80 years old: 5 directors / over 81 years old: 0 director.</p> <p>2. General directors: Directors with the education background of the Department of Journalism of Shih Hsin University, EMBA of PCCU, PCC University of the United States, Department of Business Administration of Hong Kong Baptist University, Master of Management Science of Stanford Graduate School of Business, Physical Education of PCCU, University of Bridgeport Graduate School of Business, Department of Mechanical Engineering of Cheng Kung University, Institute of Mechanical and Industrial Engineering of Cornell University, Institute of Mechanical and Industrial Engineering of Stanford Graduate School, Department of International Trade of Shih Hsin University, and the Master of Mechanical and Economical Engineering of Stanford Graduate School.</p> <p>3. Independent directors: Doctor of Social Science in Economics of University of Arizona, Master of Management Science of Baker University, Doctor of Education of University of Missouri</p>	

Evaluation Item	Implementation Status(Note)		Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee?	V	<p>Columbia of Business.</p> <p>4. All board directors have professional backgrounds, professional skills, and industry experience in commerce, legal, financial, accounting, or corporate business.</p> <ul style="list-style-type: none"> ● Specialized in business and administration : Lin, P F, Lin, P S, Lin, P C, Hsu, L L, Lin, C H, Lin, C Y, Lim, H T, Peng, C H, Lin, Z Y, Wang, Y C. ● Specialized in finance : Lin, C M, Lien, S W. ● Specialized in the industry : Lin, P F, Lin, P S, Lin, P C, Su, Y T, Lin, C H, Lin, C Y, Tsai, T M. ● Specialized in economics : Lin, S C, Lien, S W. <p>5. The specific management objectives and achievement of the Company's diversity policy are as follows:</p> <ul style="list-style-type: none"> ● Management objectives : One-third of all directors shall have industry experiences and expertise. ● Achievement : 7 directors are equipped with industry-specific experiences and expertise, reaching more than one-third of all Board members. Objective achieved. <p>(2) The Company set up the CSR Committee and Nomination Committee.</p> <p>1. There are 7 members of the CSR Committee, including the chairman and president acting as conveners, one independent director acting as the advisory member, two executive members, and two executive secretaries. The CSR Committee holds a meeting every six months subject to flexible adjustments if necessary. Two meetings were held in 2021. The CSR Working Group prepares CSR reports based on the communications with stakeholders. With respect to investigation on the issues of interest to stakeholders, members of each group will assess the Company's current status and countermeasures to disclose the economic,</p>	(2) No discrepancy.

Evaluation Item	Implementation Status(Note)		Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	
(3) Does the company establish a standard to measure the performance of the Board, and implement it annually?	V	<p>environmental and social issues arising from the operational activities. After confirmed by the third-party notary office, the final version of a report shall be submitted to the chairman of the Board for review according to administrative procedures before the issuance of the report.</p> <p>2. The Nomination Committee consists of 6 members, with the chairman acting as the convener, 3 independent directors and 2 directors acting as members. It assists the Board of Directors in the search, review, and nomination of candidates for directors, construction of the Board of Directors, and development of the organizational structure of the Board to ensure that the Board of Directors is properly composed.</p> <p>(3) The board of directors has approved “Self-Evaluation or Peer Evaluation of the Board of Directors” on March 16, 2020. Starting in 2020, the evaluation will be conducted annually and regularly, and the results of the evaluation will be reported to the board of directors for the reference of individual directors' remuneration as well as nomination for term renewal. Evaluation results of the 2021 Board of Directors have been reported on the Board meeting on 7th March, 2022.</p> <p>(4) The Audit Committee of the Company has reviewed the independency of audit accountant based on the following criteria and reported the examination results to the Board annually :</p> <p>1. Statement of Accountant Independency.</p> <p>2. The Company has checked the independency of audit accountant from the aspects of the financial profit, loans and guaranteees, business relations, family and personal contacts, employment status, gifts and special offers, rotation of audit accountant and non-audit business.</p>	(3) No discrepancy.
(4) Does the company regularly evaluate the independence of CPAs?	V		(4) No discrepancy.

Evaluation Item	Implementation Status(Note)		Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	
4. Does the company set up a corporate governance unit or appoint personnel responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, handling work related to meetings of the board of directors and the shareholders' meetings, filing company registration and changes to company registration, and producing minutes of board meetings and shareholders' meetings)?	V	<p>The Company set up a appoint personnel Pan Ya-Lun, the manager of the secretary department to act as governance officer, responsible for corporate governance matters. The scope of authorization and annual key tasks are as follows:</p> <ol style="list-style-type: none"> 1. Assist independent directors and general directors in performing their duties, and provide the required information. 2. Arrange for directors to pursue further studies. 3. Draw up the agendas for meetings of the Board of Directors, give a notice to directors 7 days in advance, convene the meetings and provide meeting materials, and complete the minutes of the Board meetings within 20 days after the meetings are held. 4. Deal with the matters relating to the shareholders' meetings in accordance with the law, declare excerpts from significant resolutions within two days after the shareholders' meetings, and complete the minutes of the shareholders' meetings within 20 days after the meetings are held. 5. Assist directors in complying with the law. 	No discrepancy.
5. Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	V	<p>The Company through a survey it collected issues of concern from these stakeholders and started communication on economic, environmental and social issues. On the official website there is an email address dedicated to external communication: fgi@taiwanglass.com. TGI has dedicated personnel to handle all the emails sent to this address and forwards them to the responsible departments.</p> <ol style="list-style-type: none"> (1) The Company has 8 types of stakeholders: shareholders / investors / financial institutions, employees, corporate clients, dealers, suppliers, contractors, subcontractors, government / authorities. (2) The Company were total 16 major issues of stakeholders : economic performance, labor relations, emissions, effluents and waste, energy, codes compliance of environment, codes compliance of society, product and service labeling, raw material, customer health and safety, codes compliance of product, products and services, water, 	No discrepancy.

Evaluation Item	Implementation Status(Note)		Deviations from “the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies” and Reasons
	Yes	No	
		<p>occupational health and safety, employment relations, marketing communications.</p> <p>(3) The spokesperson shall take the initiative to communicate. TG has the following communication platforms with stakeholders: external communication, internal information system, TGI website, major announcements, general shareholder meeting, institutional investors’ conference, complaint phone number, labor management meetings, questionnaire, product exhibitions, supplier audit, sub-contractor evaluation.</p> <p>Additional communication with stakeholders: The Company has set up CSR Task Force. By surveying the concerns of the stakeholders, the working group evaluated the current execution and counterstrategies, which allowed them to disclose the economic, environmental and social issues arising from TGI’s business activities.</p> <p>In addition, the Company website has a Corporate Social Responsibility section that includes interested party’s participation, disclosure of corporate governance information, and social care and participation to facilitate access for interested parties and the general public. It also indicates the contact window in the hope of strengthening interaction with interested parties and responds appropriately to the issues of concern and continues to improve. The Company publishes a corporate social responsibility report annually as an important task for further disclosing corporate social responsibility information.</p>	
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?		V	No discrepancy.
7. Information Disclosure (1) Does the company have a corporate website to disclose both financial standings and the status	V		(1)No discrepancy.

Evaluation Item	Implementation Status(Note)		Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	
<p>of corporate governance?</p> <p>(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?</p> <p>(3) Does the Company announce and report the annual financial statements within two months after the end of the fiscal year, and announce and report the first, second, and third quarter financial statements as well as the operating status of each month before the prescribed deadline?</p>	V	<p>and business.</p> <p>(2) Appointing dedicated personnel to collect the Company's information: Already appoint the personnel who have comprehensive knowledge about the Company's finance and business, or are able to coordinate various departments to provide relevant information, and may make statement externally on behalf of the Company independently to assume the Company's spokesperson and deputy spokesperson.</p> <p>(3) In the deliberation.(To be discussed)</p>	<p>(2) No discrepancy.</p> <p>(3) In the deliberation. (To be discussed)</p>
<p>8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?</p>	V	<p>(1) The Company has prepared Corporate Social Responsibility Report and disclosed on the Company's website.</p> <p>(2) The Company has purchased insurance for directors in May 2021.</p>	No discrepancy.
<p>9. Please explain the improvements which have been made in accordance with the results of the Corporate Governance Evaluation System released by the Corporate Governance Center, Taiwan Stock Exchange, and provide the priority enhancement measures.</p> <p>The result of the seventh Corporate Governance Evaluation has been reported to the Board on July 2, 2021, and make efforts to improve the unscored item.</p> <p>Note: Regardless of whether the evaluation item is achieved or not, the company shall state an appropriate explanation.</p>			

(IV) Composition, Responsibilities and Operations of the Remuneration Committee

(1) Professional Qualifications and Independence Analysis of Remuneration Committee Members

Title (Note1)	Criteria Name	Professional Qualification and Experience(Note2)	Independence Criteria (Note3)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member	Remarks
Independent Director	Hwang, T. Y.	Experience:Director of TWSE , Executive Director and President of the Asia-Pacific region of Japan SMBC CO., LTD., President of Japan SMBC(Hong Kong). Professional Qualification:Nihon University , experienced in economics and trading between Japan and Taiwan. Experienced in Securities Finance	<ul style="list-style-type: none"> None of himself/herself, spouse, relatives within second degree kinship served as the directors, supervisors or employees of the company or its affiliated companies. None of himself/herself, spouse, second degree kinship held the company' s share or held by the person by other' s name. None of them are directors, supervisors or employees of the companies with certain relationship with the company. None of them provided commercial, legal, financial, accounting or other services to the company or any affiliate of the company and acquired remuneration from it for the most recent 2 years. 	None	Convenor of the 4 th Remuneration Committee. Discharged on July 1, 2021.
Other	Su, S. M.	Experience:Vice President of TG Fiberglass Business. Professional Qualification: Related management experience in glass industry.	<ul style="list-style-type: none"> None of them are directors, supervisors or employees of the companies with certain relationship with the company. None of them provided commercial, legal, financial, accounting or other services to the company or any affiliate of the company and acquired remuneration from it for the most recent 2 years. 	None	Member of the 4 th Remuneration Committee. Discharged on July 1, 2021.
Independent Director	Chen, C. C.	Experience:Teaching in National Taiwan University, Acting as an advisor of Tax Reform Commission, Vice Chairman and also Chairman of Wan Hai Lines Taiwan. Professional Qualification: Massachusetts Institute of Technology, relevant experience in shipping and experience in served as advisory committee member for the tax system.	<ul style="list-style-type: none"> None of himself/herself, spouse, relatives within second degree kinship served as the directors, supervisors or employees of the company or its affiliated companies. None of himself/herself, spouse, second degree kinship held the company' s share or held by the person by other' s name. None of them are directors, supervisors or employees of the companies with certain relationship with the company. None of them provided commercial, legal, financial, accounting or other services to the company or any affiliate of the company and acquired remuneration from it for the most recent 2 years. 	None	Member of the 4 th Remuneration Committee. Discharged on July 1, 2021.
Independent Director	Lin, S. C.	Experience:Visiting Professor of Dept. of International, Business, CYCU, Chairman of CPC. Professional Qualification:University of Arizona, Consultant of CNAIC,extensive experience in politics and with the knowledge of international management and tradings.	<ul style="list-style-type: none"> None of himself/herself, spouse, relatives within second degree kinship served as the directors, supervisors or employees of the company or its affiliated companies. None of himself/herself, spouse, second degree kinship held the company' s share or held by the person by other' s name. None of them are directors, supervisors or employees of the companies with certain relationship with the company. None of them provided commercial, legal, financial, accounting or other services to the company or any affiliate of the company and acquired remuneration from it for the most recent 2 years. 	None	Convenor of the 5 th Remuneration Committee. New office assumed on July 2,2021.
Independent Director	Wang, Y. C.	Experience:Researcher of National Policy Foundation, Policy Consultant of Policy Consultant of Hsinchu City Gov. Professional Qualification:University of Missouri Columbia, Associate Professor of Dept. of Business, extensive knowledge in business management and commerce.	<ul style="list-style-type: none"> None of himself/herself, spouse, relatives within second degree kinship served as the directors, supervisors or employees of the company or its affiliated companies. None of himself/herself, spouse, second degree kinship held the company' s share or held by the person by other' s name. None of them are directors, supervisors or employees of the companies with certain relationship with the company. None of them provided commercial, legal, financial, accounting or other services to the company or any affiliate of the company and acquired remuneration from it for the most recent 2 years. 	1	Member of the 5 th Remuneration Committee. New office assumed on July 2,2021.
Other	Chen, C. Z.	Experience:President of TG Glassware & Container Business. Professional Qualification: Related management experience in glass industry.	<ul style="list-style-type: none"> None of himself/herself, spouse, relatives within second degree kinship served as the directors, supervisors or employees of the company or its affiliated companies. None of himself/herself, spouse, second degree kinship held the company' s share or held by the person by other' s name. None of them are directors, supervisors or employees of the companies with certain relationship with the company. None of them provided commercial, legal, financial, accounting or other services to the company or any affiliate of the company and acquired remuneration from it for the most recent 2 years. 	None	Member of the 5 th Remuneration Committee. New office assumed on July 2,2021.

Responsibilities and Operations of the Remuneration Committee:

- (1) Review the Committee Charter, and put forward suggestions on amendments thereto on a regular basis.
- (2) Develop and review the policies, systems, standards and structures of annual and long-term performance goals of and salary remuneration for directors and managers on a regular basis.

(3) Regularly evaluate the achievement of the performance objectives by directors and managers, and determine the details and amount of salary and compensation for individual director or manager.

Note1: Please explain the relevant years of service, professional qualification, experience, independence of each members of the salary and remuneration committee in the table, if served as independent director, please remark and explain refer to page OO table for relevant content of information on the directors and supervisors. Please filled in as independent director or others in the status (Please indicated if served as the convener).

Note2: Professional Qualification and Experience: Explanation on the professional qualification and experience of the individual members of salary and remuneration committee.

Note3: The circumstances of fulfill the independence: explanation on the circumstances of members of salary and remuneration committee fulfill the independence, including but not limited to himself, herself, spouse, relatives within second degree kinship serve as the director, supervisor or employees of the company or its affiliated companies; shareholding of the company and ratio by himself/herself, spouse, relatives within second degree kinship (or under others' name); served as director, supervisor or employees of the company with certain relationship with the company (refer to the subparagraph 5 to 8, Paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Salary and Remuneration Committee of a Company whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); the amount of compensation from providing services of commerce, legal, finance, accounting and others to the company or its affiliated companies within the most recent 2 years.

Note4: Please refer to the Best Practice Referencing Sample on the website of Corporate Governance Center, TWSE for the ways of disclosure.

(2) Attendance of Members at Remuneration Committee Meetings

- There are 3 members in the Remuneration Committee.
- 4th Committee members' term: from June 13, 2018 to June 12, 2021.
- 5th Committee members' term: from July 2, 2021 to July 1, 2024.

The Remuneration Committee has called 2 meetings (A) in the most recent year, and the Committee members' attendance is stated as follows:

	Title	Name	Actual number of attendance (B)	Attend through proxy	Actual attendance rate (%) (B/A)	Remarks
The 4 th Remuneration Committee	Convenor	Hwang, T. Y.	1	0	100.00	Discharged on July 1, 2021. (Number of the times that the director should be present at the meeting this year: 1 time)
	Member	Su, S. M.	1	0	100.00	
	Member	Chen, C. C.	1	0	100.00	
The 5 th Remuneration Committee	Convenor	Lin, S. C.	1	0	100.00	New office assumed on July 2, 2021. (Number of the times that the director should be present at the meeting this year: 1 time)
	Member	Wang, Y. C.	1	0	100.00	
	Member	Chen, C. Z.	1	0	100.00	

Annotation :

- The Remuneration Committee has discussed content of the motion and Resolutions:

Session	Date of the meeting	Content of the motion	Resolutions
The 6 th meeting of the 4 th Remuneration Committee	2021-03-15	Motion for allocation of remuneration to directors and managers 2020.	Approved by all members
The 1 st meeting of the 5 th Remuneration Committee	2021-08-09	Periodic review "Motion for remuneration to directors and managers."	
The 2 nd meeting of the 5 th Remuneration Committee	2022-03-07	Motion for allocation of remuneration to directors and managers 2021.	

- If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (e.g., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.
- Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

(3)The information on the members of nomination committee and its implementation

1. The qualification criteria of appointing the member of the nomination committee of the company and its duties:

The company established the nomination committee to complete the system of nominating directors of the company. The committee authorised from the board of directors to assisting the board of directors on the identification, check, nomination, composition and development in the organisation of the board of directors to ensure the well-composed of the board of directors. The committee is composed by at least three directors appointed from the board of directors and shall include the involvement of independent directors.

Duties of the members of the committee:

- (1) Looking for suitable director candidates, proposed the director candidates list to the board of directors, and a prior check on the director candidates' qualification conditions, educational background, working experience and any of the circumstances stated under each paragraph of article 30 of the Company Act. Propose the suggestion lists of director candidates along with the check result to the board of directors for approval and providing as the reference to elected in the shareholders' meeting.
- (2) To enacted and establish the criteria of each committee belongs to the board of directors and suggests its charter and provided suggestions of amendment to the board of directors when necessary.
- (3) Review on the qualification of the candidates for the member of each committee, the potential conflicts of interest, and recommend the candidate of new members and convener for each committee to the board of directors.

2. The professional qualification and experience of the member of the nomination committee and its implementation:

- (1) There are 6 members of the nomination committee of the company.
- (2) The service term of the 1st committee: June 13, 2018 to June 12, 2021. The service term of 2nd committee: July 2, 2021 to July 1, 2024. There is a meeting of the nomination committee within the most recent year, the qualification and experience of the members, attendance and discussion matters as follows:

Title	Name	Professional Qualification and Experience	Actual number of attendance (B)	Attend through proxy	Actual attendance rate (%) (B/A)	Remarks
Convener	Lin, P. F.	Experience:TGI General Manager Professional Qualification:Chairman of TGI.TGF.TCD.TBF and TGCH, extensive Experienced in Management	1	0	100%	1st and 2nd terms of the member of the Nomination Committee. Renewal of office on July 2,2021. (Number of attendance 1)
Member	Lin, P. S.	Experience:TGI Executive Director Professional Qualification:TGI President & CEO, Chairman of FPG.QFG.DHG.QRG.SCH.SCJ and TVIG, extensive Experienced in Management	1	0	100%	
Member	Lin, P. C.	Experience:TGI Executive Director Professional Qualification:TGI Standing Director, Chairman of TJG.TGUS and HNG, extensive Experienced in Management	1	0	100%	
Member	Lin, F C	Experience:Magistrate of Taipei County, Minister, Ministry of Interior, Minister of Transportation and Communications Professional Qualification:Extensive experience in politics and with knowledge of laws	1	0	100%	1st term of the member of the Nomination Committee. Discharged on July 1, 2021. (Number of attendance 1)
Member	Chen, C. C.	Experience:Teaching in National Taiwan University, Acting as an advisor of Tax Reform Commission, Vice Chairman and also Chairman of Wan Hai Lines Taiwan Minister of Transportation and Communications Professional Qualification:Doctor of economics of the Massachusetts Institute of Technology, relevant experience in shipping and experience in served as advisory committee member for the tax system	1	0	100%	
Member	Hwang, T. Y.	Experience:Director of TWSE, Executive Director and President of the Asia-Pacific region of Japan SMBC CO., LTD., President of Japan SMBC(Hong Kong) Professional Qualification:Doctor of Graduate School of Business Administration of Nihon University, experienced in economics and trading between Japan and Taiwan, experienced in Securities Finance	1	0	100%	Status: Independent Director
Member	Lin, S. C.	Experience:Visiting Professor of Dept. of International, Business, CYCU, Chairman of CPC. Professional Qualification:University of Arizona, Consultant of CNAIC, extensive experience in politics and with the knowledge of international management and tradings	-	-	-	2nd term of the member of the Nomination Committee. New office assumed on July 2,2021. (Number of attendance 0)
Member	Lin, Z. Y.	Experience:Chairman of Taiwan Garment Industry Association, ED of Taiwan Textile Federation Professional Qualification:Baker University, Chairman of Tex-Ray Industrial Co., Ltd., experience in textile related industry, international trading and cross-border business management	-	-	-	
Member	Wang, Y. C.	Experience:Researcher of National Policy Foundation, Policy Consultant of Policy Consultant of Hsinchu City Gov. Professional Qualification:University of Missouri Columbia, Associate Professor of Dept. of Business, extensive knowledge in business management and commerce	-	-	-	Status: Independent Director

Other matters required to be recorded:

(Explanation on the date, meeting, content of issue, opinions of the member of the nomination committee or objections, result of resolution made by the nomination committee and the company's handling towards the opinion of the nomination committee of the major issues in the meetings of nomination committee.)

Meeting date	March 15,2021
Period	1st Nomination Committee Meeting of the 2nd Term
Items	Nomination Issues of the candidates of the 20th board of directors and candidates of 5th salary and remuneration committee.
Result	The list of candidates was reviewed individually, and the members with related interests were recuse themselves from the meeting, and approved in according to the issue by the review from the remaining attendance members.
The company's handling towards the opinion of the nomination committee	Executed according to the resolution made by the nomination committee.

Note1: The column of remarks shall indicate the date of terminates service if a member of the nomination committee terminates his/her service before the end of the year. The actual attendance rate(%) shall be calculated by the number of nomination committees' meeting and his/her actual attendance while he/she in terms of service.

Note2: If there is a re-election of the nomination committee before the end of the year, both the newly elected and former members of the nomination committee shall be listed, and shall indicate the date for former, newly elected, re-elected and election of that specific member. The actual attendance rate (%) was calculated by the number of nomination committees' meeting and his/her actual attendance while he/she in terms of service.

(V) Circumstances of implementation on the promoting sustainable development, and the differences and reasons with the Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies

Projects of promoting	Implementation Status(Note1)		Deviations from "the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	
<p>1. Has the company establish the managerial structure to promoting sustainable development, with the establishment of solely responsibility unit to promoting sustainable development, authorized senior management to handle by the board of directors and the supervision condition of the board of directors?</p>	✓		No discrepancy.
		<p>Abstract Illustration</p> <p>The company established the Corporate Social Responsibility Committee (CSR Committee) to promoting and managing the corporate social responsibility and promoting sustainable development underneath the board of directors.</p> <p>The company established the CSR Committee in 2013. The chairperson and the president served as the convener, and composed of independent directors served as several advisory and executive members. The committee established the promotion group of working on corporate social responsibility further and underneath it, the members included representatives from the coverage of company and factory of each departments. CSR committee convening meeting once every six months, there are 2 meetings convened in year 2021.</p> <p>The senior executives reporting relevant progress to the board of directors. The agenda including the preparation of CSR report, certification progress of Green Factory, performance on the corporate social responsibility of each factory, certification progress of green building and others.</p> <p>The company's board of directors invigilating the implementation of corporate social responsibility of the company, regularly review on the implementation and results by regular convening of the CSR committee's meeting. The board of directors perform the corporate social responsibility mainly by the following actions:</p> <p>(1) Proposing the mission and vision of corporate social responsibility, enacting the policies, systems or relevant managerial guidelines of corporate social responsibility.</p> <p>(2) Including the corporate social responsibility to the company's operating activities and development and approved the actual promoting plans for corporate social responsibility.</p>	

Projects of promoting	Implementation Status(Note1)		Deviations from "the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	
		(3)To ensure the immediacy and accuracy on the disclosure of relevant information of corporate social responsibility. Implementation of ethical management, enhance the sustainable environment, develop friendly workplace, caring for society and charity as the four main principal of the company.	
2. Does the company stipulate relevant risk management policies or strategies in accordance with the material principles to conduct risk assessment regarding its environmental, social and corporate governance subjects? (Note 3)	✓	TG is dedicated to reducing the operational risks to avoid additional loss and establishes a comprehensive risk management policy based on various possible risks. The risk assessment is conducted in the aspect of environment, quality, and safety in accordance with the management system; we regularly implement fire drills, arrange other risk management courses and hold various practical drills to achieve the company's risk management goal of sustainable management. Please refer to the company's corporate social responsibility report for more detailed information.	No discrepancy.
3. Environmental issues (1) Does the company establish proper environmental management systems based on the characteristics of their industries?	✓	(1) For the purpose of response to all kind of possible environment and safety emergency events happening in the factories, the industrial safety section enacted the emergency response plans and investigations on the environmental events, factory section planning on the educational training and matters of co-organizing, and with the implementation from the cooperate of other units. Each factory plant prepared the emergency response plans for the accidents of fire accident, waste water treatment facilities accident, air pollution accident, excess amount in oil or chemical leakage, explosions and others, and revised by the industry safety section depending on the actual condition of the factory plant. The company approved by the relevant international certification standards and its scope of coverage:	No discrepancy.

Projects of promoting	Implementation Status(Note1)		Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
		<p>Abstract Illustration</p> <p>Quality system: Every factory plant approved by the certification of ISO9001 Quality Management System. Plate Glass: Australian CSI Safety Glass Certification, Insulating Glass IGCC certification. ISO16949 Automotive Quality Management System for Taoyuan Factory Plant, The Zhangbin Factory Plant certified by the US SGCC tempered glass, laminate glass and insulating Glass IGCC certification. Glass Fiber: Norwegian DNV, German GL Certification .</p> <p>Food Safety System: Hsinchu Factory continuously certified by the FSSC Food Safety System Certification, Taoyuan Factory obtained the certification from the Lloyd’s Register Ship Safety Construction Certification and TZW Food Container Manufacturing Safety.</p> <p>Environmental, Health and Safety System: All the factory plants were obtained the certification of ISO14001 Environmental Management Systems. All the factory plants except Zhangbin Factory Plant were obtained the certification of Principles and requirements at the organization level for the quantification and reporting of greenhouse gases emissions. The Hsinchu Factory Plant certified with ISO45001 Occupational Health and Safety Management Systems.</p> <p>Energy Management Systems: Plate glass factory plants in Taoyuan, Hsinchu, Taichung and Lukang were certified by the ISO5001 Energy Management Systems and with continuous improvement every year.</p>	
(2) Is the company committed to improve on the energy efficiency and to using the recycled materials which caused less impacts to the environment?	✓	(2) The company actively promoting various energy saving measures, choosing of high energy efficiency and energy saving designed equipment to reduce the energy consuming of the company and the products to expand the usage of renewable energy to result in optimizing the energy efficiency.	No discrepancy.

Projects of promoting	Implementation Status(Note1)		Deviations from "the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	
		<p>Abstract Illustration</p> <p>Taoyuan Factory: Estimated to save 740 thousand kWh annually, saving NT\$1.73 Million per year and reducing 378 tons of carbon emission each year by installing 4 sets of frequency converter to the delivery and return motor of the weaving machine.</p> <p>Hsinchu Factory: Saving 390 thousand kWh per year, saving NT\$ 880 thousand each year and reducing 196 tons of carbon emission annually by suspending gas air compressor and replaced by generating air supply.</p> <p>Taichung Factory: estimated to reduce 18,065 tons of carbon emission with the conversion of fuels by introducing natural gas as main fuels in use.</p> <p>Lukang Factory: Saving 1,08 GWh by replacing fluorescent tube with LED tube.</p> <p>Changpin Factory: Estimated of reducing 60 tons of sludge per year with saving NT\$ 470 thousand of sludge removal fees per year by renewal of sludge dewatering machine.</p>	
(3) Does the company assess the potential risks and opportunities of climate change for now and in the future, and take measures to response to the climate-related issues?	✓		No discrepancy.
		<p>(3) The company has developed carbon accounting. The company enacted the scientific carbon emission goals with the characteristic of the company. Enacted the actual action mapping. Reducing Emission in core as the main focus to develop and cultivate low carbon emission technology. Establish the carbon neutrality management system for all supply chain. Application of digital transformation to empower the business. Focusing on the management, information disclosure and others of carbon risks, which the preparation of carbon management plan in advanced, and put in the best effort of saving energy and carbon reduction to result in no net increase in greenhouse gases in the atmosphere.</p> <p>The air pollution fee, carbon emission fee, energy tax and other related taxes may be increased or levied in the future. TGI continues to invest in the expenses of equipment improvement, energy enhancement or pollution reduction in response to the relevant laws and regulations, which also may leads to an increase in business operating costs.</p>	

Projects of promoting	Implementation Status(Note 1)		Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
(4) Does the company count greenhouse gas emissions, water consumption and total weight of waste in the past two years, and formulate policies for greenhouse gas reduction, water use reduction or other waste management?	✓	<p>1. Amount of greenhouse gases emission: Except the headquarters and the Changpin Factory, the company conducted greenhouse gases examination every year for the greenhouse gases emission of the previous year. The direct or indirect greenhouse gases emission after examination of various factory in 2020 as follows: Following order as Taoyuan Factory, Hsinchu Factory, Taichung Factory, 3 Factory of the Flat Glass, Lukang Factory, Lukang Flat Glass Factory (Unit: Ton CO2e)</p> <p>Category 1 (as the direct emission sources owned or controlled by the company, indirect energy emission) 46,456/120,993.10/10,142/38,479/40,692.56/53,212.66</p> <p>Category 2 (As sourced from the input of electricity, heat, steam and causes the greenhouse gases emission indirectly and other emission indirectly) 61,747/51,281.85/19,799/23,648/94,651.20/9,127.79 Total 108,203/172,274.95/120,941/62,127/135,343.76/62,340.45</p> <p>2. Management Policy: (1) Actively in promoting the water-saving project in the factory plant and executing the drill of water shortage crisis. (2) The enthalpy of fusing of using shattered glass theory is lower than that of raw material, which can effectively save energy and reduce greenhouse gases emissions. (3) Continuous examination on the greenhouse gases of the factory plants is essential for understanding the current situation of greenhouse gases emission and as the reference for reducing carbon emission of greenhouse gases. Continuing the energy reducing plan of energy used in production to reduce the energy consuming intensity.</p>	No discrepancy.

Projects of promoting	Implementation Status(Note1)		Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
		<p>Abstract Illustration</p> <p>(4) Continuous of research, development and manufacturing of Low-E coated glass, second generation energy saving glass and prioritize in purchasing green, energy saving products.</p> <p>(5) Executing shall exceed over 1 % for the annual energy efficiency rate to cope with the policy Bureau of Energy, MOEA.</p> <p>3. Certification Condition: Part of the factories implementing ISO 50001 Energy Management System.</p> <p>4. Budget and Plans on the reducing corporate green gas emission: (1) The implementing energy saving and waste reduction measures via the ISO 14001 environmental management system, the company continuously improving the environmental management program with the P-D-C-A management model and establishing indicators to monitor the relevance of various indexes. The declaration of number of water and energy saving improvements, investment amount, amount of water saving and the CO2 reduction data reported to each unit in accordance of the environmental management policies, goals and its management plans of ISO14001, continuous tracing and standardize after completion for the continuing of the plan.</p> <p>(2) With the ISO 9001 quality management system implementing the product quality control and continuous improvement, increase in yield rate, reducing the usage rate of electricity in further, moving towards the goals of energy saving and reduce carbon emission in effort.</p> <p>(3) Introducing best possible technology, replaced energy saving lights, apply of IE3 variable-frequency motor, improving energy consumption measures in production processes, recycling and reuse of energy and etc.</p>	

Projects of promoting	Implementation Status(Note1)		Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
4. Social issues (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		No discrepancy.
(2) Does the company provide for employee benefits and implement reasonable measures (including salary, vacation and other benefits, etc.), and the operating performance or achievements appropriately reflected in employee compensation?	✓		No discrepancy.
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		No discrepancy.
(4) Does the company provide its employees with career development and training sessions?	✓		No discrepancy.

Projects of promoting	Implementation Status(Note1)		Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
(5) With regard to customer health and safety, customer privacy, marketing and labeling of products and services, has the company followed relevant regulations and international standards, and formulated relevant consumer protection policies and appeal procedures?	✓		No discrepancy.
(6) Does the company provide for vendor management policy, require suppliers to follow the relevant norms in issues of environmental protection, occupational safety and health or labor and human rights, and the implementation situation?	✓		No discrepancy.
5. Does the company refer to the international standard or guidelines for preparation of report and prepare the corporate sustainability report and other reports that disclose the non-financial information of the company? Did the abovementioned report obtain the verification or assurance opinion from a third-party verification agency?	✓		No discrepancy.

Projects of promoting	Implementation Status(Note1)		Deviations from “the Sustainable Development Best-Practice Principles for TWSE/TPEX Listed Companies” and Reasons
	Yes	No	
			Abstract Illustration the governance units, the scope and the conclusion of the assurance, please refer to the attachment “Independent Assurance Report” of the company’s corporate social responsibility report.
6. If the Company has established sustainable development principles based on “Sustainable Development Best Practice Principles for TWSE/TPEX Listed Companies”, please describe any discrepancy between the Principles and their implementation: No discrepancy.			
7. Other important information to facilitate better understanding with implementation of promoting sustainable development. Other information of the Company’s corporate social responsibility practices, please refer the corporate social responsibility report and http://www.taiwanglass.com .			

Note1: If the operation status is checked "Yes", please explain the important policies, strategies, measures and implementation of the implementation; if the operation status is "No", please explain the reasons and explain the future policies, strategies and implementation plans painting.

Note2: The principle of materiality refers to those who have a significant influence on the company's investors and other stakeholders on environmental, social and corporate governance issues.

Note3: Please refer to the Best Practice Referencing Sample on the website of Corporate Governance Center, TWSE for the ways of disclosure.

(VI) Ethical Corporate Management

Evaluation Item	Implementation Status (Note)		Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	
<p>1. Establishment of ethical corporate management policies and programs</p> <p>(1) Has the company formulated the integrity management policy approved by the board of directors, and stated in the regulations and external documents the policies and practices of integrity management, as well as the commitment of the board of directors and senior management to actively implement the management policy?</p>	V	Abstract Illustration	(1) No discrepancy.
<p>(2) Does the company create an assessment mechanism for the risk of misconduct, regularly analyze and assess business activities with high risks of misconduct, and stipulate a plan to prevent misconduct which includes all of the preventive measures stipulated in the second paragraph of Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?</p>	V	(1) The company has passed the integrity management code on the board meeting on May 11, 2015. The Company's board of directors and management rank all undertook to manage the Company in accordance with the ethical corporate management principles. The Company established ethical corporate management principles, and declare ethical corporate management policies and procedures in its guidelines.	(2) No discrepancy.
<p>(3) Does the company clearly specify the operating procedures, behavior guidelines, disciplinary penalties and complaint system in the plan for the prevention of misconduct, and practically implement the plan and regularly review and amend the preceding plan?</p>	V	(2) The Board of Directors had approved the "Regulations for handling the report of Illegal and unethical or misconduct cases" on August 8, 2018, and the board regularly analyzes and evaluates business activities with a higher risk of misconduct.	(3) No discrepancy.
<p>2. Fulfill operations integrity policy</p> <p>(1) Does the company evaluate business partners' ethical records and include ethics-related clauses in business contracts?</p>	V	(3) Stipulation of operating procedures, behavior guidelines and training such as the " Ethical Corporate Management Regulations", "Board of Directors Meeting Regulations ", "Employee Work Rules", "Implementation of Job Duties Declaration", "Confidential Declaration", "Overseas Study Declaration", and regularly review and revise the preceding plan.	(1) No discrepancy.

Evaluation Item	Implementation Status (Note)		Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	
(2) Does the company establish an exclusively (or concurrently) dedicated unit supervised by the Board to be in charge of corporate integrity?	V	<p>revision, review, signing, implementation, contract electronic file storage, and access, to understand the status of ethical management of the counterparty.</p> <p>(2) The promotion of the corporate ethical management of the company is responsible by the legal affairs and human resources units. The Legal Dept. including 4 members and internal audits were responsible to ensure the various units' compliance with the relevant laws when carrying out business, e.g. Company Law, Securities and Exchange Act, Prevention of Corruption Act, Government Procurement Act, TWSE/TPEX listed companies' relevant regulations or any other laws related to business conduct, for fulfillment of the ethical corporate management. The Human Resources composed by 6 members to be in charge on the holding of Corporate Ethical Management Issue related internal educational training and to ensure the entire staff have signed the "Code of Practice of Ethical Performance when Servicing Duties".</p>	(2) No discrepancy.
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	V	(3) In the deliberation.	(3) In the deliberation.
(4) Has the company established effective systems for both accounting and internal control to facilitate ethical corporate management, and are they audited by either internal auditors or CPAs on a regular basis?	V	(4) The Company's accounting system was defined in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations"), IFRSs, IASs, IFRIC and SIC, which are endorsed by the FSC, and its accounting was performed in accordance with the principles and the relevant requirements defined by the competent	(4) No discrepancy.

Evaluation Item	Implementation Status (Note)		Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	
		Abstract Illustration	
		<p>authority. Meanwhile, the Company also reported the operating results to the board of directors periodically, and accepted the internal/external audit and an independent auditor's audit. The Company has established the internal control system and also defined the articles of association, management rules, and various SOPs, in accordance with the Regulations Governing Establishment of Internal Control Systems by Public Companies to govern the implementation of internal control, and also reviewed and revised the same in accordance with the changes in laws and subject to the needs, to ensure the continuous effective design and implementation of the internal control system. The Company's unit dedicated to audit conducted the audit on sale, procurement, production and salary cycle in accordance with the audit plan passed at the directors' meeting, and submitted the report on the audit result to independent directors.</p> <p>(5) At the time of on boarding training, the Company provides internal education training in ethical corporate management for each new employee, and incorporates the Ethical Corporate Management Best Practice Principles for Taiwan Glass into the Employee Handbook to help employees fully understand the Company's policy of ethical corporate management. In addition, the Company has also actively assisted in arranging its directors to participate in the relevant refresher courses for ethical corporate management organized by external organizations, to enhance the effectiveness of the Company's ethical management..</p>	
(5) Does the company provide internal and external ethical conduct training programs on a regular basis?	V		(5) No discrepancy.
3. Operation of the integrity channel			
(1) Does the company establish both a reward/punishment system and	V		(1) No discrepancy.

Evaluation Item	Implementation Status (Note)		Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies" and Reasons
	Yes	No	
<p>an integrity hotline? Can the accused be reached by an appropriate person for follow-up?</p> <p>(2) Does the company establish standard operating procedures for confidential reporting on investigating accusation cases?</p> <p>(3) Does the company provide proper whistleblower protection?</p>	V		<p>various unit supervisors and managers engaged in the well-founded supervision and enhanced the management ex officio.</p> <p>(2) The Company has put into effect the Guidelines for Whistleblowing on Illegal, Immoral or Unethical Conduct in August 2018, including the investigation standards, operating procedures and related confidentiality mechanisms for reporting events.</p> <p>(3) The Company protects the safety of whistleblowers. If a whistleblower is a member of the Company, the Company promises to protect him/her from retaliation due to reporting.</p>
<p>4. Strengthening information disclosure</p> <p>(1) Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?</p>	V		(1) No discrepancy.
<p>5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEX Listed Companies, please describe any discrepancy between the policies and their implementation.</p> <p>No discrepancy.</p>			
<p>6. Other important information to facilitate a better understanding of the company's ethical corporate management policies (e.g., review and amend its policies). The Company has been awarded the "TWAE0 Certificate" by Customs Administration, Ministry of Finance in 2012 April. Meanwhile, the Company's business partners all expressed their support for the Company's determination to perform safe and ethical corporate management.</p>			

Note: Regardless of whether the evaluation item is achieved or not, the company shall state an appropriate explanation.

(VII) The Company established Corporate Governance Guidelines and Regulations, and disclosed on the Company's website (www.taiwanglass.com) and MOPS.

(VIII) Continuing Education of Directors/Supervisors

Job title	Name	Date elected	Date when first elected	Date		Organizer	Program	Hours	Total hours	Remarks
				From	To					
Director	Lin, P F	2021/07/02	1967/09/16	2021/03/18	2021/03/18	Chinese National Association of Industry and Commerce	The blueprint of sustainable development. Of Corporate Governance 3.0 and the common weakness in practice of Corporate Governance.	3.0	6.0	Renewal of office on July 2, 2021.
				2021/09/02	2021/09/02	Chinese National Association of Industry and Commerce	Investigation and Discussion on the practice of corporate legal compliance and the legal responsibility of the person in charge of the company	3.0		
Director	Lin, P S	2021/07/02	1967/09/16	2021/09/03	2021/09/03	Chinese National Association of Industry and Commerce	How the circular economy assisting on the improvement of business resilience in the era of post-pandemic	3.0	3.0	Renewal of office on July 2, 2021.
Director	Lim, H T	2021/07/02	1988/03/19	2021/03/16	2021/03/16	Chinese National Association of Industry and Commerce	The management control from the perspective of corporate governance and the ownership structure	3.0	6.0	Renewal of office on July 2, 2021.
				2021/08/25	2021/08/25	Chinese National Association of Industry and Commerce	Impacts of FTA and RCEP to the Taiwanese Business and its response strategies from the perspective of directors and supervisors	3.0		
Director	Lin, C H	2021/07/02	2000/04/28	2021/03/16	2021/03/16	Chinese National Association of Industry and Commerce	The management control from the perspective of corporate governance and the ownership structure	3.0	9.0	Renewal of office on July 2, 2021.
				2021/03/18	2021/03/18	Chinese National Association of Industry and Commerce	The blueprint of sustainable development. Of Corporate Governance 3.0 and the common weakness in practice of Corporate Governance.	3.0		
				2021/03/23	2021/03/23	Chinese National Association of Industry and Commerce	Technology Application in the digital forensics in investigation of corporate fraud and cross-border lawsuit	3.0		
Director	Lin, C Y	2021/07/02	2004/10/06	2021/01/15	2021/01/15	Taiwan Institute for Sustainable Energy	The Economic Development and Future Prospective of Taiwan in post-pandemic era	2.0	6.0	Renewal of office on July 2, 2021.
				2021/09/15	2021/09/15	Taiwan Institute for Sustainable Energy	M&A and Innovative Transformation of Taiwanese Industries	2.0		
				2021/11/15	2021/11/15	Taiwan Institute for Sustainable Energy	International Trends and Digital Strategies of ESG	2.0		

Job title	Name	Date elected	Date when first elected	Date		Organizer	Program	Hours	Total hours	Remarks
				From	To					
Director	Lin, C M	2021/07/02	2006/06/09	2021/09/30	2021/09/30	Chinese National Association of Industry and Commerce	Significant risks and opportunities of ESG to the operation of business	3.0	9.0	Renewal of office on July 2, 2021.
				2021/10/05	2021/10/05	Chinese National Association of Industry and Commerce	The Compliance Planning of International AML trends, U.S. Sanctions and Export Control	3.0		
				2021/10/07	2021/10/07	Chinese National Association of Industry and Commerce	Laws and regulation of Business M&A and its practice	3.0		
Director	Tsai, T M	2021/07/02	2017/10/26	2021/01/29	2021/01/29	Securities and Futures Development Foundation	Investigation and Discussion on the analysis and case study of transactions made by the related person of the directors and supervisors	3.0	6.0	Renewal of office on July 2, 2021.
				2021/02/24	2021/02/24	Securities and Futures Development Foundation	Investigation and Discussion on the Human Resources and Integration Issues in the process of Business M&A	3.0		
Director	Lien, S W	2021/07/02	2013/05/01	2021/08/20	2021/08/20	Securities and Futures Development Foundation	Investigation and Discussion on the practice of AML and CFT	3.0	6.0	New office assumed on July 2, 2021.
				2021/09/08	2021/09/08	Securities and Futures Development Foundation	Business Opportunity of Foundry, Advanced Packaging Technology and Supply Chain	3.0		
Independent Director	Lin, S C	2021/07/02	2018/06/11	2021/09/30	2021/09/30	Chinese National Association of Industry and Commerce	Significant risks and opportunities of ESG to the operation of business	3.0	3.0	New office assumed on July 2, 2021.
Independent Director	Wang, Y C	2021/07/02	2017/11/30	2021/08/27	2021/08/27	Taiwan Corporate Governance Association	Investigation and Discussion on the strategies and usage of tools of the reward and remuneration of the employees in the business	3.0	6.0	New office assumed on July 2, 2021.
				2021/08/27	2021/08/27	Taiwan Corporate Governance Association	The latest development and response to the cross-strait anti-tax avoidance	3.0		

(IX) Status of Internal Control

TAIWAN GLASS IND. CORP. Statement of Declaration of Internal Control System

March 7, 2022

The Company hereby declares the following based on its self-assessment result on the internal control system in 2021:

1. The Company acknowledges that the Board and management shall be responsible for establishing, implementing and maintaining the internal control system. The Company has already established the system. The internal control system is intended to provide reasonable assurance on the operating result and efficiency (including profit, performance and safety of assets, et al.), reliability of financial statements and compliance with laws.
2. Notwithstanding, the internal control system is subject to some restrictions. No matter how perfectly it is designed, an effective internal control system is only able to provide reasonable assurance on said three objectives. Besides, the validity of the internal control system might vary subject to changes in environments and circumstances. The Company's internal control system is subject to a self-supervisory mechanism. Any defect will be corrected by the Company immediately upon identification.
3. The audit of the Company dealing operation has been conducted in accordance with the Standards for Public Companies in the Establishment of Internal Control System (the "Standards") for identifying the effectiveness of the internal control system, and determines if the design and enforcement of internal control are effective. The Standards are intended to judge the internal control system by dividing the system into five elements according to the management control process, namely, (1). control over environment, (2). risk assessment, (3). control operation, (4). information and communication, and (5). supervision. Each element consists of certain items. For said items, please refer to the "Standards".
4. The Company has already adopted said criteria to identify the effectiveness of the internal control system and to determine if the design and enforcement thereof are effective.
5. Based on the result referred to in the preceding paragraph, the design and enforcement of the Company's internal control system (including supervision and control over its subsidiaries) on December 31, 2021, including the achievement of operating result and efficiency, reliability of financial statements and compliance with laws, is considered effective and able to provide reasonable assurance on said objectives.
6. The statement constitutes the summary content of the Company's Annual Report of current year and the Offering Prospectus, and shall be disclosed to the public. Any misrepresentation or concealment of the aforementioned disclosures shall be liable to violation of Articles 20, 32, 171 and 174 of the Securities and Exchanges Act and the legal consequences thereof.

TAIWAN GLASS IND. CORP.

Chairman: Lin, P F

President & CEO: Lin, P S

- (X) Punishment for violations of laws and internal control system imposed on the Company and its internal staff, and the major defects and correction thereof from the recent year until the date the Annual Report was printed: N/A.

(XI) Stockholders' meeting(s) and significant board resolutions during the most recent year and up to the date of publication of this annual report :

Meeting	Date		Items
The 17 th meeting of the 19 th Board of Directors	2021-03-15	Approval	1 Motion for amendments to the "Articles of Incorporation".
			2 Motion for amendments to the "Board Charter".
			3 Motion for amendments to the "Regulations Governing Procedure for Board of Directors Meetings".
			4 Motion for amendments to the "Accounting System".
			5 Motion for 2020 Business Report.
			6 Motion for parent company only financial statement & consolidated financial statements 2020.
			7 Motion for 2020 earning distribution.
			8 Motion for 2020 Directors and Employee's remuneration distribution.
			9 2020 TG evaluation of the External Auditor's Independence.
			10 2021 TG commissioned Ernst & Young Accounting Firm for audit and public funds certification.
			11 Motion for the 2021 operation plan.
			12 Motion for the assessment of effective internal control system and "Statement of Declaration of Internal Control System" 2020.
			13 To purchase minority shareholding from TVIG, a subsidiary reinvested by TG.
			14 TG applied for credit of NT\$300,000 thousand with Dah Chung Bills Finance Corporation.
			15 TGCH applied for the credit of US\$20,000 thousand with the O-Bank, and asked TG to be the guarantor.
			16 TXY applied for the credit of US\$6,000 thousand with the Mega International Commercial Bank, and asked TG to be the guarantor.
			17 20 th Nomination of directors.
			18 Motion for release of the non-competition restrictions of 20 th Directors and Representatives of Institutional Directors.
			19 Motion for the general shareholders 'meeting 2021.
The 18 th meeting of the 19 th Board of Directors	2021-05-10	Approval	1 Motion for amendments to the "Internal Control System".
			2 TCGH, a subsidiary reinvested by TG, increase capital of TWAR by RMB250 million.
The 19 th meeting of the 19 th Board of Directors	2021-06-16	Approval	1 Rescheduled Date and Change in Location of the 2021 Annual General Meeting.
2021 shareholders' meeting	2021-07-02	Acknowledgment	1 Motion for 2020 Business Report and financial statements. Implementation Status:Approved by shareholders.
		Approval	1 Motion for allocation of earning 2020. Earnings Distribution Date: 2021-08-19 Implementation Status:1.Remuneration of Directors NT\$39,106,000. 2.Remuneration of Employee NT\$39,106,000. 3.Dividends of Shareholders NT\$0.5/@per share.
			2 Motion for amendments to the "Articles of Incorporation". Implementation Status:Approved by Ministry of Economic Affairs on July 12, 2021 and posted on TGI's official site.
		Elected	1 Motion for election of directors of 20 th . Implementation Status: Elected directors please refer P.10.
		Approval	3 Motion for release of the non-competition restrictions of 20 th Directors and Representatives of Institutional Directors. Implementation Status: Approved motion for release of the non-competition restrictions of 20 th Directors and Representatives of Institutional Directors.
The 1 st meeting of the 20 th Board of Directors	2021-07-02	Elected	1 Motion for election of the chairman of board.
		Approval	1 Motion for appointment of General Manager, President and Executive Director.
			2 Motion for discharge of managerial personnel.
			3 Motion for release of the non-competition restrictions on the management.
			4 Motion for appointment of 5 th term Compensation Committee members.
			5 Motion for remuneration to compensation committee members.
			6 Nomination of Corporate Social Responsibility Committee.
7 Motion for allocation of earning 2021.			
The 2 nd meeting of the 20 th Board of Directors	2021-08-09	Approval	1 Motion for the 2021 operation plan replace.
			2 Motion for amendments to the "Remuneration to directors and managers".
			3 TG applied for credit of NT\$500,000 thousand with Agricultural Bank of Taiwan.
			4 TG applied for credit of NT\$600,000 thousand with the KGI Bank.
			5 TG applied for credit of NT\$600,000 thousand with Mega International Commercial Bank
			6 TG applied for credit of NT\$300,000 thousand with the Shanghai Commercial & Saving Bank.
			7 TG applied for credit of NT\$600,000 thousand with Taishin International Bank.
			8 TG applied for credit of NT\$991,970 thousand with Chang-Hwa Bank.
			9 TG applied for credit of NT\$1,100,000 thousand with Bank SinoPac.
			10 TG applied for credit of US\$65,000 thousand with the Mizuho Bank.
			11 TG applied for general credit limit for import and export of US\$13,000 thousand with Mega International Commercial Bank
			12 TG applied for credit of NT\$4,100,000 thousand with Mega Bills finance Corp, China Bills Finance Corp, International Bills Finance Corp, Grand Bills Finance Corp, Ta Ching Bills Finance Corp, Taiwan Cooperative Bills Finance Corp, Dah Chung Bills Finance Corp and Taiwan Bills Finance Corp.
			13 TAG applied for the credit of NT\$300,000 thousand with the Chang-Hwa Bank · First Bank · JihSun Bank, and asked TG to be the guarantor.
			14 TGCH applied for the credit of US\$33,000 thousand with the KGI Bank, and asked TG to be the guarantor.
			15 TGCH applied for the credit of US\$24,000 thousand with Land Bank of Taiwan, and asked TG to be the guarantor.
			16 TGCH, HNG and TYAU applied for the loan of US\$40,500 thousand with Taiwan Cooperative Bank, and asked TG to be the guarantor.
			17 TCD and TYAU applied for the loan of RMB59,000 thousand with First Bank, and asked TG to be the guarantor.
The 3 rd meeting of the 20 th Board of Directors	2021-08-30	Approval	1 G Fengyang Holding Co., Ltd (TGFH, a subsidiary reinvested by TGCH, TGCH, a subsidiary reinvested by TGI) - Indirect Transfer of TG Fengyang Silica Sand Co., Ltd. (FYSS)
		Motion	1 Donated NT\$50,000 thousand to Buddhist Compassion Relief Tzu Chi Foundation (Tzu Chi Charity Foundation) for the funding of purchasing vaccine for COVID-19 prevention.
			2 Donated 1 million of 1ml hypodermic syringe with fine needle (as NT\$3,200 thousand) to the Ministry of Health and Welfare via Chinese National Association of Industry and Commerce, Taiwan (CNAIC).

Meeting	Date		Items
The 4 th meeting of the 20 th Board of Directors	2021-10-18	Approval	1 TGCH, a subsidiary reinvested by TGI, to Adjust the Investment Structure of TG Fujian Photovoltaic Glass Co., Ltd. (FPG, a subsidiary reinvested by TGCH)
			2 Debt for Equity Swap - TG Donghai Glass Co., Ltd. (DHG, a subsidiary reinvested by TGCH. TGCH, a subsidiary reinvested by TGI) to Increase Investment in TG Fujian Photovoltaic Glass Co., Ltd. (FPG) by RMB496,000,000.
			3 To Sell the Lands (Jianshan Grit Washing Area) in Toufen Township, Miaoli County.
The 5 th meeting of the 20 th Board of Directors	2021-11-08	Approval	1 Motion for audit plan 2022.
			2 TGCH, invested by TG, increase of TG/TGCH investment in TCD by RMB356,697 thousand.
			3 TG applied for credit of NT\$2,000,000 thousand with Hua Nan Bank.
			4 TG applied for credit of NT\$800,000 thousand with Far Eastm International Bank.
			5 TG applied for credit of NT\$700,000 thousand with Entie Commercial Bank.
			6 TG applied for credit of NT\$800,000 thousand with JihSun Bank.
			7 TG applied for the consolidated credit of NT\$300,000 thousand with the Export-Import Bank of the Republic of China (Eximbank).
			8 TG applied for credit of NT\$200,000 thousand with Bank of Panhsin.
			9 TG applied for credit of NT\$300,000 thousand with Bank of Kaohsiung.
			10 TG applied for loan credit of NT\$600,000 thousand with Union Bank of Taiwan.
			11 TG applied for credit of NT\$400,000 thousand with First Bank.
			12 TG applied for general credit limit of US\$65,000 thousand with the Mizuho Bank.
			13 TG applied for credit with Shin Kong Bank.
			14 TAG applied for import and export quota of US\$1,000 thousand with the Mizuho Bank, and asked TG to be the guarantor.
			15 TGCH applied for import and export quota of US\$10,000 thousand with Bank of Kaohsiung, and asked TG to be the guarantor.
			16 TGCH applied for the credit of US\$10,000 thousand with the Taishin International Bank, and asked TG to be the guarantor.
			17 TGF applied for the credit of RMB100,000 thousand with the First Bank , and asked TG to be the guarantor.
			18 TCD applied for the credit of US\$30,000 thousand with the Mega International Commercial Bank, and asked TG to be the guarantor.
			19 TCD applied for the credit of US\$25,000 thousand with the First Bank , and asked TG to be the guarantor.
			20 TBF applied for the credit of RMB45,000 thousand with the First Bank, and asked TG to be the guarantor.
			21 TBF applied for the credit of US\$10,000 thousand with the Shanghai Commercial & Saving Bank, and asked TG to be the guarantor.
The 6 th meeting of the 20 th Board of Directors	2022-03-07	Approval	1 Motion for amendments to the "Articles of Incorporation".
			2 Motion for amendments to the "Rules of Procedure for Shareholders Meetings".
			3 Motion for amendments to the "Remuneration Committee Charter".
			4 Motion for amendments to the "Corporate Governance Best Practice Principles".
			5 Motion for amendments to the "Regulations for Self or Peer Assessment of the Board of Directors"
			6 Motion for amendments to the "Regulations Governing the Acquisition and Disposition of Assets".
			7 Motion for amendments to the "Accounting System".
			8 Motion for amendments to the "Subsidiaries' Operating Procedure for Granting Loans to Others".
			9 Assigned the custodian registered in the MOEA to hold the company seal and the seal for the person in charge.
			10 Motion for 2021 Business Report.
			11 Motion for parent company only financial statement & consolidated financial statements 2021.
			12 Motion for 2021 earning distribution.
			13 Motion for 2021 Directors and Employee's remuneration distribution.
			14 2021 TG evaluation of the External Auditor's Independence.
			15 2022 TG commissioned Ernst & Young Accounting Firm for audit and public funds certification.
			16 Motion for change of independent auditors from Ernst & Young.
			17 Motion for the 2022 operation plan.
			18 Motion for the assessment of effective internal control system and "Statement of Declaration of Internal Control System" 2021.
			19 Motion for amendments to the "Internal Control System".
			20 TG Solar Mirror Co., Ltd. (TYSM, a subsidiary reinvested by TGCH, a subsidiary reinvested by TGI) to Conduct Capital Reduction and Capital Repatriation.
			21 TG applied for credit of NT\$500,000 thousand with Grand Bills Finance Corporation.
			22 TG applied for credit of NT\$400,000 thousand with Bank of China.
			23 TG applied for general credit limit of US\$65,000 thousand with the Mizuho Bank.
			24 TG applied for credit of NT\$1,100,000 thousand with Bank SinoPac.
			25 Motion for the general shareholders' meeting 2022.

(XII) Adverse opinion from directors or supervisor over important resolution of the Board from the most recent year until the day the Annual Report was printed with records or written declaration, and the contents of such opinion: None.

(XIII) Information on resignation and termination of parties relating to the financial report from the most recent year until the date the Annual Report was printed: None.

V. Audit fee information :

Currency Unit: NTD thousand

Accounting Firm	Name of CPA	Audit Period	Audit fee	Non-Audit fee	Total	Remark
Ernst & Young	Hsiao, Teresa	2021.01.01~ 2021.12.31	7,994	1,643	9,637	
	Fuh, Andrew					

Note: Non-Audit fee expenses are NT\$1,643 thousand for the grant thornton 、 transfer pricing report 、 CSR report 、 reimbursement and report documentation services.

In the event of any of the following circumstances, the Company shall disclose the independent auditor fee information:

- (I) In the case of change of independent auditing firm and the audit fees of the year in which the independent auditing firm was changed less than that of the previous year, please disclose the amount of audit fees before and after the change, and reasons of the change: N/A.
- (II) In the case of audit fees less than that of the previous year by more than 10%, please disclose the decrease in the audit fees, and proportion and cause thereof: N/A.

VI. Information on the replacement of independent auditors for the most recent two years and afterwards: N/A

VII. Name of auditing firm or its affiliates at which the company's chairman, president, or managers responsible for financial or accounting matters was an employee over the past year, his/her position and employment period: N/A.

VIII. Evaluation of the External Auditor's Independence:

The Audit Committee of the Company has reviewed the independency of audit accountant based on the following criteria and reported the examination results to the Board:

- (1) The Company has acquired Statement of Accountant Independency.
- (2) The Company has checked the independency of audit accountant from the aspects of the financial profit, loans and guarantees, business relations, family and personal contacts, employment status, gifts and special offers, rotation of audit accountant and non-audit business.

IX. Equity changes, transfers, and pledges of directors, supervisors, managers and shareholders who hold more than 10% of the Company's shares in the most recent year and until the date of publication of the Annual Report:

Job Title	Name	2021		Until April 11 in the current year		Remarks
		Increase (decrease) in No. of Shares	Increase (decrease) in No. of Pledged Shares	Increase (decrease) in No. of Shares	Increase (decrease) in No. of Pledged Shares	
Chairman	Lin, P F	0	0	0	0	
Chairman, President & CEO	Lin, P S	0	0	0	0	
Director	Lin, P C	0	0	0	0	
Director	Lim, H T	0	0	0	0	
Director	Peng, C H	0	0	0	0	
Director	Tai Hong Investment Co., Ltd. ----- Representative: Hsu, L L	0	0	0	0	Major Shareholder
Director	Tai Hong Investment Co., Ltd. ----- Representative: Lin, C H					
Director	Tai Hong Investment Co., Ltd. ----- Representative: Su, Y T					
Director	Tai Hong Investment Co., Ltd. ----- Representative: Lin, C Y					
Director	Ho Ho Investment Co., Ltd. ----- Representative: Lin, C M	0	0	0	0	Major Shareholder
Director	Ho Ho Investment Co., Ltd. ----- Representative: Tsai, T M					
Director	Lien, S W	0	0	0	0	
Independent Director	Lin, S C	0	0	0	0	
Independent Director	Lin, Z Y	0	0	0	0	
Independent Director	Wang, Y C	0	0	0	0	
Vice President	Lin, C H	0	0	0	0	
Vice President	Su, Y T	0	0	0	0	
Vice President	Lin, C Y	0	0	0	0	
Vice President Financial Officer	Lin, C M	0	0	0	0	
Vice President	Tsai, T M	0	0	0	0	
Manager, Accounting	Huang, Y H	0	0	0	0	
Manager, Corporate governance affairs	Pan, Y L	0	0	0	0	

Note 1: The shareholders who hold more than 10% of the Company's shares shall be identified as major shareholders and stated separately.

Note 2: Where the counterparts of shares through transfer and pledged under lien are related parties, it is also necessary to complete the following table.

Information about equity transfer: The trading counterparts are not related parties.

Information about equity pledged under lien: The trading counterparts are not related parties.

X. Relationship among the Top Ten Shareholders:

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Tai Hong Investment Co., Ltd.	420,137,922	14.44%	0	0	0	0	Tai Cheng	Note 4	
Chairman: Lin, P F	20,603,512	0.71%	2,690,233	0.09%			Ho Ho. Tai Chien. Tai Yu. Tai Chia. Lim Ken Seng Kah Kih. TG Pension Fund Management Committee	Note 5	
Ho Ho Investment Co., Ltd.	402,748,231	13.84%	0	0	0	0	Tai Yu. Lim Ken Seng Kah Kih. TG Pension Fund Management Committee	Note 4	
Chairman: Lin, P S	14,897,934	0.51%	1,661,157	0.06%			Tai Hong. Tai Chien. Tai Cheng. Tai Chia	Note 5	
Tai Chien Investment Co., Ltd.	249,002,246	8.56%	0	0	0	0	Tai Chia	Note 4	
Chairman: Lin, P C	6,191,002	0.21%	4,729,447	0.16%			Tai Hong. Ho Ho. Tai Yu. Tai Cheng. Lim Ken Seng Kah Kih. TG Pension Fund Management Committee	Note 5	
Tai Yu Investment Co., Ltd.	245,538,788	8.44%	0	0	0	0	Ho Ho. Lim Ken Seng Kah Kih. TG Pension Fund Management Committee	Note 4	
Chairman: Lin, P S	14,897,934	0.51%	1,661,157	0.06%			Tai Hong. Tai Chien. Tai Cheng. Tai Chia	Note 5	
Tai Cheng Investment Co., Ltd.	228,213,247	7.84%	0	0	0	0	Tai Hong	Note 4	
Chairman: Lin, P F	20,603,512	0.71%	2,690,233	0.09%			Ho Ho. Tai Chien. Tai Yu. Tai Chia. Lim Ken Seng Kah Kih. TG Pension Fund Management Committee	Note 5	
Tai Chia Investment Co., Ltd.	157,795,282	5.42%	0	0	0	0	Tai Chien	Note 4	
Chairman: Lin, P C	6,191,002	0.21%	4,729,447	0.16%			Tai Hong. Ho Ho. Tai Yu. Tai Cheng. Lim Ken Seng Kah Kih. TG Pension Fund Management Committee	Note 5	
Lim Ken Seng Kah Kih Co., Ltd.	136,904,500	4.71%	0	0	0	0	Ho Ho. Tai Yu. TG Pension Fund Management Committee	Note 4	
Chairman: Lin, P S	14,897,934	0.51%	1,661,157	0.06%			Tai Hong. Tai Chien. Tai Cheng. Tai Chia	Note 5	
TG Pension Fund Management Committee	39,289,621	1.35%	0	0	0	0	Ho Ho. Tai Yu. Lim Ken Seng Kah Kih	Note 4	
Chairman: Lin, P S	14,897,934	0.51%	1,661,157	0.06%			Tai Hong. Tai Chien. Tai Cheng. Tai Chia	Note 5	
S.E.A. Glass Industry Pte Ltd.	24,942,058	0.86%	0	0	0	0	—	—	
	0	0	0	0					
Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	23,118,290	0.79%	0	0	0	0	—	—	
	0	0	0	0					

Note 1: The shareholders' names shall be identified separately (in the case of corporate shareholders, the corporate shareholders' names and representatives shall be identified separately).

Note 2: The ratio of shareholding is calculated in terms of own shareholdings, shares held by spouse & children under age or shareholdings under the title of a third party.

Note 3: The shareholders' are including institutional shareholder and natural person. Shareholders' shall be disclosing related to one another under Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Note 4: The representative of the legal entity is the same person.

Note 5: The relations between the representatives of the legal entities are two-degree relatives.

XI. Total shareholding ratio in each invested enterprise invested by the Company, and the Company's directors, supervisors, managers, and enterprises controlled by the Company directly or indirectly, and consolidated shareholdings thereof:

December 31, 2021 Unit: share; %

Investee (Note)	Invested by the Company		Invested by directors, supervisors, managers, and enterprises controlled by the Company directly or indirectly		Combined investment	
	Shares	%	Shares	%	Shares	%
TGUS	4,612	100.00			4,612	100.00
TGCH	1,221,748,651	93.98			1,221,748,651	93.98
TAGC	26,100,000	87.00			26,100,000	87.00
TVIG	436,084	65.00			436,084	65.00

Note: The Company's long-term equity investment under the equity method

Four. Status of Capital Planning

I. Sources of capital stock:

Date	Issuing price	Authorized capital stock		Issued capital stock		Remarks		
		Shares (thousand shares)	Amount (NTD Thousand)	Shares (thousand shares)	Amount (NTD Thousand)	Sources of Capital Stock (NTD Thousand)	Offset by any property other than cash	Others
2021-12	10	3,000,000	30,000,000	2,908,061	29,080,608	Capital NT\$150,000 at the time of incorporation Capital increase in cash NT\$5,410,510 Recapitalization of earnings NT\$22,458,098 Recapitalizations of capital reserve NT\$938,365 Capital increase upon merge of TFG: NT123,635	None	None
2022-05	10	3,000,000	30,000,000	2,908,061	29,080,608	Capital NT\$150,000 at the time of incorporation Capital increase in cash NT\$5,410,510 Recapitalization of earnings NT\$22,458,098 Recapitalizations of capital reserve NT\$938,365 Capital increase upon merge of TFG: NT123,635	None	None

Stock Type	Authorized capital stock			Remarks
	Outstanding shares	Unissued Shares	Total	
Common stock	2,908,061 thousand shares	91,939 thousand shares	3,000,000 thousand shares	Listed stock

Information about shelf registration system: N/A

II. Composition of Shareholders:

April 11, 2022

Composition of Shareholders Number	Government Apparatus	Financial Institution	Other Juridical Person	Individual	Foreign Institution and Foreigner	Total
	No. of Person	5	36	168	96,223	312
Shares	9,796,042	22,157,351	1,976,961,124	656,189,512	242,956,771	2,908,060,800
Proportion	0.34%	0.76%	67.98%	22.56%	8.36%	100%

Note: Primary exchange-listed (or OTC-listed) companies and emerging stock companies shall disclose their shareholding ratios in Mainland China investment, if any. Mainland China investment means the investment by the people, corporations, groups or other institutions in the Mainland China Area or any companies invested by the people, corporations, groups or institutions in a third territories referred to in Article 3 of the Measures Governing Investment Permit to People of the Mainland China Area.

III. Diversification of Shareholdings:

Par Value at NT\$10 per share April 11, 2022

Range of Shares	No. of Shareholders	Shares held (shares)	Proportion
1 to 999	19,040	4,373,264	0.15%
1,000 to 5,000	59,808	126,732,779	4.36%
5,001 to 10,000	9,478	75,787,106	2.61%
10,001 to 15,000	2,631	34,090,853	1.17%
15,001 to 20,000	1,861	34,750,998	1.19%
20,001 to 30,000	1,434	37,074,145	1.27%
30,001 to 40,000	643	23,191,934	0.80%
40,001 to 50,000	435	20,430,039	0.70%
50,001 to 100,000	723	52,201,352	1.80%
100,001 to 200,000	325	46,738,757	1.61%
200,001 to 400,000	150	43,121,865	1.48%
400,001 to 600,000	69	33,831,251	1.16%
600,001 to 800,000	24	16,300,934	0.56%
800,001 to 1,000,000	18	16,580,871	0.57%
1,000,001 and above	105	2,342,854,652	80.56%
Total	96,744	2,908,060,800	100.00%

Preferential stock: N/A. No preferential stock has been issued by the Company.

IV. List of Major Shareholders:

Name of major shareholders	Shares held	Proportion
Tai Hong Investment Co., Ltd.	420,137,922	14.44%
Ho Ho Investment Co., Ltd.	402,748,231	13.84%
Tai Chien Investment Co., Ltd.	249,002,246	8.56%
Tai Yu Investment Co., Ltd.	245,538,788	8.44%
Tai Cheng Investment Co., Ltd.	228,213,247	7.84%
Tai Chia Investment Co., Ltd.	157,795,282	5.42%
Lim Ken Seng Kah Kih Co., Ltd.	136,904,500	4.71%
TG Pension Fund Management Committee	39,289,621	1.35%
S.E.A. Glass Industry Pte Ltd.	24,942,058	0.86%
Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	23,118,290	0.79%

V. Information on market value, net value, earnings and dividends per share during the most recent two years

Item		Year	2020	2021	Until March 31, 2022
Market Value Per Share (NT\$)	Highest		19.70	47.90	27.00
	Lowest		6.46	15.80	22.40
	Average		11.39	28.58	24.38
Net Value Per Share (NT\$)	Before Distribution		15.06	18.58	19.69
	After Distribution		—	—	—
EPS (NT\$)	Weighted average shares		2,908,060,800	2,908,060,800	2,908,060,800
	EPS		0.85	3.95	0.39
Dividends Per Share (NT\$)	Cash Dividends		0.50	1.82	—
	Stock Dividends	Out of earnings	—	—	—
		Out of additional paid-in capital	—	—	—
	Accumulated unpaid dividends		—	—	—
ROI Analysis	Price-Earnings Ratio		13.40	7.24	—
	Dividend Yield		22.78	15.70	—
	Cash Dividend Yields		4.39	6.37	—

Note 1: Price-Earnings Ratio=Average Closing Price Per Share in current year/Earnings Per Share.

Note 2: Dividend Yield=Average Closing Price Per Share in current year/Cash Dividend Per Share.

Note 3: Cash Dividend Yields=Cash Dividend Per Share/Average Closing Price Per Share in the current year.

VI. Dividend policy and implementation:

(I) Dividend Policy

The shareholder's meeting of the Company passed a resolution on June 17, 2016 to amend the Company Charter, in which the dividend policy has been revised and reinstated as follows:

If there is any profit of annual revenue, the Company shall distribute one point five percent (1.5%) of net profit to the employees as remuneration, and less than one point five percent (1.5%) of net profit to the directors as remuneration. If there is any accumulated deficit, the amount of restitution shall be remained first.

If there is any profit after annual accounting, it shall be distributed with the following order.

1. To retribute deficits.

2. To distribute ten percent (10%) of net profits to a legal reserve. If the legal reserve has reached the amount of Capital, it is no limitation.

3. To distribute special reserve.

4. After distribution of Item 1~3 above mentioned, if there is any net profit remaining, the Board of Directors shall prepare a distribution proposal and submit to the shareholders' meeting for resolution.

For sound financial planning, appropriate dividend strategies shall be made according to the annual actual operating situation, Capital budget of next annual, and the necessary of supporting capital by profits for sustainable operation and development. After deducted Item 1 to 3 above from Income, the dividends and bonuses above mentioned shall not be lower than 50% of the earnings. Only when the dividends and bonuses is lower than 1% of capital, it can be resolved to transfer all of them to retained earnings and not to be distributed. The rate of distributing cash dividends shall not be lower than 20% of total dividends.

(II) Allocation of dividends proposed at the shareholders' meeting

The shareholders' meeting resolved that based on the outstanding common stock totaling 2,908,060,800 shares, the Cash Dividend would be allocated at NT\$1.82 per share and Stock Dividend at NT\$0.0 per share, totaling NT\$1.82 per share.

VII. The effects of stock grants proposed at this shareholders' meeting on business performance and EPS: N/A, as no stock dividend was allocated.

VIII. Remuneration to employees ,directors and supervisors:

(I) Proportion or scope of remuneration to employees ,directors and supervisors as stated in the Company's Articles of Incorporation:

If there is any profit of annual revenue, the Company shall distribute one point five percent (1.5%) of net profit to the employees as remuneration, and less than one point five percent (1.5%) of net profit to the directors as remuneration. If there is any accumulated deficit, the amount of restitution shall be remained first.

- (II) The accounting in the case of deviation from the basis for stating remuneration to employees and remuneration to directors, the basis for calculating the quantity of stock dividends to be allocated, and the actual allocation:

Currency Unit: NTD thousand

	<u>Stated as expenditure</u>	<u>Actual allocation</u>	<u>Deviation</u>
Cash remuneration to employee	178,628	178,628	-
Stock remuneration to employee	-	-	-
Remuneration to directors and supervisors	178,628	178,628	-

Deviation treatment: N/A.

- (III) Information about any proposed allocation of remuneration by the Board of Directors' Meeting:

1. Allocation of cash remuneration and stock remuneration to employees/directors/supervisors.

Currency Unit: NTD thousand

Cash remuneration to employee	178,628
Stock remuneration to employee	-
Remuneration to directors and supervisors	178,628

2. Quantity of stock remuneration to be allocated to employees, and the proportion thereof to net income, and total of the same and remuneration to employees to net income, for the current period:

No stock remunerations have been allocated to employees.

- (IV) The actual allocation of remuneration to employees/directors/supervisors in the previous year (including the number, amount and stock price of allocated shares), the remuneration between the actual allocation and the estimated figures, if any, and cause and treatment thereof.

Currency Unit: NTD thousand

	<u>Stated as expenditure</u>	<u>Actual allocation</u>	<u>Deviation</u>
Cash remuneration to employee	39,106	39,106	-
Stock remuneration to employee	-	-	-
Remuneration to directors and supervisors	39,106	39,106	-

Deviation treatment: N/A.

- IX. Buyback of common stocks: N/A**
- X. Information on the Company's Issuance of Corporate Bonds: N/A**
- XI. Information on Preferred Shares, Global Depository Receipts, Employee Stock Warrants and Issuance of New Shares in Connection with a Merger or Acquisition or with Acquisition of Shares of Any Other Company: N/A**
- XII. The Company's Capital Allocation Plans: N/A**

Five. Overview of Operations

I. Content

(I) Scope of Business

- 1 The scope of business covers the following areas:
 - (1) 、 Mining, processing, and sale of glass materials.
 - (2) 、 Manufacturing and sale of flat glass products.
 - (3) 、 Manufacturing and sale of rolled glass products.
 - (4) 、 Manufacturing and sale of wire glass products.
 - (5) 、 Processing and sale of reflective flat glass products.
 - (6) 、 Processing and sale of tempered and laminated glass products.
 - (7) 、 Processing and sale of mirror glass products.
 - (8) 、 Processing and sale of insulating multi-layer glass products.
 - (9) 、 Processing and sale of railcar coach glass products.
 - (10) 、 Processing and sale of tabletop and beveled glass products.
 - (11) 、 Manufacturing and sale of glass container products.
 - (12) 、 Manufacturing and sale of glass tableware products.
 - (13) 、 Manufacturing, processing and sale of high temperature-resistant glass products.
 - (14) 、 Manufacturing, processing and sale of fiberglass reinforced and fabric products.
 - (15) 、 Export of glass manufacturing machinery and technologies.
 - (16) 、 Import and export of glass materials and machinery.
 - (17) 、 Glass installation project engineering.
 - (18) 、 Taiwan Glass may conduct businesses other than the registered categories permitted by the laws and relevant regulations.

2 Current Major Products and Ratio of the Company

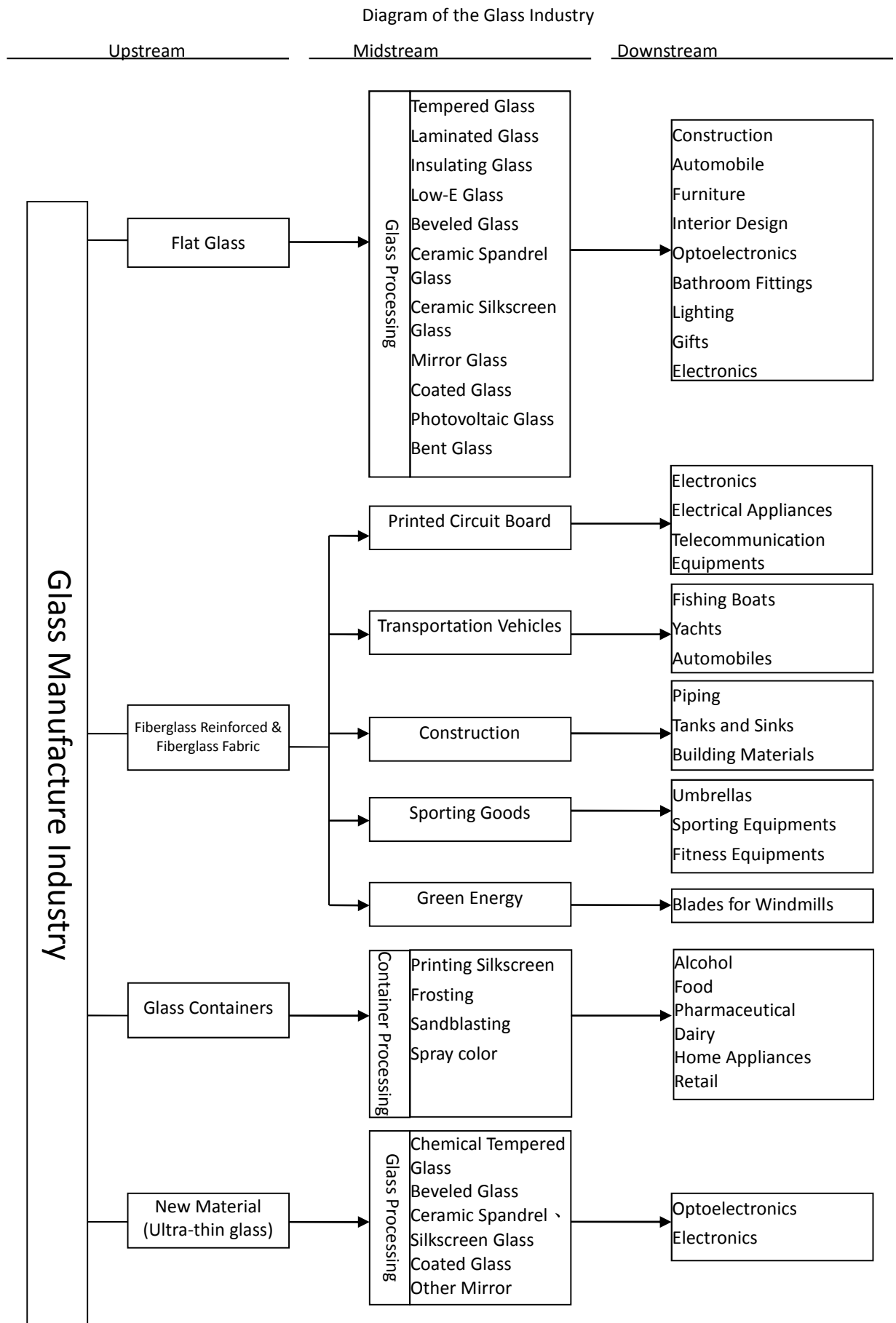
Major Products	Ratio
Flat Glass	67.91%
Glass Fiber	26.08%
Glass Container	6.01%

3 Products under Development:

- (1) 、 Changpin Plant developed a series of high-performance toughened triple silver coating Low-E glass and toughened double silver coating Low-E glass.
- (2) 、 The Taiwan Glass Group and factories across the Taiwan Strait continuously seek for advancement in technologies and facilities for TCO glass, AR glass, and ultra-thin glass, and are ready to answer and fill the demand in the global market.
- (3) 、 Heat resistant milk bottles and laboratory bottles, stable quality and continuous growth. and development of high-white spirit bottles and portable bottles.

- (4) 、 The ultra-thin glass has been officially put into production. The thickness is between 1.8mm~0.33mm and the purpose is to serve as a protective cover and protective glass tape for electronic products.
- (5) 、 TG brand homeware was officially launched in December 2018 and has sold 110 items so far, and the brand develops 30 new products each year. This brand will help Taiwan Glass to enhance product value and to enter B2C market. The TG flagship store was opened at the first floor of the Taiwan Glass Building on December 15, 2020.It's planned to open a new shop in Dazhi Noke (JUT Group) in 2022.

- (II) Overview of the Industry: This section briefly describes the current status and development of this industry, the links between the upper, middle, and lower stream products and the development/market trend and competition in the industry.



1 Flat Glass:

(1) Current Status and Development:

- A、Taiwan Glass Industrial Co. Ltd. (TGI) responds to the fluctuations in domestic and global demand and the world economy by making timely adjustments to the production lines and the capacity of the processing plants. It also actively seeks business opportunities with a focus on the domestic market and holds an ambition to venture into the export market under the principle of stable costs for maximum competitiveness.
- B、With the advantage of an integrated supply chain and in response to the policy of “Service-oriented Manufacture”, TGI teams up with its partners to confront competition in the domestic and foreign markets and create a market-leading brand.
- C、In response to the development of green architecture and the optoelectronic industry, TGI brought in the newest energy-saving Low-E coated glass technology, and the mass-production processing facilities at the Chuanghua Coastal Industrial Park have also been fully capable of meeting the demand from domestic construction market.
- D、To develop more advanced and profitable product lines, TGI is currently planning to set up a manufacture plant for several new technologies, e.g., glass for display panels and vacuum glass.
- E、Uncertainty of ECFA. Under the influence of CPTPP, ASEAN treaties and agreements between the US and South Korea, the emerging nations in Asia are expanding their glass production lines and capacities rapidly with upgraded technology; TGI is expected to encounter fierce competition in the market.
- F、Unexpected uncertainties in the global economy, such as a slow recovery in the U.S.-China trade war and on both sides of the Taiwan Strait, are creating instability.

2 Fiberglass Fabric and Reinforced

- (1) Fiberglass fabric is an upstream material for PCB production; therefore, it is highly sensitive to fluctuations in the electronic market and characterized by a closely-knit network in the industrial supply chain. The final product is developed towards slim, high precision, and high performance, in order to achieve market differentiation.
- (2) The low dielectric constant (LDK) fiberglass cloth has been successfully developed and in mass production, to fulfill the market demand for the 5G high-frequency and high-speed materials.
- (3) Fiberglass reinforced is mainly used for thermal-plastic related applications. It is a green product gradually replacing the thermal-setting manufacturing process; therefore a higher level of quality is demanded. This is beneficial

for TGI in the sense that it avoids direct impact from the competition of lower-quality fiberglass manufacturing regions.

3 Container

- (1) Capacity: The cold period of TS-2 in the fourth quarter (Q2) of 2022 will reduce capacity 142 thousand tons.
- (2) Deepening education and training, equipping new employees with quality, improving quality, reducing workforce.

4 Tableware and Kitchenware

- (1) The supply to the domestic market is focused on gift items and vintners. The major competition is glassware imported from China, Europe, US and Turkey.
- (2) Tableware: The supply for export is mainly focused on the markets in Japan and Korea (combined 20%), and the channels are mainly retail, gift items and vintners.
Kitchenware: 90% of kitchenware is exported to small appliances vendors in China, which are then exported to Europe and the U.S. after assembly.
- (3) When compared with major competitors, Taiwan's glass products are taxable between 8 to 30% when exported to the US, China, EU Nations and ASEAN Nations. This is a major setback in global competitiveness.

5 Brand

As the production technology of TAIWAN GLASS for food containers has reached the globally recognized level, the Company has created its own brand TG targeting new groups in pursuit of a high-grade lifestyle, and invited the international design master, Naoto Fukasawa, to incorporate the Taiwanese culture he experienced into design, produce beautiful heat-resistant glassware, and market such products around the world starting from Taiwan.

6 New Materials

- (1) Due to the rise of red supply chain, market demand of ultra-thin glass has shifted to mainland China. The sales of ultra-thin glass are constantly made to mainland China and the European/American India and Vietnam markets are also developing.
- (2) Use of new quality checks equipment to ensure the provision of products complying with the quality in the industry for customers from the advanced electronics application products.

(III) Overview of Technologies and R&D:

1. TGI's flat glass products have the advantage of a long lifecycle. TGI has invested substantially into the production of flat glass products and the main production technologies were introduced from technologically-advanced nations. TGI's R&D is focused on improvement in technology and quality, and energy-saving production, carbon-reduction and environmentally-friendly products.
2. In addition to the high-performance off-line coating, Low-E energy-saving glass, TGI focuses on the R&D of super clear, TCO, and ultra-thin glass in response to the development of the domestic and overseas photovoltaic and display panel industries.

(IV) Short and Long Term Business Development Plan:

1. Flat Glass:

Short-term:

As the industry is facing the challenges of shifting global economic blocks and rapid advancement in technologies, through automation and specialized production, TGI aims to lower costs and maximize efficiency. To counter global competition and ensure stable growth in the uncertain outlook of the global economy, TGI will focus on brand positioning, reinforcing customer services, and the development of a wider scope of international customers.

Long-term:

Bulk sales of Low-E allow the popularization of Low-E glass, thereby reinforcing the users' energy conservation and environmental awareness.

In response to market demand, TGI will actively develop professional human resources, research/develop new products and procure production facilities for optoelectronic and energy-saving products, aiming to reinforce the industrial cluster advantage in the domestic market as well as to consolidate the TGI plants in Taiwan and China, expand the global marketing channels, and instill a firm foothold for TGI's brands.

2. Fiberglass Fabric and Reinforced:

Short-term:

TGI will constantly make adjustments to the product structure in response to market demand, increase the added values and processing level, reinforce customer service, expand the market, and reduce direct exposure to the fluctuations in the market.

Long-term:

For the long-term, TGI targets lower costs by upgrading furnace efficiency, reinforcing product performance, developing new products for higher cost efficiency, and periodically reviewing the need to replace old manufacturing

facilities to ensure optimal supply versatility, so as to respond quickly to the changes in market demand.

3. Container:

Short-term:

1. Constantly promote lightweight bottles and fully cooperate with expansion of high value-added large white wine bottles. Quality meets customers' food safety requirements.
2. Effectively plan order fulfillment and production, reduce loss due to form and color distortion, and increase output.

Long-term:

1. Talent cultivation and organizational upgrade.
2. Constantly introduce new technologies to increase the yield rate and expand the limit of production specifications.

4. Tableware and Kitchenware:

Short-term:

1. Increase on-line sales channels and multi-channels to raise shipments and to reduce inventory.

Long-term:

1. Improving ODM and B2C capacity to activate inventory.

5. Brand:

Short-term: Increase brand exposure, develop physical and online channels and to undertake interdisciplinary collaborations with established brands.

Long-term: Strengthen brand image, increase added value and to market the brand to the whole world.

6. New Materials:

Short-term: Actively develop emerging markets such as China and Europe, US, India and increase shipping volume in order to reduce inventory.

Long-term: Collaborate with clients for product development, increase product penetration rate and raise product value.

II. Overview of Market, Production, and Marketing

(I) Market Analysis

1. The major markets by product category

- (1) Flat Glass: The domestic market and coop export accounts for 90% and export 10%. The main markets are Asia, Latin America, Australia,

Europe, Africa, and North America.

- (2) **Fiberglass Fabric and Reinforced:** The domestic market accounts for 41% and export 59%. The main markets are Europe, the US, China, Japan, South Korea, Middle East, Southeast Asia, New Zealand, and Australia.
- (3) **Container:** The domestic market accounts for 52% and export 48%. The main markets are the US, New Zealand, Australia, China, and Germany.
- (4) **Tableware and Kitchenware:** For tableware, the domestic market accounts for 80% and export 20%. The main markets are Taiwan, India, Korea, Germany, and Australia. For kitchenware, 90% of the export goes to China.
- (5) **New Materials:** The domestic market accounts for 5% and export 95%.

2. Market Share:

- (1) Flat glass takes up approximately 65% of the domestic market.
- (2) **Fiberglass Fabric and Reinforced:** Fiberglass fabric takes up approximately 35% and fiberglass reinforced 55% of the domestic market.
- (3) Container takes up approximately 35% of the domestic market.
- (4) Tableware and kitchenware take up approximately 10% of the domestic market.
- (5) New Materials takes up approximately 10% of the China market.

3. Future Supply and Market Growth

Flat Glass:

- A、TGI adjusts production lines timely to respond to the changes in the global economy and the demand in the domestic and export market.
- B、The film coating technology and quality of ChangPin Processing Plant have reached international standards, thus setting a brand status in premium green construction materials and reinforcing faith in future competitions.
- C、With the spirit of teamwork, TGI has consolidated the processing facilities and R&D capacities in the entire supply chain and continues to strive for orders with higher prices and vie for international brand exposure.
- D、TGI's flat glass production lines are well distributed in the regions of China. These production plants are currently sufficient to supply the Chinese market; in addition, we are working towards quality upgrade for the export market, as well as expanding the global marketing network, creating higher product values and competitiveness.

Fiberglass Fabric and Reinforced:

- A、TGI is working to upgrade production capacity, lower costs, and increase market share.

B、 The global fiberglass reinforced market is competitive at different levels and it is differentiated by quality. TGI focuses on lowering costs, enhancing product performance and values.

Container: The demand of TGI's domestic customers is stable, and the company is actively developing new customers in the export market.

Tableware and Kitchenware: TGI is actively developing a range of differentiated marketing channels, as well as pursuing higher quality with diverse packaging choices to stabilize the quality of the products, develop competitive products that meet the demand of the consumer market.

New materials: Continuous development of the glass product for ITO and an aim to raise the market share in China from 10-25%.

4. Advantages and Disadvantages in Competitive Niche, Future Development and Contingency Measures

Competitive Niche:

TGI possesses sound financial health, economy of scale and high-efficiency manufacturing process. With comprehensive quality management, mutual supply and marketing chain, TGI's competitive edge lies in our versatility.

Advantages:

Flat Glass

TGI and its plants in China employ a simple, flexible management system to ensure utmost quality. Furthermore, our price and production can be adjusted to quickly adapt to market changes with efficiency and clarity. In the coming years, TGI is planning to expand its production through the new plants and develop Low-E glass. This expansion will meet future demand in the construction and energy markets. A subsidiary plant of TGI specialized in glass material processing has been established, which is expected to decrease the cost of materials and increase competitiveness.

Fiberglass Fabric and Reinforced

TGI supplies 100% of the fiberglass yarn for its own production of fiberglass fabric and fiberglass; therefore the company is somewhat immune to the price, demand and supply fluctuations in the market. The production lines are extremely versatile and the quality of the products has garnered a good reputation for the firm. TGI has a good grasp of market information and the distribution channels also demonstrate a high level of loyalty.

Container

1. TGI's comprehensive talent cultivation, quality management and efficient services facilitate upgrades in product quality and quantity, in turn endowing TGI with competitive advantage.
2. Continue to optimize online inspection facility and an automated packaging facility. This not only improves TGI's competitiveness but also differentiates it from the competitors in the market.

Tableware and Kitchenware

1. Processing and assembly lines for tableware and kitchenware products were set up to manufacture heat-resistant double-layer cups with non-slip handles. This new facility is completed with an assembly line for color boxes and accessories, to provide customers with retail packaging in order to fulfill market needs more closely.
2. Quality recognition from cooperation with leading brands such as Starbucks, 7-ELEVEN, and McDonald's.

Disadvantages:

Flat Glass

Since Taiwan became a member of the WTO, global competition has gradually emerged. Under the influence of emerging countries and expanded regional trade treaties between the Asian nations, especially ECFA, if Taiwan continues to increase the import of glass products from China, the cheap products with inconsistent quality will no doubt impact upon the domestic market. Uncertainties in the global market have not been clarified as expected; therefore, demand in the domestic construction, photovoltaic and car industries is not expected to increase significantly. Affected by cheap Chinese imports, the price of domestically produced products will remain low.

Fiberglass Fabric and Reinforced

The electronics market is highly volatile, therefore the actual trends often differ from the forecasts. Since Taiwan is adjacent to China, the market is facing fierce competition from vigorous production expansion and price wars.

Container

Competitions from glass bottle manufacturers in China and U.S. and appreciation of the New Taiwan Dollar impacted the unit price at home and abroad.

Tableware and Kitchenware

1. With increased production costs and a lack of product variety, the distribution channels are concentrated on a small number of clients.
2. The demand in the domestic market is shrinking due to the price competition from China and ASEAN nations.
3. The competitiveness in the export market is weak due to the slow economic recovery and inequality in tariffs.

New Materials

1. The selling price of ultra-thin glass is constrained by the local suppliers in China because of their early development, higher production capacity, and the local advantages.
2. The growth of Smartphone has been modified to a lower rate. The product has passed into the maturity stage and the demand becomes stagnant.

Contingency Measures:

Flat Glass

TGI will reinforce specialized human resources and technologies, develop new products, update facilities with automated systems, upgrade product added-value and develop an international brand. TGI intends to cultivate professional marketing channels in order to develop diversified and innovative products to ensure our global competitiveness.

Fiberglass Fabric and Reinforced

TGI will cut down on costs, reinforce R&D and technology upgrades, devise flexible pricing strategies, secure domestic market share and fulfill our customers' demands regarding specifications, packaging, and delivery. The company aims to provide flexible services, avoid engaging in price wars and ensure good product quality.

Container

TGI intends to cut down on costs by maximizing production efficiency, implementing energy-saving measures and striving to maintain a high standard of quality and services. We expect to stay ahead in global competition through differentiation.

Tableware and Kitchenware

1. TGI aims to create higher added value and offer the customer more diverse choices through diversified production capacity and color box packaging.
2. TGI plans to upgrade product quality and production efficiency.

New Materials

Develop customer for car product and car mirrors. Maintain the supply of the progressing market of protective glass.

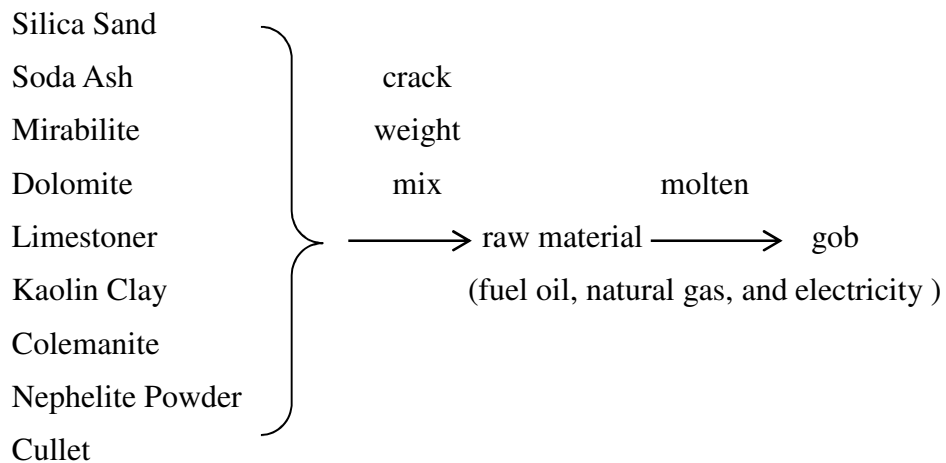
(II) Applications of the Major Products and the Production Process

1. Applications of the Major Products

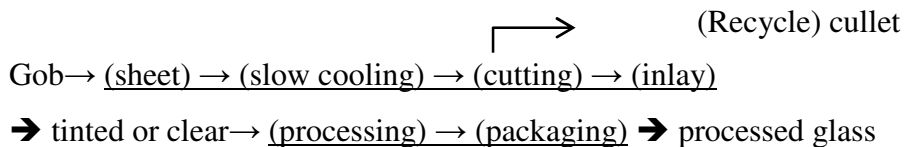
Product	Application
Flat Glass	Building construction, furniture, home decoration, mirrors, automobiles and boats, photovoltaic covers, touch screen and gifts
Fiberglass Fabric	Electronic and information products
Fiberglass Reinforced	Reinforcement for yachts, building material, industries, engineering, sports goods
Glass Container	Food, beverages, spirits, medical packaging, storage, and airtight containers
Tableware	Beverage, food, gift, home decoration, and signboards
Kitchenware	Kitchen utensils, tea makers, glass coffee pot
Ultra-thin Glass	Materials for electronic/photoelectric industry, protective glass/tape for tablet surface

2. Production Processes

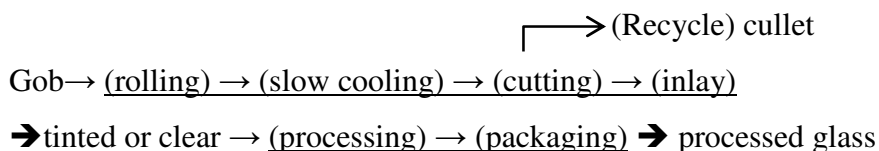
Materials



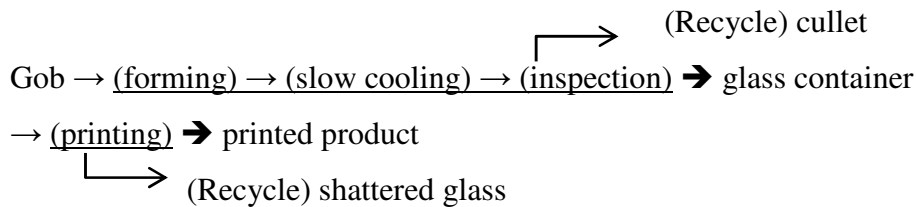
(1) Flat Glass



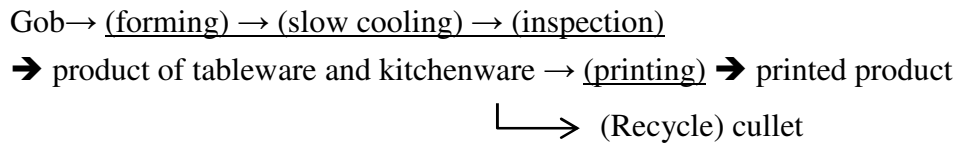
(2) Rolled Glass



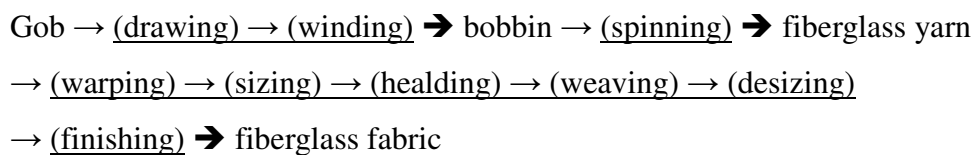
(3) Container



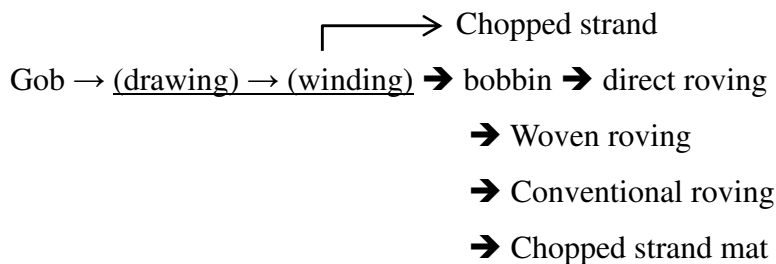
(4) Tableware and Kitchenware



(5) Fiberglass Fabric



(6) FRP Fiberglass Reinforced



(III) Supply of the Major Materials

The glass industry uses several major materials, including silica sand, soda ash, kaolin clay, colemanite, fluorite, nephelite, dolomite, and limestone. Dolomite and limestone are produced in abundance domestically. Silica sand is imported from Australia through the Japanese Mitsubishi Trading Co., and soda ash is imported from the US Company ANSAC. Kaolin clay is imported from the US Wakinson Co., through US trading company AMI. Colemanite is imported from the Turkish company ETI. Overall, TGI has a stable source of materials.

(IV) Customers accounting for 10% or more of the Company's total purchase(sales) amount in either of the most recent two years, the amounts brought from (sold to) each, and the percentage of total procurement (sales) accounted for by each, and the cause for increase/decrease thereof.

1. Sales: There was no customer accounting for 10% or more of the Company's total sales in either of the most recent two years.
2. Purchase: There was no customer accounting for 10% or more of the Company's total purchase in either of the most recent two years.

(V) Output volume for the most recent two years:

Unit: Quantity: Ton
Value: Thousand

Year Output Major product	2020			2021		
	Productivity	Output	Output Value	Productivity	Output	Output Value
Flat glass	3,266,830	2,757,629	22,387,897	3,257,780	3,090,642	28,230,343
Fiberglass	221,000	120,063	7,069,098	195,000	133,300	7,551,562
Glass Containers	176,600	153,712	2,677,151	169,000	150,827	2,668,968
Total	3,664,430	3,031,404	32,134,146	3,621,780	3,374,769	38,450,873

(VI) Sale volume for the most recent two years:

Unit: Quantity: Ton
Value: Thousand

Year Output Major product	2020				2021			
	Domestic Market		Export		Domestic Market		Export	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Flat glass	2,851,828	27,507,146	73,595	1,152,118	2,822,585	36,018,337	152,433	2,058,006
Fiberglass	98,111	6,369,457	52,745	3,199,965	101,084	10,395,480	63,715	4,225,414
Glass Containers	83,956	1,835,630	73,652	1,735,320	87,904	1,929,583	60,965	1,438,040
Other		108,018		0		867		10
Total	3,033,895	35,820,251	199,992	6,087,403	3,011,573	48,344,267	277,113	7,721,470

III. Employee information for the most recent two years up to the publication of this Annual Report:

Year		2020	2021	Until March 31, 2022
Employee No.	Staff	3,655	3,626	3,632
	Employee	9,544	9,192	9,158
	Total	13,199	12,818	12,790
Average age		38	39	39
Average seniority		11	11.7	12.2
Education Background %	Doctoral	0.1	0.1	0.1
	Master's	3.7	3.6	3.7
	University	40.9	40.7	41.7
	College	20	19.9	19.1
	Senior High Schools	31	31	30.8
	Below Senior High Schools	4.3	4.7	4.6

IV. Environment protection measures:

- (I) Loss and penalty suffered from environmental pollution from the most recent year until the date the Annual Report was printed: N/A
- (II) Countermeasures and potential expenses:
 The expenditure on environmental protection in 2021: NT\$706,137 thousand.
 The estimated expenditure on environmental protection in 2022: NT\$726,279 thousand.
- (III) Information about RoHS:
 The Company has complied with RoHS, without prejudicing the Company's finance and business.

V. Labor Relations:

- (I) The Company's employee fringe benefits, continuing education, training, retirement system and implementation thereof, and various labor-management agreements and measures on protection of employees' interest and right:

1. Employee welfare:

With the aim to take care of and ensure the employees' living conditions, TGI offers basic welfare measures according to the applicable laws and also provides or sponsors the development of various benefit plans, including establishing the employee welfare committee to manage any and all matters related to the welfare of its employees, and to plan and execute the benefit plans. The current welfare measures are as follows:

Health care	<ul style="list-style-type: none"> ★ Employee health examination package that is better than the requirements stipulated in the laws and regulations. ★ Family members of employees can enjoy health checkup at discounted prices. ★ Factory-based doctors and nurses or on-site health services. ★ Implement the four major plans of occupational safety and employee health management. ★ Actively promote exercise clubs and health seminars.
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	<ul style="list-style-type: none"> ★ Establishment of basketball court, fitness room, and table tennis room. ★ Planning for after-work exercise courses (survey for employees' interests).
Life care	<ul style="list-style-type: none"> ★ Provide employees' restaurant, dormitory, and nursing room. ★ Half-price discount for employees' meals/travel subsidy/subsidy for activities of social clubs. ★ Perks (birthday/funeral), childbirth bonus/gifts. ★ Leave without pay for employees' family accident / parental leave ★ Comprehensive benefit system for employee death payment. ★ Quarantine leave /Unpaid Family Care Leave
Bonus for major holidays	<ul style="list-style-type: none"> ★ Birthday leaves for employees. ★ Bonus for three major holidays. ★ Year-end dinner/bonus. ★ May 1 Labor Day bonus.
Learning care	<ul style="list-style-type: none"> ★ Conduct refresher development plan and free foreign language learning courses for employees ★ Rewards for employee training. ★ Scholarship for employees' children.
Insurance care	<ul style="list-style-type: none"> ★ Employee group accident insurance that is better than the requirements stipulated in the laws and regulations, and family members of employees can also insure with the discount price. ★ Employees' business trip/dispatch travel insurance.

2. Continued education and training:

The core objective of Taiwan Glass is to cultivate professional talents. The Company values career planning and individual development of its employees, and strives to convey TGI's mission, vision, and value through talent development. Dedicated personnel plan courses for new and current Taiwan Glass employees in each year based on organizational strategies and results of training need surveys and analysis. Such courses range from common courses, professional courses, to management knowledge and self-development training courses.

Education and Training System for Taiwan Glass Employees		
New employee orientation and education	Common courses	Group Introduction 、 staff instructions 、 regulations 、 occupational safety and health training, human resource Management system, professional document reading, etc.
	Professional courses	Unit Course,factory internship, etc.
	Counselor system	<ol style="list-style-type: none"> 1. Through the mutual assistance mechanism of employees, we promote employees' inheritance of experience and knowledge. 2. By providing one-on-one caring, guidance and coaching from skilled senior mentors, new employees can be empowered to blend in faster and adapt to the work environment and retention

		rate can be increased accordingly. 3. Discover issues encountered by new employees as early as possible during the counseling period and offer assistance. If they are unable to do the job, communicate with them and improve the issue as soon as possible.
On-the-job education and training	Annual education and training	Each department is asked to plan course needs at the end of each year, and the needs are integrated with course plans for the second half of the year to formulate a set of annual course schedule and syllabus.
	Application for external training	Depending on the needs of each department, employees will be selected to participate in the external training to strengthen professional knowledge.
Diversified development training	Diversified developing training courses are organized to enhance the knowledge and skills of employees in line with regulatory requirements and based on requests from each plant. 1. Regulatory requirements: information security course, fire drill course, personal data security and protection, occupational safety and health advocacy, and anti-workplace harassment courses and more. 2. professional skill: language courses, training/operation of cranes and stackers, and emergency rescue and more.	

Taiwan Glass has formulated a comprehensive training system and provides diverse learning channels, and enhances employees' awareness for human rights, occupational safety, and legal compliance through systematic training on subjects such as: entry-level employee standardized operations, optimized management functionalities for executives, and advocacy for occupational safety and health education.

A dedicated personnel and training center has been set up at Taiwan Glass that uniformly plans various types of training, formulates annual training plan, and develops needed technical and management personnel related to the glass industry through professional courses, training, and hands-on practice. In case other qualifications are needed at work (such as level of education, technical competency, license or experience, etc.), appropriate personnel will be selected and evaluated accordingly (e.g. professional license should be required for operators of cranes and stackers).

3. Retirement System:

The Company has defined the employee retirement plan, and established the Pension Fund Management Committee in 1980, and contributed 8% of the total salaries as the pension fund on a monthly basis. As of January 1, 1987, the contribution of pension fund was made at the specific percentage of the total salaries on a monthly basis pursuant to the "Labor Standard Act". As of January 1, 1995, the contribution rate was 15%. As of September 1, 2004, the contribution rate was 9.27%. As of May 1, 2005, the contribution rate was 6%.

According to the Labor Standard Act, a worker may apply for voluntary retirement at the age of fifty-five and has worked for fifteen years, or has worked for more than twenty-five

years, or attains the age of sixty and has worked for ten years. Meanwhile, the Company's work rules provided the retirement conditions superior than those provided in the Labor Standard Act, namely, a worker who attains the age of forty-nine and has worked for more than fifteen years, or who has worked for more than nineteen years may retire earlier upon approval. The pension is awarded subject to the worker's service seniority. Namely, the worker whose seniority attains one year would be awarded with two months' unit, and one month's unit per year for seniority as of 16th year.

As of July 1, 2005, in order to cope with the enforcement of "Labor Pension Act" by the Government, the Company contributed 6% of the monthly salary of a worker who may apply the Act to the Labor Insurance Bureau accordingly.

TGI, based on Labor Standards Act and Labor Pension Act, has formulated a retirement policy. Employees that joined the company before June 30, 2005, will enjoy pensions calculated based on the old labor pension system. If an employee chooses the new pension system, he/she can enjoy the new system's seniority. The old pension fund is with an amount equivalent to 6% of the monthly salary appropriated for each employee subject to the old retirement plan and deposited in the pension reserve account at the Central Trust of China. The new pension fund, in addition to an amount equivalent to 6% of the monthly salary appropriated by the employer to the employee's personal pension account, the employees can also choose to appropriate an amount equivalent to 0%~6% of the monthly salary discretionally. All employees have participated in the retirement plan. In addition to appropriating pension to the respective accounts regularly, TGI has a professional accounting consultant that precisely calculates the pension to ensure that the company appropriates enough pensions every month so that our employees can receive pension after retirement.

TGI's retirement policy not only guarantees the employees their pensions in the future, but the clear rules regarding employee retirement can be implemented precisely and help our employees plan their retirement. In 2021, 77 employees retired, with an average of 28.87 years of service. Senior supervisors were presented with medals from the chairman/president as a token of appreciation for their service over the years.

4. Work environment and personal safety protection measures

(1) Health Monitoring-ups (pre-employment physical examinations and regular employee physical examination):

New employees must complete a physical examination before starting working at TG.

The company uses the examination report to assign new employees to a suitable position, place them in the correct category for management, provide health education and keep track of the employee's health. Our formal employees receive a health checkup every two years. For those in hazardous positions, they receive a special physical examination a year and sanitation and health education. The results are submitted to the company's nurse practitioners stationed at each factory who analyze and preserve the reports to understand the employees' health. Nurse practitioners will provide health

education to those at high health risk and arrange them for repeat doctor visits to keep track of their health condition and help them receive treatment if necessary. The nurse practitioners will follow up with employees' health conditions and evaluate whether or not they are fit for their current positions. When needed, they will help employees get reassigned to other positions. Health-promoting activities are planned based on the staff's health conditions.

Taiwan Glass regularly and timely provides health education information via e-bulletin based on seasonal and pandemic conditions. Electronic sphygmomanometers and body mass and weight monitor (measures weight, body fat, physical age, basal metabolism rate, visceral fat, and body mass index for the fully body, arms, body, and feet and skeletal muscle rate) are placed at the nurse's office, allowing employees to monitor their health and to encourage weight loss management.

For employees on shifts or extended working hours with comprehensive hazardous factors including overweight, smoking, abnormal blood pressure or diabetes, the Labor Safety personnel will screen groups with potential risks via the Work Hour Review Chart provided by the HR department along with other quantitative measurement charts. Relevant operating evaluation will be undertaken on said groups after extensive data collection, and doctors will diagnose, transfer the patients to relevant department for treatment, and provide health education. Operating adjustment and restraint will be recommended when necessary, and the situation will be continuously monitored to maintain the physical and mental well-being of employees.

(2) Ergonomic Injury Prevention

A safe and healthy workplace environment has been formulated to prevent ergonomic hazards and repeated muscular or skeletal injuries sustained by employees during work. Taiwan Glass conducts data collection, analysis, and tiered management based on different types of employees' work, and drafts improvement method and health promotional activities based on the condition of muscular/skeletal injuries or diseases and work environment.

(3) Plan to Prevent Disease Caused by Unusual Workload :

All the measures aim to prevent brain and cardiovascular diseases among our employees and reduce their mental load. Taiwan Glass keeps track and evaluate risks of our employees' health conditions, nature of work (shifts, night shifts, long work hours, unusual workload and unusual workload) and work hours. For employees with potential health risks, Taiwan Glass arranges doctors to provide them with health education or refers them to seek medical assistance. The company also helps such workers adjust their workload and provides them with information on health education.

(4) A preventive plan for duty implementation subject to illicit violation

Taiwan Glass clearly declares the principle of "Zero Tolerance" in workplace violence. It specifies relevant disciplinary regulations in the work rules of employees, and

announces relevant safety and health measures policies, establishes complaints, notification channels and follow-up processing mechanisms, and implements and advocates them in public places, such as, new recruits reporting to duty and with education and training provided, so that all employees and interested parties understand clearly, and then to achieve a workplace culture of safety, dignity, non-discrimination, mutual respect, tolerance, and equal opportunities, and ensure the physical and mental health of employees.

(5) Workplace maternal health protection

Taiwan Glass cares for the employees' work environment, and actively cares for and evaluates the risks in work environment for female workers from pregnancies to one year after childbirth. Sessions with onsite doctors are arranged, and adequacy evaluation and recommendation is proposed based on individual health condition of the female employees. Besides providing healthcare education and knowledge, work content and hours are also flexibly arranged to ensure the work and physical safety of TGI's employees.

(6) Occupational Safety Management

TGI's occupational hazard management operates on a principle of zero-hazard. This principle is also the benchmark for various safety tasks throughout Taiwan Glass's plants. The operating mechanism of occupational hazard management targets the reporting and investigation of accidents and near miss incidents, and completion of improvements to the preventive hazard procedures. Additionally, occupational hazard statistical data and clarifying the reasons behind such incidents are also executed and included as key preventive measures. The key preventive measures and methods are disseminated to each department in the hopes of effectively preventing the recurrence and reducing the severity of similar accidents.

5. Benefits for occupational accidents:

The Company has also defined the benefit plan for employees who are injured or deceased in the performance of job duty. For example, if any employee strives to rescue any co-worker or job at risk of his own life, or still performs his job fearless of any danger, or still performs his job at a dangerous location or during a dangerous period, he would be paid the wages in full, in addition to the special benefits equivalent to the salary of 6-24 months, pursuant to the reimbursement clauses for occupation accident, subject to the circumstances. The employee who dies in the performance of job duty would be granted the benefit in full subject to his seniority. Additionally, the funeral subsidy equivalent to the salary of five months or two months would be also granted for the injury or death on duty. The employee who leaves without pay upon expiration of the sick leave and dies of the sickness within one year after the leave without pay shall be deemed deceased on duty and granted the benefit as required.

6. Labor-Management Consensus and Measures of Protecting Employees' Rights:

- (1) TGI maintains a constant policy of pension allocation and payment and retain professional accounting consultant each year to provide actuary services and ensure that the amount allocated is sufficient to uphold the retirement rights.
- (2) While pursuing the growth of the company, TGI has established the accounting system and internal control system to ensure the implementation of the ethical management to possibly assured the company's each unit is performing business in accordance of relevant laws and regulations like the Company Act, Securities and Exchange Act, the regulations related to the public listed, OTC companies and other relevant laws and regulations of other business behaviors. The entire employees of the company had signed the Ethical Corporate Management Best Practice Principles for Employees for the Ethical Corporate Management Best Practice Principles, there are 186 people signed for newly recruited employees in 2021 with the rate of signed as 100%. In addition, the training related to the ethical management (including Rules and Procedures required for the Employees, Corporate Social Responsibility and other issues) with 1,066 attendees, 1,050 hours of training. The board of directors approved the "Measures for the Report on Illegal, Immoral and Dishonest Acts " on August 08, 2018 for putting the Article 20 of the Ethical Corporate Management Best Practice Principles in practice, clearly disclose the handling unit, channels, handling procedures and others when reporting and published the reporting email account and phone line for employees to report on the internal website and established the email communication channel on the external website for reporting and suggesting anytime, whether is suggestions to the company's management policy or the employees treated unequally (for example sexual harassment, workplace violence and etc.), employees may response and suggest to the company under the basis of confidentiality.
- (3) The Company holds labor management meetings. The Company will appoint representatives to attend such committee meetings and respond to any suggestion or proposal that has been made to the Company, including clarifying related matters. To maintain the harmony of labor-management relationship, a channel to participate shall be freely opened to the worker.
- (4) In order to fulfill corporate social responsibility, and safeguard the basic human rights of all colleagues, customers and stakeholders, Taiwan Glass adheres to the principles disclosed in the UN Universal Declaration of Human Rights, the UN Guiding Principles on Business and Human Rights, the UN Global Compact, and by the UN International Labor Organization, respects internationally recognized fundamental human rights, including freedom of association, care for vulnerable groups, ban on child labor, and elimination of all forms of forced labor and employment discrimination, and abides by the labor-related regulations of the place where the Company is located. The Company's human rights policy applies to units at all levels affiliated with the Company, with particular emphasis on the following human rights issues, and continuous promotion of the quality of human rights: diversity and inclusion, equal opportunities/reasonable working hours/health and safe workplace/freedom of association/labor

negotiation/privacy protection. The relevant human rights policy has been disclosed in the Company's internal announcements and external websites, and education thereon has been provided to new hires

- (5) The Company's business performance or results are appropriately reflected in the employee remuneration. Therefore, if there is any profit in the year specified in Article 26 of the Articles of Association, 1.5% of the profits will be set aside to pay employee remuneration.

- (II) The losses suffered from any labor-management dispute from the most recent year until the date the Annual Report was printed, and the estimate of losses and countermeasures present available and potentially available in the future:

The Company's various management systems and regulations are defined based on the related laws and regulations including Labor Standard Law. Each officer is dedicated to helping colleagues with due diligence by taking care of their work and also life. The labor-management relations are fair.

VI. Major contracts:

Contracts	Contracting Parties	Term of Contracts	Summary Content	Limitation Article
Supply contracts	Sibelco	From January 1, 2020 until December 31, 2022	Supply of nephelite powder	None
	Ansac	From January 1, 2022 until March 31, 2022	Sodium carbonate	None
	Mitsubishi Trading Co.,	From January 1, 2022 until December 31, 2022	Supply of silica sand	None
	Active Minerals Intertional, LLC	From February 1, 2022 until January 31, 2024	Kaolinite	None
	Dak Tai Trading Limited	From February 1, 2020 until December 31, 2022	Calcium borate	None
Technical cooperation contracts	None	None	None	None
Construction project contracts	Gigastorage Corporation	From August 1, 2021 until December 31, 2026	Photovoltaic system construction	None
Sale contracts	None	None	None	None
Long-term loan contracts	Shin Kong Bank	From September 22, 2021 until September 22, 2023	Loan	Yes
	O-Bank	From October 24, 2019 until October 23, 2022	Loan	Yes
	KGI Bank	From November 4, 2021 until November 4, 2023	Loan	Yes
Other unrestricted long-term loan contracts, please refer to annual report 2021 Page 242.				
Other contracts	None	None	None	None

Six. Financial Status

I. Most recent 5-year concise financial information :

1.1. Condensed balance sheet-Concolidated

Unit: NTD thousand

Item	Year	Financial information in the most recent five years (Note 1 & Note 3)					Financial information until March 31,2022
		2017	2018	2019	2020	2021	
Current assets		25,148,319	26,225,853	31,320,135	35,502,486	45,657,837	47,245,241
Protery, plant and equipment		51,931,352	50,832,520	47,732,878	46,050,857	43,948,199	44,668,277
Intangible assets		91,080	69,657	54,909	36,934	35,347	35,987
Other assets		6,855,810	7,940,365	8,216,525	8,339,500	9,813,946	10,650,078
Total assets		84,026,561	85,068,395	87,324,447	89,929,777	99,455,329	102,599,583
Current liabilities	Before Distribution	21,602,960	23,251,960	29,945,131	30,054,861	26,975,232	24,484,344
	After Distribution	23,056,990	24,124,378	29,945,131	31,508,891	Note 2	Note 2
Noncurrent liabilities		12,809,639	14,084,070	14,018,105	13,074,719	14,705,602	16,925,174
Total liabilities	Before Distribution	34,412,599	37,336,030	43,963,236	43,129,580	41,680,834	41,409,518
	After Distribution	35,866,629	38,208,448	43,963,236	44,583,610	Note 2	Note 2
Equity attributable to stockholders of the parent		46,039,260	44,245,480	40,164,081	43,807,564	54,044,112	57,270,273
Capital		29,080,608	29,080,608	29,080,608	29,080,608	29,080,608	29,080,608
Additional paid-in capital		1,921,575	1,925,218	1,925,218	1,925,218	1,925,218	1,925,218
Retained earnings	Before Distribution	16,766,110	15,905,632	13,534,915	16,252,928	26,559,872	27,705,450
	After Distribution	15,312,080	15,033,214	13,534,915	14,798,898	Note 2	Note 2
Other components of equity		(1,729,033)	(2,665,978)	(4,376,660)	(3,451,190)	(3,521,586)	(1,441,003)
Treasury Stock		0	0	0	0	0	0
Non-controlling interests		3,574,702	3,486,885	3,197,130	2,992,633	3,730,383	3,919,792
Total equity	Before Distribution	49,613,962	47,732,365	43,361,211	46,800,197	57,774,495	61,190,065
	After Distribution	48,159,932	46,859,947	43,361,211	45,346,167	Note 2	Note 2

Note 1: Said accounting reports were audited, certified or reviewed by a CPA.

Note 2: The shareholders' meeting 2021 has not yet been called, and the figures after distribution were omitted accordingly.

Note 3: The Company has adopted the IFRS as of 2013.

1.2. Condensed Income Statement-Concolidated

Unit: NTD thousand

Item	Year	Financial information in the most recent five years (Note 1 & Note 2)					Financial information until March 31,2022
		2017	2018	2019	2020	2021	
Operating revenues		44,869,581	46,091,494	41,768,461	41,841,022	56,065,737	11,411,925
Gross profit		7,638,003	7,336,446	3,505,462	7,047,889	17,706,710	2,362,935
Operating income or loss		2,640,535	2,323,574	(917,721)	2,515,844	11,557,967	961,828
Non-operating income and expenses		(249,740)	(768,909)	(129,542)	609,934	2,185,402	423,527
Income or loss from continuing operations before income tax		2,390,795	1,554,665	(1,047,263)	3,125,778	13,743,369	1,385,355
Net (loss) income from continuing operations		2,175,745	1,031,980	(1,353,165)	2,597,042	12,043,514	1,180,720
(Loss) from discontinued operations		0	0	(253,613)	(136,494)	187,725	8,621
Net income or loss from continuing operations		2,175,745	1,031,980	(1,606,778)	2,460,548	12,231,239	1,189,341
Other comprehensive (loss) income		(163,974)	(1,299,323)	(1,893,973)	1,242,194	197,090	2,226,229
Total comprehensive (loss) income		2,011,771	(267,343)	(3,500,751)	3,702,742	12,428,329	3,415,570
Net (loss) income attributable to stockholders of the parent		2,123,773	1,066,286	(1,448,450)	2,468,521	11,476,678	1,145,578
Net (loss) income attributable to non-controlling interests		51,972	(34,306)	(158,328)	(7,973)	754,561	43,763
Comprehensive income (loss) attributable to stockholders of the parent		1,988,440	(159,249)	(3,211,009)	3,643,483	11,690,579	3,226,161
Comprehensive (loss) income attributable to non-controlling interests		23,331	(108,094)	(289,742)	59,259	737,750	189,409
EPS (NT\$) (adjusted retroactively)		0.73	0.37	(0.50)	0.85	3.95	0.39

Note 1: Said accounting reports were audited, certified or reviewed by a CPA.

Note 2: The Company has adopted the IFRS as of 2013.

1.3. Condensed balance sheet-Parent company only

Unit: NTD thousand

Item	Year	Financial information in the most recent five years (Note 1 & Note 3)				
		2017	2018	2019	2020	2021
Current assets		6,069,269	5,889,965	6,288,933	7,276,111	7,507,314
Property, plant and equipment		15,129,080	15,072,246	15,619,637	15,681,046	15,056,945
Intangible assets		0	0	0	0	0
Other assets		41,106,877	42,987,493	41,015,306	41,229,824	53,121,789
Total assets		62,305,226	63,949,704	62,923,876	64,186,981	75,686,048
Current liabilities	Before Distribution	6,851,660	12,762,688	13,827,401	11,662,123	10,189,200
	After Distribution	8,305,690	13,635,106	13,827,401	13,116,153	Note 2
Noncurrent liabilities		9,414,306	6,941,536	8,932,394	8,717,294	11,452,736
Total liabilities	Before Distribution	16,265,966	19,704,224	22,759,795	20,379,417	21,641,936
	After Distribution	17,719,996	20,576,642	22,759,795	21,833,447	Note 2
Capital		29,080,608	29,080,608	29,080,608	29,080,608	29,080,608
Additional paid-in capital		1,921,575	1,925,218	1,925,218	1,925,218	1,925,218
Retained earnings	Before Distribution	16,766,110	15,905,632	13,534,915	16,252,928	26,559,872
	After Distribution	15,312,080	15,033,214	13,534,915	14,798,898	Note 2
Other components of equity		(1,729,033)	(2,665,978)	(4,376,660)	(3,451,190)	(3,521,586)
Treasury Stock		0	0	0	0	0
Total equity	Before Distribution	46,039,260	44,245,480	40,164,081	43,807,564	54,044,112
	After Distribution	44,585,230	43,373,062	40,164,081	42,353,534	Note 2

Note 1: Said accounting reports were audited and certified by a CPA.

Note 2: The shareholders' meeting 2021 has not yet been called, and the figures after distribution were omitted accordingly.

Note 3: The Company has adopted the IFRS as of 2013.

1.4. Condensed Income Statement-Parent company only

Unit: NTD thousand

Item	Year	Financial information in the most recent five years (Note 1 & Note 2)				
		2017	2018	2019	2020	2021
Operating revenues		13,173,276	12,561,584	11,702,108	11,758,874	13,152,625
Gross profit		2,395,520	1,782,469	993,606	1,431,946	2,659,494
Operating income or loss		375,998	(242,532)	(922,217)	(494,591)	106,323
Non-operating income and expenses		1,797,118	1,354,431	(545,790)	3,023,426	11,444,975
Income or loss from continuing operations before income tax		2,173,116	1,111,899	(1,468,007)	2,528,835	11,551,298
Net (loss) income from continuing operations		2,123,773	1,066,286	(1,448,450)	2,468,521	11,476,678
(Loss) from discontinued operations		0	0	0	0	0
Net income or loss from continuing operations		2,123,773	1,066,286	(1,448,450)	2,468,521	11,476,678
Other comprehensive (loss) income		(135,333)	(1,225,535)	(1,762,559)	1,174,962	213,901
Total comprehensive (loss) income		1,988,440	(159,249)	(3,211,009)	3,643,483	11,690,579
EPS (NT\$) (adjusted retroactively)		0.73	0.37	(0.50)	0.85	3.95

Note 1: Said accounting reports were audited and certified by a CPA.

Note 2: The Company has adopted the IFRS as of 2013.

3. CPAs and their audit opinions for most recent 5-year:

Year	Independent Auditing Firm	Name of Independent Auditor	Audit opinions
2017	Ernst & Young	Hsiao, Teresa Fuh, Andrew	Unqualified opinions
2018	Ernst & Young	Hsiao, Teresa Fuh, Andrew	Unqualified opinions
2019	Ernst & Young	Hsiao, Teresa Fuh, Andrew	Unqualified opinions
2020	Ernst & Young	Hsiao, Teresa Fuh, Andrew	Unqualified opinions
2021	Ernst & Young	Hsiao, Teresa Fuh, Andrew	Unqualified opinions

II. Most recent 5-year financial analysis :

(1) Financial analysis: Consolidated

Item of analysis		Financial analysis for the most recent five years					Remarks	Financial information until March 31, 2022
		2017	2018	2019	2020	2021		
Financial structure	Ratio of liabilities to total assets (%)	40.95	43.89	50.34	47.96	41.91		40.36
	Ratio of long-term fund to property, plant and equipment (%)	120.20	121.61	120.21	130.02	164.92	Note1	174.88
Solvency	Current Ratio (%)	116.41	112.79	104.59	118.13	169.26	Note3	192.96
	Quick Ratio (%)	73.93	66.68	68.79	86.24	126.50	Note3	134.99
	Times Interest Earned	4.16	3.17	-0.65	5.44	29.03	Note1	15.56
Operating Performance Analysis	Receivables turnover (time)	4.85	4.68	3.65	2.85	3.36		2.82
	Average number of days receivables outstanding	75.00	78.00	100.00	128.00	109.00		129.00
	Inventory turnover (time)	4.15	3.97	3.52	3.31	3.51		2.76
	Payables turnover (time)	9.67	11.71	7.52	4.77	4.53		3.76
	Average number of days of sales	88.00	92.00	104.00	110.00	104.00		132.00
	Property, plant and equipment turnover (time)	0.83	0.90	0.85	0.89	1.25	Note2	1.04
Profitability	Total assets turnover (time)	0.53	0.55	0.48	0.47	0.59	Note2	0.44
	ROA (%)	3.30	1.90	-1.13	3.38	13.34	Note1	5.00
	ROE (%)	4.49	2.12	-3.53	5.46	23.39	Note1	8.00
	Ratio of net profit before tax to paid-in capital	8.22	5.35	-4.47	10.29	47.91	Note1	4.79
	Profit margin (%)	4.85	2.24	-3.85	5.88	21.82	Note1	10.42
Cash flows	EPS (adjusted retroactively)(NT\$)	0.73	0.37	-0.50	0.85	3.95	Note1	0.39
	Cash flow ratio (%)	27.88	18.26	11.16	15.15	38.87	Note3	2.99
	Cash flow adequacy ratio (%)	80.26	104.13	117.45	121.71	113.49		89.85
Leverage	Cash flow reinvestment ratio (%)	4.91	2.21	2.00	3.49	6.19	Note3	0.47
	Operating leverage	3.67	4.03	-6.63	3.70	1.67	Note1	2.96
	Financial leverage	1.40	1.45	0.54	1.37	1.04	Note1	1.11

The causes resulting in changes in financial rates in the most recent two years (not necessary if the changes are less than 20%):

Note 1: This is due to the rise in product prices in 2021 and the increase in gross profit margin, leading to reduced costs and increased operating profits and after-tax income.

Note 2: This is attributable to the recovery of China's flat panel market in the second half of 2020, leading to increased receipts of banker's acceptance.

Note 3: This is due to the rise in product prices in 2021 and the increase in gross profit margin, leading to reduced costs and increased cash flow from operating activities.

Note: Calculated as follows:

1. Financial structure

(1) Ratio of liabilities to total assets = total liabilities / total assets

(2) Ratio of long-term fund to property, plant and equipment = (total shareholders' equity + non-current liabilities) / net property, plant and equipment

2. Solvency

(1) Current ratio = current assets / current liabilities

(2) Quick ratio = (current assets - inventory - prepayment) / current liabilities

(3) Times Interest Earned = earnings before income tax and interest / interest expenses in the current period

3. Operating Performance Analysis

(1) Receivables (including accounts receivable and notes receivable resulting from operation) turnover = net sales / balance (gross) of average accounts receivable (including accounts receivable and notes receivable resulting from operation)

(2) Average number of days receivable outstanding = 365 / accounts receivable turnover

(3) Inventory turnover = sale cost / average inventory (gross)

(4) Payables (including accounts payable and notes payable resulting from operation) turnover = sale cost / balance (gross) of average accounts payable (including accounts payable and notes payable resulting from operation)

(5) Average number of days of sales = 365 / inventory turnover

(6) Property, plant and equipment turnover = net sales / average net property, plant and equipment

(7) Total assets turnover rate = net sales / average total assets.

4. Profitability

(1) ROA = [(income after income tax + interest expenses) * (1 - tax rate)] / average total assets.

(2) ROE = income after income tax / average net shareholders' equity.

(3) Profit margin = income after income tax / net sales

(4) Earnings per share = (income attributable to the owners of the parent company - dividends from preferred shares) / weighed average quantity of outstanding shares.

5. Cash flow

(1) Cash flow ratio = net cash from operating activities / current liabilities

(2) Net cash flow adequacy ratio = net cash flow from operating activities in the most recent five years / (capital spending + increase in inventory + cash dividends) in the most recent five years

(3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividends) / (gross of property, plant and equipment + long-term investment + other non-current assets + operating funds)

6. Leverage

(1) Operating leverage = (net operating revenue - changed operating costs and expenses) / operating income

(2) Financial leverage = operating income / (operating income - interest expenses)

(2) Financial analysis: Parent company only

Item of analysis		Financial analysis for the most recent five years					Remarks
		2017	2018	2019	2020	2021	
Financial structure	Ratio of liabilities to total assets (%)	26.11	30.81	36.17	31.75	28.59	
	Ratio of long-term fund to property, plant and equipment (%)	366.54	339.61	314.33	334.96	434.99	Note1
Solvency	Current Ratio (%)	88.58	46.15	45.48	62.39	73.68	
	Quick Ratio (%)	43.61	16.57	15.70	32.00	37.29	
	Times Interest Earned	10.49	5.61	-4.43	9.01	43.43	Note2
Operating Performance Analysis	Receivables turnover (time)	8.88	8.71	8.30	7.23	7.44	
	Average number of days receivables outstanding	41	42	44	50	49	
	Inventory turnover (time)	3.12	2.81	2.32	2.25	2.47	
	Payables turnover (time)	12.28	13.41	10.91	11.29	16.08	Note4
	Average number of days of sales	117	130	157	162	148	
	Property, plant and equipment turnover (time)	0.86	0.83	0.76	0.75	0.86	
	Total assets turnover (time)	0.22	0.20	0.18	0.19	0.19	
Profitability	ROA (%)	3.81	1.99	-1.94	4.28	16.72	Note2
	ROE (%)	4.71	2.36	-3.43	5.88	23.46	Note2
	Ratio of net profit before tax to paid-in capital	7.47	3.82	-5.05	8.70	39.72	Note2
	Profit margin (%)	16.12	8.49	-12.38	20.99	87.26	Note2
	EPS (adjusted retroactively)(NT\$)	0.73	0.37	-0.50	0.85	3.95	Note2
Cash flows	Cash flow ratio (%)	27.16	2.20	-2.91	-2.08	18.67	Note3
	Cash flow adequacy ratio (%)	121.34	89.34	58.34	37.23	31.34	
	Cash flow reinvestment ratio (%)	2.47	-1.63	-1.78	-0.32	0.50	Note3
Leverage	Operating leverage	4.94	-5.19	-0.66	-2.27	18.30	Note2
	Financial leverage	2.56	0.50	0.77	0.61	-0.64	Note2

The causes resulting in changes in financial rates in the most recent two years (not necessary if the changes are less than 20%):

Note 1: The increase in equity is due to the increase in undistributed surplus of the current period.

Note 2: Investment income accounted for using equity method increased this year, resulting in increase in net loss after tax.

Note 3: Loss before tax increased in this year, resulting in increase in cashflow from operating activities.

Note 4: The increase in turnover rate is due to the decrease in average accounts payable of the current period.

Note: Calculated as follows:

1. Financial structure

(1) Ratio of liabilities to total assets = total liabilities / total assets

(2) Ratio of long-term fund to property, plant and equipment = (total shareholders' equity + non-current liabilities) / net property, plant and equipment.

2. Solvency

(1) Current ratio = current assets / current liabilities

(2) Quick ratio = (current assets - inventory - prepayment) / current liabilities

(3) Times Interest Earned = earnings before income tax and interest / interest expenses in the current period

3. Operating Performance Analysis

(1) Receivables (including accounts receivable and notes receivable resulting from operation) turnover = net sales / balance (gross) of average accounts receivable (including accounts receivable and notes receivable resulting from operation)

(2) Average number of days receivable outstanding = 365 / accounts receivable turnover

(3) Inventory turnover = sale cost / average inventory (gross)

(4) Payables (including accounts payable and notes payable resulting from operation) turnover = sale cost / balance (gross) of average accounts payable (including accounts payable and notes payable resulting from operation)

(5) Average number of days of sales = 365 / inventory turnover

(6) Property, plant and equipment turnover = net sales / average net property, plant and equipment

(7) Total assets turnover rate = net sales / average total assets.

4. Profitability

(1) ROA = [(income after income tax + interest expenses) * (1 - tax rate)] / average total assets.

(2) ROE = income after income tax / average net shareholders' equity.

(3) Profit margin = income after income tax / net sales

(4) Earnings per share = (income attributable to the owners of the parent company - dividends from preferred shares) / weighed average quantity of outstanding shares.

5. Cash flow

(1) Cash flow ratio = net cash from operating activities / current liabilities

(2) Net cash flow adequacy ratio = net cash flow from operating activities in the most recent five years / (capital spending + increase in inventory + cash dividends) in the most recent five years

(3) Cash reinvestment ratio = (net cash flow from operating activities - cash dividends) / (gross of property, plant and equipment + long-term investment + other non-current assets + operating funds)

6. Leverage

(1) Operating leverage = (net operating revenue - changed operating costs and expenses) / operating income

(2) Financial leverage = operating income / (operating income - interest expenses)

III. Audit Committee's Review Report

The Audit Committee hereby approves the 2021 Financial Report, which is proposed by the Board of Directors by resolution and is verified by Ernest & Young, an accounting firm appointed by the Board and by whom the Audit Report is issued.

Furthermore, the Committee receives and considers the 2021 Operating Report and Earning Distribution Plans prepared by the Board in conformity with relevant rules stipulated in the Company Act and hereby presents results as stated above in accordance with Article 219 of Company Act for your kind review.

To:

TGI General Shareholders' Meeting 2022

Convener of the Audit Committee : Lin, S C

March 7, 2022

IV. Parent company only financial statements of TGI as of and for the years ended December 31, 2021 with CPA's report

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**TAIWAN GLASS INDUSTRIAL CORPORATION
PARENT COMPANY ONLY FINANCIAL
STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020**

Address: 11th Floor, No. 261, Sec. 3, Nanjing E. Rd., Taipei, Taiwan, R.O.C.
Telephone: 886-2-2713-0333

The reader is advised that these parent company only financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

Independent Auditors' Report Translated from Chinese

To Taiwan Glass Industrial Corporation

Opinion

We have audited the accompanying balance sheets of Taiwan Glass Industrial Corporation (the "Company") as of December 31, 2021 and 2020, and the related statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020, and notes to the financial statements, including the summary of significant accounting policies (collectively "the financial statements").

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2021 and 2020, and their financial performance and cash flows for the years ended December 31, 2021 and 2020, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits, 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 2021 financial statements. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Inventories

As of December 31, 2021, the Company's net inventories amounted to NT\$ 3,290,630 thousand, which is relatively material for the financial statements. The Company is engaged in the manufacturing, processing and sale of various glasses which have a wide range of applications in various sectors such as construction, electronics and consumer products industries. Considering the fact that identification of slow-moving inventories and the assessment of the amount of inventory write-downs require significant management judgement based on market demands, we determined this a key audit matter.

Our audit procedures included, but not limited to, assessing the appropriateness of the accounting policies of evaluating slow-moving and obsolete inventories; understanding and testing the internal controls established by management with respect to the valuation of inventories, including the calculation of net realizable value; sample testing the accuracy of net realizable value used by management; vouching samples to verify accuracy of inventory aging.

We also assessed the adequacy of disclosures of inventories. Please refer to Notes 4, 5 and 6 to the Company's financial statements.

Revenue Recognition

Operating revenues recognized by the Company amounted to NT\$13,152,625 thousand for the year ended December 31, 2021. Reflecting different market demands, trade terms of different contracts varied, along with the fact that some of the sales orders included delivery services, management needed to review the sales orders or contracts to determine the performance obligations and the time of their satisfaction, there is a significant risk in revenue recognition. Therefore, we considered this a key audit matter.

Our audit procedures included, but not limited to, assessing the appropriateness of the accounting policy of revenue recognition; evaluating and testing the operating effectiveness of internal controls with respect to revenue recognition; selecting samples to perform tests of details and reviewing related transaction certificates and the significant terms and conditions of contracts to verify the accuracy of the timing of performance obligation satisfaction; confirming significant account receivable balance by sending confirmation letters; selecting samples of transactions from either side of balance sheet date, vouching samples against related certificates and reviewing significant subsequent sales return or discounts transactions to ensure revenue was recognized at appropriate timing.

We also assessed the adequacy of disclosures of operating revenues. Please refer to Notes 4 and 6 to the Company's financial statements.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the accompanying notes, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the 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 a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2021 financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Hsiao, Tsui-Hui

Fuh, Wen-Fang

Ernst & Young, Taiwan

March 7, 2022

Notice to Readers

The accompanying parent company only financial statements are intended only to present the financial position, results of operations 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 parent company only financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Financial Statements Originally Issued in Chinese
TAIWAN GLASS INDUSTRIAL CORPORATION
PARENT COMPANY ONLY BALANCE SHEETS
31, December 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

ASSETS	As of December 31,				LIABILITIES AND EQUITY			
	2021		2020		2021		2020	
	%	%	%	%	%	%	%	
Current assets								
Cash and cash equivalents	4, (41)	\$1,730,072	3	\$1,281,852	2	\$900,000	1	\$2,000,000
Notes receivable, net	4, (2), (6)(18)	202,878	-	152,245	-	3,090,314	4	3,194,683
Accounts receivable, net	4, (3), (6)(18), 7, 12(11)	1,584,601	2	1,593,029	2	401,338	1	273,557
Other receivables, net	4, (4), (6)(18), 7	268,743	-	697,282	1	636,947	1	667,038
Current tax assets	4	161	-	303	-	1,199,860	2	751,537
Inventories, net	4, (5)	3,290,630	4	3,158,632	5	33,351	-	-
Prepayments	7	417,072	1	386,151	1	48,613	-	41,499
Non-current assets or disposal groups classified as held for sale, net	4, (7)	11,862	-	-	-	3,833,485	5	4,715,152
Other current financial assets	8	1,295	-	6,617	-	45,292	-	18,657
Total current assets		7,507,314	10	7,276,111	11	10,189,200	14	11,662,123
Non-current assets								
Non-current financial assets at fair value through other comprehensive income	4, (6)	431,830	1	252,125	-	11,040,455	15	8,223,939
Investments accounted for using the equity method	4, (8)	51,921,578	69	40,517,271	63	352,995	-	288,825
Property, plant and equipment	4, (9), 8	15,056,945	20	15,681,046	25	57,906	-	76,431
Right-of-use assets	4, (10), (6)(20), 7	109,604	-	120,729	-	-	-	127,110
Deferred tax assets	4, (24)	219,611	-	262,174	1	1,380	-	989
Net defined benefit non-current assets	4, (15)	318,528	-	-	-	11,452,736	15	8,717,294
Other non-current assets	4, (11), (6)(18)	120,638	-	77,525	-	21,641,936	29	20,379,417
Total non-current assets		68,178,734	90	56,910,870	89	29,080,608	38	29,080,608
Total non-current assets		68,178,734	90	56,910,870	89	1,925,218	3	1,925,218
Additional paid-in capital								
Retained earnings								
Legal reserve								
Special reserve								
Unappropriated retained earnings								
Total retained earnings								
Other components of equity								
Exchange differences on translation of foreign operations	4							
Unrealized gains and losses on financial assets at fair value through other comprehensive income								
Total other components of equity								
Total equity								
Total liabilities and equity		\$75,686,048	100	\$64,186,981	100	\$75,686,048	100	\$64,186,981

The accompanying notes are an integral part of the parent company only financial statements.

English Translation of Financial Statements Originally Issued in Chinese

TAIWAN GLASS INDUSTRIAL CORPORATION

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2021 and 2020

(Expressed in Thousands of New Taiwan Dollars Except Earnings Per Share Information)

	Note	For the years ended December 31,			
		2021		2020	
		Amount	%	Amount	%
Operating revenues	4, 6(17), 7	\$13,152,625	100	\$11,758,874	100
Operating costs	6(5), 6(11), 6(15), 6(20), 6(21), 7	(10,481,615)	(80)	(10,314,282)	(88)
Gross profit		2,671,010	20	1,444,592	12
Unrealized intercompany profit		(12,780)	-	(1,264)	-
Realized intercompany profit		1,264	-	(11,382)	-
Net gross profit		2,659,494	20	1,431,946	12
Operating expenses	6(15), 6(18), 6(20), 6(21), 7				
Selling and marketing expenses		(2,005,704)	(15)	(1,602,516)	(14)
General and administrative expenses		(495,815)	(4)	(281,945)	(2)
Research and development expenses		(53,072)	-	(51,871)	-
Expected credit losses and gains		(340)	-	(505)	-
Subtotal		(2,554,931)	(19)	(1,936,837)	(16)
Net amount of other revenues and gains and expenses and losses	6(19)	1,760	-	10,300	-
Operating income (loss)		106,323	1	(494,591)	(4)
Non-operating income and expenses					
Interest income	6(22)	2,183	-	1,849	-
Other income	6(22), 7	192,579	1	187,914	2
Other gains and losses	6(22), 7	(129,811)	(1)	(108,071)	(1)
Finance costs	4, 6(22), 7	(272,263)	(2)	(315,647)	(3)
Share of income of subsidiaries, associates and joint ventures for under equity method	4	11,652,287	89	3,257,381	28
Subtotal		11,444,975	87	3,023,426	26
Income from continuing operations before income tax		11,551,298	88	2,528,835	22
Income tax (expense) benefit	4, 6(24)	(74,620)	(1)	(60,314)	(1)
Net income from continuing operations		11,476,678	87	2,468,521	21
Other comprehensive income	4, 6(23), 6(24)				
Other comprehensive income that will not be reclassified subsequently:					
Remeasurement of defined benefit obligation		349,216	3	312,809	3
Unrealized losses on equity instruments investments at fair value through other comprehensive income		179,705	2	(5,542)	-
Share of other comprehensive loss of subsidiaries, associates and joint ventures for under equity method		4,924	-	(755)	-
Income tax related to components of other comprehensive income that will not be reclassified subsequently		(69,843)	(1)	(62,562)	(1)
Other comprehensive income that will be reclassified subsequently:					
Share of other comprehensive loss of subsidiaries, associates and joint ventures for under equity method		(250,101)	(2)	931,012	8
Income tax related to components of other comprehensive income that will be reclassified subsequently		-	-	-	-
Total other comprehensive income, net of tax		213,901	2	1,174,962	10
Total comprehensive income		\$11,690,579	89	\$3,643,483	31
Earnings per share (NT\$)	6(25)				
Earnings per share-basic		\$3.95		\$0.85	
Diluted earnings per share		\$3.94		\$0.85	

The accompanying notes are an integral part of the parent company only financial statements.

English Translation of Financial Statements Originally Issued in Chinese

TAIWAN GLASS INDUSTRIAL CORPORATION

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	Capital	Additional Paid-in Capital	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gains and Losses on Financial Assets at Fair Value through Other Comprehensive Income	Total Equity
Balance as of January 1, 2020	\$29,080,608	\$1,925,218	\$5,935,764	\$5,102,550	\$2,496,601	\$(4,256,371)	\$(120,289)	\$40,164,081
Net income in 2020					2,468,521			2,468,521
Other comprehensive income, net of tax in 2020					249,492	931,012	(5,542)	1,174,962
Total comprehensive income					2,718,013	931,012	(5,542)	3,643,483
Balance as of December 31, 2020	\$29,080,608	\$1,925,218	\$5,935,764	\$5,102,550	\$5,214,614	\$(3,325,359)	\$(125,831)	\$43,807,564
Balance as of January 1, 2021	\$29,080,608	\$1,925,218	\$5,935,764	\$5,102,550	\$5,214,614	\$(3,325,359)	\$(125,831)	\$43,807,564
Appropriations and distributions of 2020 earnings:								
Legal reserve			271,801		(271,801)			-
Cash dividends					(1,454,031)			(1,454,031)
Net income in 2021					11,476,678			11,476,678
Other comprehensive income, net of tax in 2021					284,297	(250,101)	179,705	213,901
Total comprehensive income					11,760,975	(250,101)	179,705	11,690,579
Balance as of December 31, 2021	\$29,080,608	\$1,925,218	\$6,207,565	\$5,102,550	\$15,249,757	\$(3,575,460)	\$53,874	\$54,044,112

The accompanying notes are an integral part of the parent company only financial statements.

English Translation of Financial Statements Originally Issued in Chinese
 TAIWAN GLASS INDUSTRIAL CORPORATION
 PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
 For the years ended December 31, 2021 and 2020
 (Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2021	2020
Cash flows from operating activities:		
Income before income tax	\$11,551,298	\$2,528,835
Adjustments:		
Depreciation (including investment property)	1,278,406	1,275,464
Amortization	2,496	4,187
Expected credit losses and gains	340	505
Interest expense	272,263	315,647
Interest income	(2,183)	(1,849)
Dividend income	(12,908)	(13,998)
Share of (income) of subsidiaries, associates and joint ventures	(11,652,287)	(3,257,381)
Gains on disposal of property, plant and equipment	(1,747)	(10,283)
Gains on disposal of investment	(13)	(17)
Unrealized intercompany loss	12,780	1,264
Realized intercompany (profit) loss	(1,264)	11,382
Changes in assets and liabilities:		
Notes receivable	(50,633)	(14,136)
Accounts receivable	7,626	(223,278)
Other receivables	428,539	(547,127)
Inventories	(131,998)	474,466
Prepayments	(30,921)	99,430
Other current assets	5,322	(1,753)
Contract liabilities	127,781	(141,790)
Accounts payable	(30,091)	(492,334)
Other payable	464,537	73,392
Advanced receipts	276	(547)
Other current liabilities	26,359	621
Net defined benefit liability	(96,422)	(19,153)
Cash inflow generated from operations	<u>2,167,556</u>	<u>61,547</u>
Interests received	2,183	1,849
Dividends received	12,908	13,998
Interests paid	(275,966)	(317,436)
Income tax paid	(4,237)	(2,160)
Net cash flows provided by (used in) operating activities	<u>1,902,444</u>	<u>(242,202)</u>
Cash flows from investing activities:		
Proceeds from capital reduction of investments accounted for using equity method	-	3,884,769
Acquisition of property, plant and equipment, excluding capitalized borrowing costs	(682,727)	(1,496,814)
Capitalized borrowing costs from self-constructed assets	(13,017)	(11,248)
Proceeds from disposal of property, plant and equipment	5,749	8,811
Increase in refundable deposits	2,389	1,028
Acquisition of intangible assets	(880)	(2,644)
Increase in other non-current assets	-	(462)
Decrease in other non-current assets	462	-
Net cash flows (used in) provided by investing activities	<u>(688,024)</u>	<u>2,383,440</u>
Cash flows from financing activities:		
Increase in short-term loans	8,297,000	5,045,000
Decrease in short-term loans	(9,397,000)	(5,045,000)
Increase in short-term bills payable	16,700,000	13,100,000
Decrease in short-term bills payable	(16,800,000)	(13,650,000)
Proceeds from long-term loans	4,260,000	3,170,000
Repayments of long-term loans	(2,325,151)	(2,364,242)
Increase in deposits-in	391	230
Decrease in other payables to related parties	-	(1,580,000)
Payments of lease liabilities	(47,291)	(42,477)
Cash dividends paid	(1,454,149)	(87)
Net cash flows (used in) financing activities	<u>(766,200)</u>	<u>(1,366,576)</u>
Net decrease in cash and cash equivalents	448,220	774,662
Cash and cash equivalents at the beginning of the year	<u>1,281,852</u>	<u>507,190</u>
Cash and cash equivalents at the end of the year	<u>\$1,730,072</u>	<u>\$1,281,852</u>

The accompanying notes are an integral part of the parent company only financial statements.

English Translation of Financial Statements Originally Issued in Chinese
 TAIWAN GLASS INDUSTRIAL CORPORATION
 NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
 For the Years Ended December 31, 2021 and 2020
 (Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. History and organization

Taiwan Glass Industrial Corporation (“the Company”) was incorporated on 5 September 1964 and commenced operations in 1967. The main activities of the Company are manufacturing, processing and selling of various glass products. The Company’s common shares were publicly listed on the Taiwan Stock Exchange (TWSE) in July 1973. The Company’s registered office and the main business location is at 11F, No. 261, Section 3, Nanjing E. Rd., Taipei, Republic of China (R.O.C.).

2. Date and procedures of authorization of financial statements for issue

The parent company only financial statements of the Company for the years ended December 31, 2021 and 2020 were authorized for issue by the Board of Directors on March 7, 2022.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2021. Apart from the nature and impact of the new standard and amendment is described below, the remaining new standards and amendments had no material impact on the Company.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which are endorsed by FSC, but not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Narrow-scope amendments of IFRS, including Amendments to IFRS 3, Amendments to IAS 16, Amendments to IAS 37 and the Annual Improvements	January 1, 2022

- (a) Narrow-scope amendments of IFRS, including Amendments to IFRS 3, Amendments to IAS 16, Amendments to IAS 37 and the Annual Improvements

A. Updating a Reference to the Conceptual Framework (Amendments to IFRS 3)

The amendments updated IFRS 3 by replacing a reference to an old version of the Conceptual Framework for Financial Reporting with a reference to the latest version, which was issued in March 2018. The amendments also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential “day 2” gains or losses arising from liabilities and contingent liabilities. In addition, the amendments clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Conceptual Framework.

B. Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

C. Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments clarify what costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.

D. Annual Improvements to IFRS Standards 2018 - 2020

Amendment to IFRS 1

The amendment simplifies the application of IFRS 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.

Amendment to IFRS 9 Financial Instruments

The amendment clarifies the fees a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

Amendment to Illustrative Examples Accompanying IFRS 16 Leases

The amendment to Illustrative Example 13 accompanying IFRS 16 modifies the treatment of lease incentives relating to lessee’s leasehold improvements.

Amendment to IAS 41

The amendment removes a requirement to exclude cash flows from taxation when measuring fair value thereby aligning the fair value measurement requirements in IAS 41 with those in other IFRS Standards.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2022. The remaining standards and interpretations have no material impact on the Group.

- (3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 “Insurance Contracts”	January 1, 2023
c	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	January 1, 2023
d	Disclosure Initiative - Accounting Policies – Amendments to IAS 1	January 1, 2023
e	Definition of Accounting Estimates – Amendments to IAS 8	January 1, 2023
f	Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	January 1, 2023

- (a) IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

- (b) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of January 1, 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after January 1, 2023.

(c) Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

(d) Disclosure Initiative - Accounting Policies – Amendments to IAS 1

The amendments improve accounting policy disclosures that to provide more useful information to investors and other primary users of the financial statements.

(e) Definition of Accounting Estimates – Amendments to IAS 8

The amendments introduce the definition of accounting estimates and included other amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to help companies distinguish changes in accounting estimates from changes in accounting policies.

(f) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Company is still currently determining the potential impact of the standards and interpretations listed under a, c, d, e, and f, it is not practicable to estimate their impact on the Company at this point in time. The remaining new or amended standards and interpretations have no material impact on the Company.

4. Summary of significant accounting policies

(1) Statement of compliance

The parent company only financial statements of the Company for the years ended December 31, 2021 and 2020 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”).

(2) Basis of preparation

The Company prepared parent company only financial statements in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the parent company only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the parent company only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. Therefore, the Company accounted for its investments in subsidiaries using equity method and, accordingly, made necessary adjustments.

The parent company only financial statements have been prepared on a historical cost basis, except for financial instruments measured at fair value.

The only financial statements are expressed in thousands of New Taiwan Dollars (“NT\$”) unless otherwise stated.

(3) Foreign currency transactions

The Company’s parent company only financial statements are presented in NT dollars, which is also the Company’s functional currency.

Transactions in foreign currencies are initially recorded by the Company at its respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

- A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- B. Foreign currency items within the scope of IFRS 9 *Financial Instruments* are accounted for based on the accounting policy for financial instruments.
- C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(4) Translation of financial statements in foreign currency

Each foreign operations of the Company determines its own functional currency and items included in the financial statements of each foreign operations are measured using that functional currency. The assets and liabilities of foreign operations are translated into NT\$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following are accounted for as disposals even if an interest in the foreign operation is retained by the Company: the loss of control over a foreign operation, the loss of significant influence over a foreign operation, or the loss of joint control over a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or jointly controlled entity that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(5) Current and non-current distinction

An asset is classified as current when:

- A. The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- B. The Company holds the asset primarily for the purpose of trading;
- C. The Company expects to realize the asset within twelve months after the reporting period, or
- D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- A. The Company expects to settle the liability in its normal operating cycle; or
- B. The Company holds the liability primarily for the purpose of trading; or
- C. The liability is due to be settled within twelve months after the reporting period; or
- D. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(6) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value (include fixed-term deposits that have maturities of 3 months from the date of acquisition).

(7) Financial instruments

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

Financial assets and financial liabilities within the scope of IFRS 9 *Financial Instruments* are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial instruments: Recognition and Measurement

The Company accounts for regular way purchase or sales of financial assets on the trade date.

The Company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

- a. the Company's business model for managing the financial assets and
- b. the contractual cash flow characteristics of the financial asset.

Financial asset measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, accounts receivables, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

- a. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- b. 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.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- a. purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
- b. financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- a. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- b. 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.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

- a. A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
- b. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- c. Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
 - (a) Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
 - (b) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Company made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represents a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

B. Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Company measures expected credit losses of a financial instrument in a way that reflects:

- a. an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- b. the time value of money; and
- c. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measured as follows:

- a. At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
- b. At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- c. For accounts receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.
- d. For lease receivables arising from transactions within the scope of IFRS 16, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Company needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

A financial asset is derecognized when:

- a. The rights to receive cash flows from the asset have expired
- b. The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred
- c. The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

D. Financial liabilities and equity

Classification between liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Financial liabilities

Financial liabilities within the scope of IFRS 9 *Financial Instruments* are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(8) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- A. In the principal market for the asset or liability, or
- B. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(9) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and conditions are accounted for as follows:

Raw materials – Purchase cost on a weighted average cost basis.

Finished goods and work in progress – Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(10) Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction that is highly probable within one year from the date of classification and the asset or disposal group is available for immediate sale in its present condition. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

In the consolidated statement of comprehensive income of the reporting period, and of the comparable period of the previous year, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in the statement of comprehensive income.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

(11) Investments accounted for using the equity method

The Company accounted for its investments in subsidiaries using equity method and made necessary adjustments in accordance with Article 21 of the Regulations. Such adjustments were made after the Company considered the different accounting treatments to account for its investments in subsidiaries in the consolidated financial statements under IFRS 10 “Consolidated and Separate Financial Statements” and the different IFRSs adopted from different reporting entity’s perspectives, and the Company recorded such adjustments by crediting or debiting to investments accounted for under the equity method, share of profit or loss of subsidiaries, associates and joint ventures and share of other comprehensive income of subsidiaries, associates and joint ventures.

The Company’s investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Company’s share of net assets of the associate or a joint venture. After the interest in the associate or a joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate or a joint venture. Unrealized gains and losses resulting from transactions between the Company and the associate or a joint venture are eliminated to the extent of the Company’s related interest in the associate.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affect the Company’s percentage of ownership interests in the associate or joint venture, the Company recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture in proportion.

When the Company subscribes for additional associate or a joint venture’s new shares at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company’s proportionate interest in the associate or a joint venture. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to paid-in capital and the investment under equity method. When the investment percentage decreases, reclassify the account which recognized to comprehensive income before to the gain or loss and suitable account in proportion.

The financial statements of the associate or a joint venture are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 *Investments in Associates and Joint Ventures*. If there is any objective evidence, the Company calculates the amount of impairment as the difference between the recoverable amount of the associate or a joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in the scope of IAS 36 *Impairment of Assets*. If the recoverable amount is under the investment value in use, the Company uses the following measurements to determine the relevant value:

- A. The Company's right on the estimated future cash flow from its associate or a joint venture includes associate or a joint venture's cash flow from operation and the capital gain on the final settlement, or
- B. The Company's expected present value of the dividend from the investment and the capital gain on the final settlement.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 *Impairment of Assets*.

Upon loss of significant influence over the associate or joint venture, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, 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 entity continues to apply the equity method and does not remeasure the retained interest.

(12) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 *Property, plant and equipment*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line method basis over the estimated economic lives of the following assets:

Buildings	5~55 years
Machinery and equipment	1~20 years
Transportation equipment	5~10 years
Leasehold improvements	5 years
Office equipment	3~20 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(13) Leases

The Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

- A. the right to obtain substantially all of the economic benefits from use of the identified asset;
and
- B. the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximising the use of observable information.

Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- B. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- C. amounts expected to be payable by the lessee under residual value guarantees;
- D. the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
- E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- A. the amount of the initial measurement of the lease liability;
- B. any lease payments made at or before the commencement date, less any lease incentives received;
- C. any initial direct costs incurred by the lessee; and
- D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(14) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

Intangible assets are all finite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible asset are recognized in profit or loss.

Accounting policies of the Company's intangible assets are summarized as follows:

	<u>Computer software</u>
Useful lives	Finite
Amortization method used	Amortized on a straight- line basis over the estimated useful life
Internally generated or acquired	Acquired

(15) Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(16) Revenue recognition

The Company's revenue arising from contracts with customers are primarily related to sale of goods and rendering of services. The accounting policies are explained as follows:

Sale of goods

The Company manufactures and sells machinery. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Company is glass (flat glass, glass fiber, and glass container) and revenue is recognized based on the consideration stated in the contract. For certain sales of goods transactions, they are usually accompanied by volume discounts (based on the accumulated total sales amount for a specified period). Therefore, revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. to the Company estimates the discounts using the expected value method based on historical experiences. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and when the uncertainty associated with the variable consideration is subsequently resolved. During the period specified in the contract, refund liability is recognized for the expected volume discounts.

The credit period of the Company's sale of goods is generally from 30 to 180 days. For most of the contracts, when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as accounts receivables. The Company usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For other services contracts, part of the consideration was received from customers upon signing the contract, and the Company has the obligation to provide the services subsequently; accordingly, these amounts are recognized as advance receipts or temporary receipts.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component arose.

(17) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(18) Post-employment benefits

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company. Therefore, fund assets are not included in the Company's parent company only financial statements.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

- A. the date of the plan amendment or curtailment, and
- B. the date that the Company recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(19) Income taxes

Income tax expense (benefit) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax on undistributed retained earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Stockholders' meeting.

Deferred income tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- A. where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss,
- B. in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- A. where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss,
- B. in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

5. Significant accounting judgments, estimates and assumptions

The preparation of the Company's parent company only financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

A. Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flow model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

B. Inventories

The Company estimates the net realizable value of inventory for damage, obsolescence and price decline. The net realizable value of the inventory is mainly determined based on reliable evidence of expected cash flow. Please refer to Note 6.

C. Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different cash generating units, including a sensitivity analysis, are further explained in Note 6.

D. Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and expected rate of salary increases.

E. Revenue recognition – sales returns and allowance

The Company estimates sales returns and allowance based on historical experience and other known factors at the time of sale, which reduces the operating revenue. In assessing the aforementioned sales returns and allowance, revenue is recognized to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur. Please refer to Note 6 for more details.

F. Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies. Please refer to Note 6 for more details on unrecognized deferred tax assets.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of December 31,	
	2021	2020
Cash on hand	\$313	\$233
Checking and savings accounts	1,729,759	1,281,619
Total	<u>\$1,730,072</u>	<u>\$1,281,852</u>

(2) Notes receivables, net

	As of December 31,	
	2021	2020
Notes receivable arising from operating activities	\$202,878	\$152,245
Less: loss allowance	-	-
Total	<u>\$202,878</u>	<u>\$152,245</u>

Notes receivables were not pledged.

The Company assesses impairments according to IFRS 9 to assess the impairment. Please refer to Note 6. (18) for more details on loss allowance and Note 12 for details on credit risk.

(3) Accounts receivables and accounts receivable – related parties

	As of December 31,	
	2021	2020
Accounts receivables	\$1,411,913	\$1,350,103
Less: loss allowance	(443)	(103)
Subtotal	<u>1,411,470</u>	<u>1,350,000</u>
Accounts receivable from related parties	173,131	243,029
Less: loss allowance	-	-
Subtotal	<u>173,131</u>	<u>243,029</u>
Total	<u>\$1,584,601</u>	<u>\$1,593,029</u>

Accounts receivable were not pledged.

Please refer to Note 12. (11) for disclosure on information of accounts receivables transfer.

Trade receivables are generally on 30-180 days terms. The total carrying amount as of December 31, 2021 and 2020 were NT\$1,585,044 thousand and NT\$1,593,132 thousand, respectively. Please refer to Note 6. (18) for more details on loss allowance of trade receivables for the years ended December 31, 2021 and 2020. Please refer to Note 12 for more details on credit risk management.

(4) Other receivables, net

	As of December 31,	
	2021	2020
Other receivables	\$268,743	\$697,282
Less: loss allowance	-	-
Total	<u>\$268,743</u>	<u>\$697,282</u>

Please refer to Note 6. (18) for more details on loss allowance of trade receivables for the years ended December 31, 2021 and 2020. Please refer to Note 12 for more details on credit risk management.

(5) Inventories, net

	As of December 31,	
	2021	2020
Raw materials	\$765,790	\$656,549
Supplies	43,745	35,650
Work in progress	248,677	221,243
Finished goods	2,232,418	2,245,190
Total	<u>\$3,290,630</u>	<u>\$3,158,632</u>

The cost of inventories recognized in expenses amounts to NT\$10,481,615 thousand and NT\$10,314,282 thousand for the years ended December 31, 2021 and 2020, respectively, including:

	For the years ended December 31,	
	2021	2020
(Gain) for market price decline of inventories	\$(82,872)	\$(250,542)
Loss on work stoppage	49,643	50,391
Revenue from sale of scraps	(92,660)	(69,708)
Others	3,913	8,428
(Less) additions to operating costs	<u>\$(121,976)</u>	<u>\$(261,431)</u>

No inventories were pledged.

As of December 31, 2021, the Company booked gain from inventory price recovery as a result of the price of the product rebounded; As of December 31, 2020, the Company booked gain from inventory price recovery as a result of reduced cost from price drop of raw materials purchased.

(6) Financial assets at fair value through other comprehensive income

	As of December 31,	
	2021	2020
Debt instrument investments measured at fair value through other comprehensive income – non-current:		
Listed companies stocks	\$379,433	\$201,645
Unlisted companies stocks	52,397	50,480
Total	<u>\$431,830</u>	<u>\$252,125</u>

Financial assets at fair value through other comprehensive income were not pledged.

(7) Non-current assets or disposal groups classified as held for sale, net

A. On October 29, 2021, the Group entered into a contract with Song Chuan Trading Co., Ltd. to sell land in Toufen, Miaoli for a total transaction amount of \$108,000 thousand. If the construction line and entrance/exit right-of-way cannot be obtained due to legal or statutory reasons, the contract will be unconditionally terminated by both parties. The related assets have been reclassified from investment property to non-current assets held for sale (or disposal group), net, in the amount of \$11,862 thousand as of December 31, 2021, which was measured at the lower of carrying amount or fair value less costs to sell.

(8) Investments accounted for using the equity method

Investees	As of December 31,			
	2021	Percentage of Ownership	2020	Percentage of Ownership
	Carrying amount		Carrying amount	
Taiwan Glass USA Sales Corp.	\$344,203	100.00%	\$378,107	100.00%
Taiwan Glass China Holding Ltd.	51,450,480	93.98%	39,998,491	93.98%
Taiwan Autoglass Ind. Corp.	117,010	87.00%	137,056	87.00%
TG Teco Vacuum Insulated Glass Corp.	9,885	65.00%	3,617	65.00%
Total	<u>\$51,921,578</u>		<u>\$40,517,271</u>	

The Company accounted for its investments in subsidiaries using equity method and made necessary adjustments on the parent company only financial statements.

No investment accounted for using the equity method was pledged.

(9) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Transportation equipment	Leasehold improvements	Other equipment	Construction in progress and equipment awaiting examination	Total
Cost:								
As of January 1, 2020	\$3,796,048	\$8,447,813	\$23,214,668	\$272,155	\$-	\$382,264	\$1,197,698	\$37,310,646
Additions	-	23,091	79,772	-	-	1,679	561,406	665,948
Disposals	-	(2,542)	(72,758)	(3,752)	-	(2,790)	-	(81,842)
Transfers	-	116,774	1,491,006	2,651	-	1,195	(1,611,626)	-
Other changes	-	-	3,989	2,793	-	-	625,559	632,341
As of December 31, 2020	3,796,048	8,585,136	24,716,677	273,847	-	382,348	773,037	38,527,093
Additions	-	22,049	44,920	2,910	-	2,067	258,959	330,905
Disposals	-	-	(216,824)	(12,844)	-	(1,327)	-	(230,995)
Transfers	-	37,627	177,797	3,822	22,079	-	(241,325)	-
Other changes	-	-	-	-	-	-	289,087	289,087
As of December 31, 2021	\$3,796,048	\$8,644,812	\$24,722,570	\$267,735	\$22,079	\$383,088	\$1,079,758	\$38,916,090
Depreciation and impairment:								
As of January 1, 2020	\$-	\$5,895,354	\$15,295,092	\$229,579	\$-	\$270,984	\$-	\$21,691,009
Depreciation	-	229,161	966,963	11,876	-	24,726	-	1,232,726
Disposals	-	(2,542)	(68,540)	(3,752)	-	(2,790)	-	(77,624)
Transfers	-	-	-	-	-	-	-	-
Other changes	-	(64)	-	-	-	-	-	(64)
As of December 31, 2020	-	6,121,909	16,193,515	237,703	-	292,920	-	22,846,047
Depreciation	-	234,579	964,807	12,245	1,493	18,255	-	1,231,379
Disposals	-	-	(204,110)	(12,844)	-	(1,327)	-	(218,281)
Transfers	-	(2,215)	-	-	2,215	-	-	-
Other changes	-	-	-	-	-	-	-	-
As of December 31, 2021	\$-	\$6,354,273	\$16,954,212	\$237,104	\$3,708	\$309,848	\$-	\$23,859,145
Net carrying amount as of:								
December 31, 2021	\$3,796,048	\$2,290,539	\$7,768,358	\$30,631	\$18,371	\$73,240	\$1,079,758	\$15,056,945
December 31, 2020	\$3,796,048	\$2,463,227	\$8,523,162	\$36,144	\$-	\$89,428	\$773,037	\$15,681,046

Capitalized borrowing costs of property, plant and equipment are as follows:

Item	For the years ended December 31,	
	2021	2020
Construction in progress	\$13,017	\$11,248
Capitalization rate of borrowing costs	1.292%~1.575%	1.424%~1.716%

Components of machinery and equipment that have different useful lives are furnace and platinum, which are depreciated over 12 years and 20 years, respectively.

No property, plant and equipment was pledged.

(10) Right-of-use assets

	Land	Buildings	Machinery and equipment	Other equipment	Total
Cost:					
As of January 1, 2020	\$122,688	\$15,899	\$15,251	\$36,038	\$189,876
Additions	-	48,832	15,245	6,698	70,775
Disposals	-	-	(30,496)	(4,684)	(35,180)
Transfers	-	-	-	-	-
Other changes	-	-	-	-	-
As of December 31, 2020	122,688	64,731	-	38,052	225,471
Additions	-	24,212	-	12,716	36,928
Disposals	-	(15,899)	-	(9,066)	(24,965)
Transfers	-	-	-	-	-
Other changes	-	-	-	-	-
As of December 31, 2021	\$122,688	\$73,044	\$-	\$41,702	\$237,434
Depreciation and impairment:					
As of January 1, 2020	\$48,524	\$10,401	\$13,980	\$11,588	\$84,493
Additions	24,538	5,766	3,812	8,609	42,725
Disposals	-	-	(17,792)	(4,684)	(22,476)
Transfers	-	-	-	-	-
Other changes	-	-	-	-	-
As of December 31, 2020	73,062	16,167	-	15,513	104,742
Additions	24,537	14,440	-	8,041	47,018
Disposals	-	(14,864)	-	(9,066)	(23,930)
Transfers	-	-	-	-	-
Other changes	-	-	-	-	-
As of December 31, 2021	\$97,599	\$15,743	\$-	\$14,488	\$127,830
Net carrying amount as at:					
December 31, 2021	\$25,089	\$57,301	\$-	\$27,214	\$109,604
December 31, 2020	\$49,626	\$48,564	\$-	\$22,539	\$120,729

(11) Other non-current assets

	As of December 31,	
	2021	2020
Investment property	\$5,978	\$17,849
Advance payments in equipment	108,716	49,727
Intangible assets	2,168	3,784
Overdue receivables	772,210	772,672
Less: loss allowance	(772,210)	(772,672)
Overdue receivables, net	-	-
Refundable deposits	3,776	6,165
Net	\$120,638	\$77,525

No investment property was pledged.

The Company entered into a contract to sell its investment properties, as of October 29, 2021, please refer to Note 6(7) for more details.

Investment properties held by the Company are not measured at fair value but for which the fair value is disclosed. The fair value measurements of the investment properties are categorized within Level 3. The fair value of investment properties is NT\$106,230 thousand and NT\$168,939 thousand, as of December 31, 2021 and 2020, respectively. The fair value has been determined based on valuations performed by an independent appraiser. The valuation method used is direct capitalized method and market approach, and the inputs used are as follows:

Direct capitalization method:

	As of December 31,	
	2021	2020
Income capitalization rate	1.22%~2.79%	2.53%~5.70%

Amortization expense of intangible assets under the statement of comprehensive income:

	For the years ended December 31,	
	2021	2020
Operating costs	\$-	\$285
General and administrative expense	2,496	3,902
Total	\$2,496	\$4,187

(12) Short-term loans

Details of short-term loans as of December 31, 2021 and 2020 are as follows:

	As of December 31,	
	2021	2020
Unsecured bank loans	\$900,000	\$2,000,000
Unsecured interest rates	0.78%~1.29%	0.78%~1.29%

The Company's unused short-term lines of credits amounted to NT\$1,800,000 thousand and NT\$710,000 thousand as of December 31, 2021 and 2020, respectively.

(13) Short-term bills payable

	As of	
	December 31, 2021	December 31, 2020
Short-term bills payable	\$3,100,000	\$3,200,000
Less: unamortized discount	(9,686)	(5,317)
Net	\$3,090,314	\$3,194,683
Interest rates	1.350%~1.488%	1.400%~1.668%

(14) Long-term loans

Details of long-term loans as of December 31, 2021 and 2020 are as follows:

Lenders	Terms	Type of loans	Interest Rate	As of December 31,		Redemption
				2021	2020	
Chang-Hwa Bank	2018.12.21- 2021.12.21	credit of loans	Floating interest rate	\$-	\$250,000	Repayable semiannually every 6 months from June 21, 2020.
Chang-Hwa Bank	2021.09.30- 2024.09.30	"	"	500,000	-	Repayable semiannually every 6 months from March 30, 2023.
Hua-Nan Bank	2015.12.23- 2022.12.29	"	"	600,000	1,200,000	Repayable semiannually every 6 months from June 23, 2018.
Hua-Nan Bank	2020.06.23- 2025.06.23	"	"	1,050,000	1,350,000	Repayable semiannually every 6 months from December 23, 2020.
Hua-Nan Bank	2019.05.27- 2021.05.27	"	"	-	1,000,000	Principal repaid at maturity

Lenders	Terms	Type of loans	Interest Rate	As of December 31,		Redemption
				2021	2020	
Hua-Nan Bank	2021.05.27- 2023.05.27	"	"	\$1,000,000	\$-	Principal repaid at maturity
Hua-Nan Bank	2021.12.27- 2023.12.27	"	"	1,000,000	-	Principal repaid at maturity
King's Town Bank	2020.06.29- 2027.12.28	"	"	1,560,000	1,820,000	Repayable semiannually every 6 months from December 29, 2020.
O-Bank	2019.11.15- 2022.11.15	"	"	1,000,000	1,000,000	Principal repaid at maturity
Union Bank of Taiwan	2020.09.07- 2022.03.07	"	"	600,000	600,000	Principal repaid at maturity
Far Eastern International Bank	2019.12.06- 2021.12.06	"	"	-	500,000	Principal repaid at maturity
Far Eastern International Bank	2021.12.06- 2023.12.06	"	"	800,000	-	Principal repaid at maturity
Bank of Kaohsiung	2019.12.13- 2021.12.13	"	"	-	300,000	Principal repaid at maturity
Bank of Kaohsiung	2021.12.22- 2023.12.22	"	"	300,000	-	Principal repaid at maturity
Mega Bank	2019.06.20- 2022.06.20	"	"	-	210,000	The 12-month period following the drawdown is the first installment, and each of the three following months is deemed one installment. The credit limit is reduced by 30%, 30%, and 40%.
Mega Bank	2021.12.17- 2024.12.17	"	"	600,000	-	Principal repaid at maturity
KGI Bank	2019.01.04- 2021.01.04	"	"	-	300,000	Principal repaid at maturity
KGI Bank	2021.11.04- 2023.11.04	"	"	300,000	-	Principal repaid at maturity
KGI Bank	2021.12.06- 2024.12.06	"	"	300,000	-	Repaid in 5 installments of \$50,000 thousand each in the first 4 installments and \$100,000 thousand in the 5th installment from December 6, 2022, with 6 months as one installment.

Lenders	Terms	Type of loans	Interest Rate	As of December 31,		Redemption
				2021	2020	
Bank of PanShin	2019.12.16- 2021.12.16	"	"	\$-	\$200,000	Principal repaid at maturity
JihSun Bank	2020.11.19- 2022.11.19	"	"	500,000	500,000	Principal repaid at maturity
Taiwan Cooperative Bank	2020.07.24- 2023.07.24	"	"	500,000	500,000	Repayable semiannually from August 24, 2022.
Bank of China	2019.02.01- 2021.01.31	"	"	-	400,000	Principal repaid at maturity
Taichung Commercial Bank	2020.12.30- 2023.12.30	"	"	500,000	500,000	Principal repaid at maturity
EnTie Commercial Bank	2020.09.25- 2022.09.25	"	"	-	500,000	Principal repaid at maturity
EnTie Commercial Bank	2021.09.16- 2023.09.16	"	"	700,000	-	Principal repaid at maturity
Shin Kong Commercial Bank	2020.08.26- 2022.08.26	"	"	-	300,000	Principal repaid at maturity
Shin Kong Commercial Bank	2021.09.28- 2023.09.22	"	"	300,000	-	Principal repaid at maturity
The Export-Import Bank of the Republic of China	2018.08.01- 2023.08.01	"	"	266,667	400,000	Repayable semiannually every 6 months from August 1, 2019.
Shanghai Commercial & Savings Bank	2018.09.05- 2021.09.05	"	"	-	200,000	Principal repaid at maturity
Shanghai Commercial & Savings Bank	2021.09.06- 2024.09.05	"	"	300,000	-	Principal repaid at maturity
Taiwan Business Bank	2018.10.18- 2025.10.18	"	"	727,273	909,091	Repayable semiannually every 6 months from October 18, 2020.
Agricultural Bank of Taiwan	2021.11.15- 2024.11.15	"	"	500,000	-	Repayable monthly from December 15, 2023.
Mizuho Bank	2021.11.10- 2023.11.10	"	"	970,000	-	Principal repaid at maturity
Subtotal				14,873,940	12,939,091	
Less: current portion of long-term loans				(3,833,485)	(4,715,152)	
Total				<u>\$11,040,455</u>	<u>\$8,223,939</u>	

As of December 31, 2021 and 2020, part of long-term loans contained covenants that required the Company to maintain certain financial ratios such as (1) the current ratio, (2) the ratio of the total liabilities to the net tangible assets, (3) the ratio of EBITDA to interest expense and (4) the tangible assets net worth amount.

(15) Post-employment benefits

Defined contribution plan

The Company adopts a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company has made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Pension expenses under the defined contribution plan for the years ended December 31, 2021 and 2020 were NT\$95,569 thousand and NT\$96,534 thousand, respectively.

Defined benefits plan

The Company adopts a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company contributes an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company assesses the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is managed in-house or under a mandate, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute NT\$120,330 thousand to its defined benefit plan during the 12 months beginning after December 31, 2021.

Apart from the above-mentioned pension funds, the Company has another fund managed by the pension fund management committee, and the plan is categorized as follows:

	As of December 31,	
	2021	2020
Investments with quoted prices in an active market		
Equity instruments—domestic	95%	95%
Debt instruments—domestic	5%	5%
Other	0%	0%

The durations of the defined benefits plan obligation as of December 31, 2021 and 2020 are 3 and 4 years, respectively.

Pension costs recognized in profit or loss for the years ended December 31, 2021 and 2020:

	For the years ended December 31,	
	2021	2020
Current period service costs	\$24,930	\$30,206
Interest income or expense	432	3,030
Past service cost	-	-
Payments from the plan	-	-
Total	<u>\$25,362</u>	<u>\$33,236</u>

Changes in the defined benefit obligation and fair value of plan assets are as follows:

	As of		
	December 31, 2021	December 31, 2020	January 1, 2020
Defined benefit obligation at January 1,	\$1,589,968	\$1,824,082	\$2,027,676
Plan assets at fair value	<u>(1,908,496)</u>	<u>(1,696,972)</u>	<u>(1,568,604)</u>
Other non-current liabilities - Accrued pension liabilities recognized on the balance sheets	<u>\$(318,528)</u>	<u>\$127,110</u>	<u>\$459,072</u>

Reconciliation of liability (asset) of the defined benefit plan is as follows:

	Defined benefit obligation	Fair value of plan assets	Benefit liability (asset)
As of January 1, 2020	\$2,027,676	\$1,568,604	\$459,072
Current period service costs	30,206	-	30,206
Net interest expense (income)	13,382	10,352	3,030
Past service cost and gains and losses arising from settlements	-	-	-
Subtotal	2,071,264	1,578,956	492,308
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	(1,313)	-	(1,313)
Actuarial gains and losses arising from changes in financial assumptions	54,477	-	54,477
Experience adjustments	(11,409)	-	(11,409)
Return on plan assets	-	354,564	(354,564)
Subtotal	41,755	354,564	(312,809)
Payments from the plan	(288,937)	(288,937)	-
Contributions by employer	-	52,389	(52,389)
Effect of changes in foreign exchange rates	-	-	-
As of December 31, 2020	1,824,082	1,696,972	127,110
Current period service costs	24,930	-	24,930
Net interest expense (income)	6,202	5,770	432
Past service cost and gains and losses arising from settlements	-	-	-
Subtotal	1,855,214	1,702,742	152,472
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	819	-	819
Actuarial gains and losses arising from changes in financial assumptions	(74,185)	-	(74,185)
Experience adjustments	40,706	-	40,706
Return on plan assets	-	316,556	(316,556)
Subtotal	(32,660)	316,556	(349,216)
Payments from the plan	(232,586)	(232,586)	-
Contributions by employer	-	121,784	(121,784)
Effect of changes in foreign exchange rates	-	-	-
As of December 31, 2021	<u>\$1,589,968</u>	<u>\$1,908,496</u>	<u>\$(318,528)</u>

The following significant actuarial assumptions are used to determine the present value of the defined benefit obligation:

	As of December 31,	
	2021	2020
Discount rate	0.69%	0.34%
Expected rate of salary increases	1.00%	1.00%

A sensitivity analysis for significant assumption as of December 31, 2021 and 2020 is as shown below:

	Effect on the defined benefit obligation			
	2021		2020	
	Increase in defined benefit obligation	Decrease in defined benefit obligation	Increase in defined benefit obligation	Decrease in defined benefit obligation
Discount rate increase by 0.5%	\$-	\$11,442	\$-	\$58,367
Discount rate decrease by 0.5%	109,282	-	133,872	-
Future salary increase by 0.5%	108,348	-	132,272	-
Future salary decrease by 0.5%	-	11,458	-	58,345

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(16) Equities

A. Common stock

The Company's authorized capital were both NT\$30,000,000 thousand as of December 31, 2021 and 2020. The Company's issued capital were both NT\$29,080,608 thousand as of December 31, 2021 and 2020, each at a par value of NT\$10. The Company has issued both 2,908,061 thousand common shares as of December 31, 2021 and 2020. Each share has one voting right and a right to receive dividends.

B. Capital surplus

	As of December 31,	
	2021	2020
Additional paid-in capital	\$1,540,300	\$1,540,300
Increase through changes in ownership interests in subsidiaries	258,091	258,091
Expired employee stock warrants	23,661	23,661
Gains on disposal of assets	103,166	103,166
Total	<u>\$1,925,218</u>	<u>\$1,925,218</u>

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its stockholders in proportion to the number of shares being held by each of them.

C. Earnings distribution and dividend policies

According to the Company's Articles of Incorporation, the Company's annual earnings, if any, shall first set aside 1.5% as employee bonuses and no higher than 1.5% as directors and supervisor's remunerations. Nevertheless, the Company shall first make up for losses if there are accumulated losses. The Company shall make distributions from its net income (less any deficit) in the following order:

- a. Offset an accumulated deficit.
- b. Set aside 10% as legal reserve.
- c. Set aside or reverse special reserve.
- d. Following distributions of items "a" to "c" indicated above, the remaining amount, if any, shall be proposed by the board of directors at a board meeting to be distributed as shareholders dividends and bonuses.

Based on the Company's plan to achieve healthy financial standing, whether to distribute the beginning undistributed earnings should consider the actual operation of the year and the budget planning for the following year, to evaluate the necessity of providing funding via earnings distribution so as to determine the most appropriate dividend policy for sustainable business development. The said shareholders dividend and bonus distribution shall not be less than 50% of the distributable earnings after deducting the above items "a" to "c" from current net income. However, if the shareholders dividends and bonuses account for less than 1% of the paid-in capital, the Company may resolve to transfer it to retained earnings without making distribution. At least 20% of the dividends must be paid in the form of cash.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total authorized capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the stockholders.

When the Company distributes distributable earnings, it shall set aside to special reserve, an amount equal to “other net deductions from shareholders” equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders’ equity. For any subsequent reversal of other net deductions from shareholders’ equity, the amount reversed may be distributed from the special reserve.

Following the adoption of TIFRS, the FSC on March 31, 2021 issued Order No. Jin-Guan-Cheng-Fa-Zi-1090150022, which sets out the following provisions for compliance:

On a public company's first-time adoption of the TIFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders’ equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside an equal amount of special reserve. Following a company’s adoption of the TIFRS for the preparation of its financial reports, when distributing distributable earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to “other net deductions from shareholders’ equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements in the preceding point, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders’ equity. For any subsequent reversal of other net deductions from shareholders’ equity, the amount reversed may be distributed. The special reserves booked from first-time adoption of International Financial Reporting Standards were both NT\$3,232,749 thousand as of December 31, 2021 and 2020. The Company did not reverse special reserve to retained earnings for using, disposing of or reclassifying relevant assets in 2021 and 2020.

Details of the 2021 and 2020 earnings distribution and dividends per share as approved by Board of Directors’ meeting on March 7, 2022 and by the stockholders’ meeting on July 2, 2021, respectively, are as follows:

	<u>Appropriation of earnings</u>		<u>Dividend per share (NT\$)</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Legal reserve	\$1,176,098	\$271,801	\$-	\$-
Common stock -cash dividend	5,292,671	1,454,031	1.82	0.5

Please refer to Note 6. (21) for further details on employees’ compensation and remuneration to directors.

(17) Operating revenue

	For the years ended December 31,	
	2021	2020
Sale of goods	\$13,152,625	\$11,758,874

Analysis of revenue from contracts with customers during the periods ended December 31, 2021 and 2020 are as follows:

A. Disaggregation of revenue

	Flat glass	Container	Fiber glass	Other	Total
2021 Sale of goods	\$4,247,525	\$3,367,623	\$5,382,220	\$155,257	\$13,152,625
2020 Sale of goods	\$3,665,317	\$3,573,835	\$4,383,375	\$136,347	\$11,758,874

The timing of revenue recognition was at a point in time.

B. Contract balances

Contract liabilities – current

	As of		
	December 31, 2021	December 31, 2020	January 1, 2020
Sales of goods	\$401,338	\$273,557	\$415,347

The significant changes in the Company's balances of contract liabilities for the years ended December 31, 2021 and 2020 are as follows:

	For the years ended December 31,	
	2021	2020
The opening balance transferred to revenue	\$273,557	\$415,347
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	401,338	273,557

C. Assets recognized from costs to obtain or fulfil a contract: None.

(18) Expected credit losses/ (gains)

	For the years ended December 31,	
	2021	2020
Operating expenses – Expected credit losses/(gains)		
Accounts receivables	\$(340)	\$(505)

Please refer to Note 12 for more details on credit risk.

The Company measures the loss allowance of its contract assets and accounts receivables (including note receivables, accounts receivables, other receivables and overdue receivables) at an amount equal to lifetime expected credit losses. The assessment of the Company's loss allowance as of December 31, 2021 and 2020 is as follows:

The Company considered the grouping of accounts receivables by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix, details are as follows:

As of December 31, 2021

Group 1	Overdue				Total
	Not yet due	31-90 days	91-365 days	>=366 days	
Gross carrying amount	\$-	\$-	\$-	\$772,210	\$772,210
Loss ratio	0%	0%	0%	100%	
Lifetime expected credit losses	-	-	-	(772,210)	(772,210)
Subtotal	-	-	-	-	-
Group 2	Overdue				Total
	Not yet due	31-90 days	91-365 days	>=366 days	
Gross carrying amount	\$1,373,972	\$37,234	\$707	\$-	\$1,411,913
Loss ratio	0%	1%	1%	0%	
Lifetime expected credit losses	-	(372)	(71)	-	(443)
Subtotal	1,373,972	36,862	636	-	1,411,470
Group 3	Overdue				Total
	Not yet due	31-90 days	91-365 days	>=366 days	
Gross carrying amount	\$644,752	\$-	\$-	\$-	\$644,752
Loss ratio	0%	0%	0%	0%	
Lifetime expected credit losses	-	-	-	-	-
Subtotal	644,752	-	-	-	644,752
Total					<u>\$2,056,222</u>

As of December 31, 2020

Group 1	Not yet due	Overdue			Total
		31-90 days	91-365 days	>=366 days	
Gross carrying amount	\$-	\$-	\$-	\$772,672	\$772,672
Loss ratio	0%	0%	0%	100%	
Lifetime expected credit losses	-	-	-	(772,672)	(772,672)
Subtotal	-	-	-	-	-

Group 2	Not yet due	Overdue			Total
		31-90 days	91-365 days	>=366 days	
Gross carrying amount	\$1,339,802	\$10,301	\$-	\$-	\$1,350,103
Loss ratio	0%	1%	0%	0%	
Lifetime expected credit losses	-	(103)	-	-	(103)
Subtotal	1,339,802	10,198	-	-	1,350,000

Group 3	Not yet due	Overdue			Total
		31-90 days	91-365 days	>=366 days	
Gross carrying amount	\$1,092,556	\$-	\$-	\$-	\$1,092,556
Loss ratio	0%	0%	0%	0%	
Lifetime expected credit losses	-	-	-	-	-
Subtotal	1,092,556	-	-	-	1,092,556
Total					<u>\$2,442,556</u>

Group 1: The Company has exercised recourse against the individual assessment of accounts receivables, other receivables and overdue receivables.

Group 2: The Company's accounts receivables are overdue but not for more than one year.

Group 3: The Company's notes receivables, accounts receivables- related parties and other receivables are not yet due.

The movement in the provision for impairment of note receivables, accounts receivables, other receivables and overdue receivables during 2021 and 2020 was as follows:

	Notes receivables	Accounts receivables	Other receivables	Overdue receivables
As of January 1, 2021	\$-	\$103	\$-	\$772,672
Reversal for the current period	-	340	-	-
Write off	-	-	-	(462)
As of December 31, 2021	\$-	\$443	\$-	\$772,210
As of January 1, 2020	\$-	\$60	\$-	\$772,210
Reversal for the current period	-	43	-	462
Write off	-	-	-	-
As of December 31, 2020	\$-	\$103	\$-	\$772,672

(19) Net amount of other revenues and gains and expenses and losses

	For the years ended December 31,	
	2021	2020
Gains on disposal of property, plant, and equipment	\$1,747	\$10,283
Gain on disposal of other assets	13	17
Total	<u>\$1,760</u>	<u>\$10,300</u>

(20) Leases

A. Company as a lessee

The Company has entered into commercial leases on certain offices and plants. These leases have an average life of three to five years with no renewal option included in the contracts. There are no restrictions placed upon the Company by entering into these leases.

The Company's leases effect on the financial position, financial performance and cash flows are as follows:

I. Amounts recognized in the balance sheet

i. Right-of-use assets

The carrying amount of right-of-use assets

	As of December 31,	
	2021	2020
Land	\$25,089	\$49,626
Buildings	57,301	48,564
Machinery and equipment	-	-
Other equipment	27,214	22,539
Total	<u>\$109,604</u>	<u>\$120,729</u>

During the years period ended December 31, 2021 and 2020, the Company's additions to right-of-use assets amounting to NT\$36,928 thousand and NT\$70,775 thousand, respectively.

ii. Lease liabilities

	As of December 31,	
	2021	2020
Current	\$48,613	\$41,499
Non-current	57,906	76,431
Lease liabilities	<u>\$106,519</u>	<u>\$117,930</u>

Please refer to Note 6. (22)(d) for the interest on lease liabilities recognized during the years ended December 31, 2021 and refer to Note 12. (5) Liquidity Risk Management for the maturity analysis for lease liabilities as of December 31, 2021.

2. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the years ended December 31,	
	2021	2020
Land	\$24,537	\$24,538
Buildings	14,440	5,766
Machinery and equipment	-	3,812
Other equipment	8,041	8,609
Total	\$47,018	\$42,725

3. Income and costs relating to leasing activities

	For the years ended December 31,	
	2021	2020
The expenses relating to short-term leases	\$871	\$5,625
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	3,943	3,678

4. Cash outflow relating to leasing activities

During the year ended December 31, 2021 and 2020, the Company's total cash outflows for leases amounting to NT\$53,739 thousand and NT\$53,113 thousand, respectively.

(21) Summary statement of employee benefits, depreciation and amortization expenses by function:

	For the years ended December 31,					
	2021			2020		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries	\$2,461,813	\$385,574	\$2,847,387	\$2,168,530	\$325,820	\$2,494,350
Labor and health insurance	254,306	20,288	274,594	252,280	17,916	270,196
Pension	95,937	24,994	120,931	94,714	35,056	129,770
Directors' remuneration	-	186,562	186,562	-	47,125	47,125
Other employee benefits expense	84,151	12,550	96,701	89,295	13,375	102,670
Depreciation	1,235,625	42,781	1,278,406	1,240,700	34,764	1,275,464
Amortization	-	2,496	2,496	285	3,902	4,187

The number of employees as of December 31, 2021 and 2020 was 4,125 and 4,447, including 8 and 7 non-employee directors, respectively.

For the years ended December 31, 2021 and 2020, the Company's average employee benefits expense amounted to NT\$811 thousand and NT\$675 thousand; the average salaries amounted to NT\$691 thousand and NT\$562 thousand, respectively. The adjustment of the average salaries was 22.95%; the Company did not book supervisor compensation because it did not set up a supervisor position.

The remuneration of directors and managers of the Company shall be proposed by the Remuneration Committee in accordance with the law, depending on the Company's operating conditions, performance profitability and the level of inter-industry remuneration, and shall be decided by the Board of Directors.

According to the Company's Articles of Incorporation, when there is profit of the current year, the Company shall distribute 1.5% of profit of the current year as employees' compensation and no higher than 1.5% of profit of the current year as remuneration to directors. However, the Company's accumulated losses shall have been covered. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on the profit for the current year, the Company shall respectively estimate 1.5% of profit for employees' compensation and directors' remuneration. As such, employees' compensation and remuneration to directors for the year ended December 31, 2021 and 2020 amounted to NT\$178,628 and NT\$39,106 thousand, recognized as salaries expense.

A resolution was approved at the board meeting held on March 7, 2022 to distribute employees' compensation and remuneration to directors for the year ended December 31, 2021 amounted to NT\$178,628 which did not differ from the amount recorded as expenses in the financial statements for the year ended December 31, 2021.

The actual amount of employees' compensation and remuneration to directors for the year ended December 31, 2021 was \$39,106 thousand, which did not differ from the amount recorded as expenses in the financial statements for the year ended December 31, 2020.

(22) Non-operating income and expenses

A. Interest income

	For the years ended December 31,	
	2021	2020
Interest income		
Financial assets measured at amortized cost	\$2,183	\$1,849

B. Other income

	For the years ended December 31,	
	2021	2020
Rental income	\$31,186	\$30,442
Dividend income	12,908	13,998
Others	148,485	143,474
Total	\$192,579	\$187,914

C. Other gains and losses

	For the years ended December 31,	
	2021	2020
Foreign exchange (losses), net	\$(60,155)	\$(58,406)
Others	(69,656)	(49,665)
Total	\$(129,811)	\$(108,071)

D. Finance costs

	For the years ended December 31,	
	2021	2020
Interest on borrowings from bank	\$267,725	\$271,246
Interest on borrowings from intercompany	-	40,004
Interest on lease liabilities	1,634	1,333
Interest on factoring of accounts receivable	2,904	3,064
Total	\$272,263	\$315,647

(23) Components of other comprehensive income

Year ended December 31, 2021

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	\$349,216	\$-	\$349,216	\$(69,843)	\$279,373
Unrealized losses from equity instruments investments measured at fair value through other comprehensive income	179,705	-	179,705	-	179,705
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	4,924	-	4,924	-	4,924
To be reclassified to profit or loss in subsequent periods:					
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	(250,101)	-	(250,101)	-	(250,101)
Total	\$283,744	\$-	\$283,744	\$(69,843)	\$213,901

For the year ended December 31, 2020

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	\$312,809	\$-	\$312,809	\$(62,562)	\$250,247
Unrealized losses from equity instruments investments measured at fair value through other comprehensive income	(5,542)	-	(5,542)	-	(5,542)
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	(755)	-	(755)	-	(755)
To be reclassified to profit or loss in subsequent periods:					
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	931,012	-	931,012	-	931,012
Total	<u>\$1,237,524</u>	<u>\$-</u>	<u>\$1,237,524</u>	<u>\$(62,562)</u>	<u>\$1,174,962</u>

(24) Income tax

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

Income tax expense (benefit) recognized in profit or loss

	<u>For the years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Current income tax expense (benefit):		
Current income tax charge	\$37,730	\$1,999
Deferred tax expense (benefit):		
Deferred tax expense (benefit) relating to origination and reversal of temporary differences	36,890	58,315
Total income tax (benefit) expense	<u>\$74,620</u>	<u>\$60,314</u>

Income tax relating to components of other comprehensive income

	<u>For the years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Deferred tax expense (benefit):		
Remeasurements of defined benefit plans	\$69,843	\$62,562

Reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended December 31,	
	2021	2020
Accounting profit before tax from continuing operations	\$11,551,298	\$2,528,835
Tax at the domestic rates applicable to profits in the country concerned	\$2,310,260	\$505,767
Net investment (income) losses accounted for using the equity method	(2,417,335)	(651,476)
Tax effect of revenues exempt from taxation	(2,484)	(2,738)
Tax effect of expenses not deductible for tax purposes	18,162	8,131
Tax on undistributed earnings	33,545	-
Non-deductible offshore tax	4,185	1,999
Tax effect of deferred tax assets/liabilities	128,287	198,631
Total income tax expense recognized in profit or loss	\$74,620	\$60,314

Deferred tax assets (liabilities) relate to the following:

For the year ended December 31, 2021

	Beginning balance as of January 1, 2021	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance as of December 31, 2021
Temporary differences				
Depreciation difference for tax purpose	\$(64,760)	\$29	\$-	\$(64,731)
Prepaid pension cost difference	25,423	(19,285)	(69,843)	(63,705)
Unrealized loss due to market price decline of inventories	212,209	(16,575)	-	195,634
Capitalization of interest	1,916	(1,067)	-	849
Provisions of employee benefit obligations	21,982	(1,267)	-	20,715
Unrealized gain on foreign exchange	(19,920)	(494)	-	(20,414)
Others	644	1,769	-	2,413
Land value increment tax	(204,145)	-	-	(204,145)
Deferred tax (expense)/income		\$ (36,890)	\$ (69,843)	
Net deferred tax assets/(liabilities)	\$ (26,651)			\$ (133,384)

Reflected in balance sheet as follows:

Deferred tax assets	\$262,174	\$219,611
Deferred tax liabilities	\$(288,825)	\$(352,995)

For the year ended December 31, 2020

	Beginning balance as at January 1, 2020	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance as at December 31, 2020
Temporary differences				
Depreciation difference for tax purpose	\$(66,078)	\$1,318	\$-	\$(64,760)
Prepaid pension cost difference	91,815	(3,830)	(62,562)	25,423
Employee benefits	2,091	(2,091)	-	-
Unrealized loss due to market price decline of inventories	262,318	(50,109)	-	212,209
Capitalization of interest	3,117	(1,201)	-	1,916
Provisions of employee benefit obligations	22,833	(851)	-	21,982
Unrealized gain on foreign exchange	(17,948)	(1,972)	-	(19,920)
Others	223	421	-	644
Land value increment tax	(204,145)	-	-	(204,145)
Deferred tax (expense)/income		<u>\$(58,315)</u>	<u>\$(62,562)</u>	
Net deferred tax assets/(liabilities)	<u>\$94,226</u>			<u>\$(26,651)</u>
Reflected in balance sheet as follows:				
Deferred tax assets	<u>\$382,396</u>			<u>\$262,174</u>
Deferred tax liabilities	<u>\$(288,170)</u>			<u>\$(288,825)</u>

Unrecognized deferred tax assets

As of December 31, 2021 and 2020, deferred tax assets that have not been recognized as they may not be used to offset taxable profits amount to NT\$735,714 thousand and NT\$692,306 thousand, respectively.

Unrecognized deferred tax liabilities relating to the investment in subsidiaries

The Company did not recognize any deferred tax liability for taxes that would be payable on the unremitted earnings of the Company's overseas subsidiaries, as The Company has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future. As of December 31, 2021 and 2020, the taxable temporary differences associated with investment in subsidiaries, for which deferred tax liability has not been recognized, aggregated to NT\$17,176,372 thousand and NT\$5,501,042 thousand, respectively.

The assessment of income tax returns

As of December 31, 2021, the assessment of the income tax returns of the Company is to 2019.

(25) Earnings per share

Basic earnings per share amounts are calculated by dividing net (loss) profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net (loss) profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	<u>For the years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands)	<u>\$11,476,678</u>	<u>\$2,468,521</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	<u>2,908,061</u>	<u>2,908,061</u>
Basic earnings per share (NT\$)	<u>\$3.95</u>	<u>\$0.85</u>
	<u>For the years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands)	<u>\$11,476,678</u>	<u>\$2,468,521</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	<u>2,908,061</u>	<u>2,908,061</u>
Effect of dilution:		
Employees' compensation	<u>7,060</u>	<u>2,005</u>
Weighted average number of ordinary shares outstanding after dilution (in thousands)	<u>2,915,121</u>	<u>2,910,066</u>
Diluted earnings per share (NT\$)	<u>\$3.94</u>	<u>\$0.85</u>

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

7. Related party transactions

The significant transactions for 2021 and 2020 are summarized below:

Name and relationship of related parties

<u>Name of related parties</u>	<u>Relationship with the Company</u>
Taiwan Autoglass Ind. Corp. (TAG)	Subsidiaries
TG Teco Vacuum Insulated Glass Corp. (TVIG)	//
Taiwan Glass USA Sales Corp. (TGUS)	//
Taiwan Glass China Holding Ltd. (TGCH)	//
TG Qingdao Glass Co., Ltd. (QFG)	//
TG Changjiang Glass Co., Ltd. (CFG)	//
TG Chengdu Glass Co., Ltd. (CDG)	//
TG Huanan Glass Co., Ltd. (HNG)	//
TG Tianjin Glass Co., Ltd. (TJG)	//
TG Fujian Photovoltaic Glass Co., Ltd. (FPG)	//
Taichia Glass Fiber Co., Ltd. (TGF)	//
TG Fengyang Silica Sand Co., Ltd. (FYSS)(Note)	//
TG Xianyang Glass Co., Ltd. (TXY)	//
TG Taicang Architectural Glass Co., Ltd. (TTAR)	//
TG Yueda Autoglass Co., Ltd. (TYAU)	//
TG Anhui Glass Co., Ltd. (TAH)	//
TG Wuhan Architectural Glass Co., Ltd. (TWAR)	//
TG Yueda Solar Glass Co., Ltd. (TYSM)	//
Taichia Chengdu Glass Fiber Co., Ltd. (TCD)	//
Taichia Bengbu Glass Fiber Co., Ltd. (TBF)	//
TG (Qingdao) Photoelectric Technology Co., Ltd. (TQPT)	//
Shihlien Chemical Industrial (Jiangsu) Co., Ltd. (SCJ)	Associate
Tai Fong Investment Co., Ltd.	Other related parties
Tai Cheng Investment Co., Ltd.	//
Tai Yu Investment Co., Ltd.	//
Tai Chia Investment Co., Ltd.	//
HO-HO Investment Co., Ltd.	//
Tai Fong Golf Club	//
Shihlien International Investment Co., Ltd.	//
Shihlien Fine Chemical Co., Ltd.	//
TECO Electric & Machinery Co., Ltd.	//
Information Technology Total Services Corp.	//
XUE XUE INSTITUTE CO., LTD.	//
Xue Xue Foundation	//
Kah Hung Corp.	Other related parties

Name of related parties	Relationship with the Company
Hong Jing Investment Co., Ltd.	"
Shinkong Insurance Co., Ltd.(Note)	"
Teng Yue Investment Corp.	"
LIM KIEN SENG KAH KIH CO., LTD.	"
Xue Xue Institute	"
Tex-Ray Industrial Co.,Ltd.	"

Note: Since January 1, 2022, it was not the Company's related party.

Significant transactions with related parties

(1) Sales

	For the years ended December 31,	
	2021	2020
Subsidiaries	\$700,155	\$747,727
Other related parties	1,387	4,448
Total	<u>\$701,542</u>	<u>\$752,175</u>

The sales price to the above related parties was determined through mutual agreement based on the market rates. The collection period for related parties was month-end 90 days. The outstanding balance at December 31, 2021 and 2020 was unsecured, non-interest bearing and must be settled in cash. The receivables from the related parties were not guaranteed.

(2) Purchases

	For the years ended December 31,	
	2021	2020
Subsidiaries	\$8,146	\$45,723
Associate	8,015	4,513
Other related parties	986	32
Total	<u>\$17,147</u>	<u>\$50,268</u>

The purchase price to the above related parties was determined through mutual agreement based on the market rates. The payment terms from the related party suppliers are comparable with third party suppliers and are paid within three months after delivery.

(3) Lease

Rental expense

	For the years ended December 31,	
	2021	2020
Other related parties	<u>\$-</u>	<u>\$87</u>

The Company has leased offices and land for the years ended December 31, 2020; no such occurrence in 2021.

Rental income

	For the years ended December 31,	
	2021	2020
Subsidiaries	\$22,638	\$24,064

The rental income is due to a lease of plant, equipment and warehouse and the rent was based on local market price.

Other receivables

	As of December 31,	
	2021	2020
Subsidiaries	\$1,495	\$4,640

Other payables

	As of December 31,	
	2021	2020
Other related parties	\$1,001	\$1,918

Right-of-use asset

	As of December 31,	
	2021	2020
Other related parties		
Tai Cheng Investment Co., Ltd.	\$23,986	\$47,972
Tai Fong Investment Co., Ltd.	38,365	47,337
Others	-	1,035
Total	\$62,351	\$96,344

Current lease liabilities

	As of	
	December 31, 2021	December 31, 2020
Other related parties		
Tai Cheng Investment Co., Ltd.	\$24,792	\$24,365
Tai Fong Investment Co., Ltd.	10,432	9,615
Others	-	960
Total	\$35,224	\$34,940

Non-current lease liabilities

	As of December 31,	
	2021	2020
Other related parties		
Tai Fong Investment Co., Ltd.	\$28,284	\$37,785
Tai Cheng Investment Co., Ltd.	-	24,791
Others	-	88
Total	<u>\$28,284</u>	<u>\$62,664</u>

Interest expense

	As of December 31,	
	2021	2020
Subsidiaries	\$-	\$36
Other related parties	1,089	946
Total	<u>\$1,089</u>	<u>\$982</u>

(4) Other income (Guarantee income and technical service etc.)

	For the years ended December 31,	
	2021	2020
Subsidiaries		
TBF	\$16,211	\$20,009
Others	80,955	71,401
Subtotal	<u>97,166</u>	<u>91,410</u>
Associate	1,806	39
Other related parties	5,902	5,902
Total	<u>\$104,874</u>	<u>\$97,351</u>

(5) Accounts receivable

	As of December 31,	
	2021	2020
Subsidiaries		
QFG	\$150,605	\$184,208
Others	22,499	57,946
Subtotal	<u>173,104</u>	<u>242,154</u>
Other related parties	27	875
Total	<u>173,131</u>	<u>243,029</u>
Less: loss allowance	-	-
Net	<u>\$173,131</u>	<u>\$243,029</u>

(6) Other receivables (Guarantee fee, technical service fee and capital reduction fee etc.)

	As of December 31,	
	2021	2020
Subsidiaries		
TCD	\$46,853	\$24,616
TGF	31,501	33,488
TGCH	78,465	560,586
TBF	30,298	24,887
Others	38,907	30,171
Subtotal	226,024	673,748
Associate	1,802	37
Other related parties	13	16
Total	\$227,839	\$673,801

(7) Accounts payable

	As of December 31,	
	2021	2020
Subsidiaries	\$1,846	\$4,190
Associate	-	60
Other related parties	5	-
Total	\$1,851	\$4,250

(8) Other payables

A. Entertainment and exhibition fee

	As of December 31,	
	2021	2020
Other related parties	\$531	\$1,666

B. Financing

No such occurrence in 2021.

	For the year ended December 31, 2020				
	Maximum balance	Ending balance	rate	Interest expense (Note)	Interest payables
Subsidiaries					
TGCH	\$1,722,825	\$-	3%	\$2,468	\$-
	(USD57,000 thousand)				
Other related parties					
Tai Fong Investment Co., Ltd.	200,000	-	3%	2,862	-
Ho-Ho Investment Co., Ltd.	880,000	-	3%	20,953	-
Tai Yu Investment Co., Ltd.	500,000	-	3%	12,976	-
Others	100,000	-	3%	745	-
Subtotal		-		37,536	-
Total		\$-		\$40,004	\$-

Note: Interest expense including capitalized interest was NT\$1,705 thousand.

(9) Others

The Company's other transactions with subsidiaries and other related parties is as follows:

	As of December 31,	
	2021	2020
Other current assets		
Other related parties	\$-	\$1,491
	For the years ended December 31,	
	2021	2020
Operating expenses		
Subsidiaries	\$1,491	\$7,280
Other related parties	4,075	6,868
Total	\$5,566	\$14,148
	For the years ended December 31,	
	2021	2020
Other expenses		
Other related parties	\$-	\$1

(10) The payment term to related parties has no significant difference to other third parties. The outstanding balance at December 31, 2021 and 2020 was unsecured, non-interest bearing and must be settled in cash. The receivables from and the payables to the related parties were not guaranteed.

(11) The Company purchased the right-of-use assets from other related parties in the amount of NT\$2,184 thousand and NT\$48,832 thousand in 2021 and 2020, respectively.

(12) The Company derecognized right-of-use assets and lease liabilities from other related parties and recognized profit on disposal of right-of-use assets was NT\$13 thousand and NT\$0 thousand for the year ended December 31, 2021 and 2020, respectively.

(13) The Company sold property, plant and equipment to the subsidiaries in the amount of NT\$1,325 thousand and NT\$4,789 thousand for the year ended December 31, 2021 and 2020, respectively.

(14) The Group purchased property, plant and equipment from the subsidiaries and other related parties in amount of NT\$15,403 thousand for the years ended December 31, 2021; No such occurrence in 2020.

(15) Key management personnel compensation

	For the years ended December 31,	
	2021	2020
Short-term employee benefits	\$217,377	\$69,969
Post-employment benefits	1,721	1,864
Total	\$219,098	\$71,833

8. Assets pledged as security

Assets pledged for security	December 31,	December 31,	Obligee	Secured liabilities
	2021	2020		
Bank savings				
(other financial assets - current)	\$282	\$290	Mizuho Bank	Performance bond
Machinery and equipment	18,757	18,757	OC NL INVEST COOPERATIEF U.A	"
	<u>\$19,039</u>	<u>\$19,047</u>		

9. Commitments and contingencies

As of December 31, 2021, the contingency and off balance sheet commitments are as follows:

- (1) As of December 31, 2021, the outstanding promissory notes signed for business needs, including importing equipment, purchase of equipment, performance bond, and loan guarantee, totaled NT\$20,410,709 thousand.
- (2) Commodity tax and export tariff were NT\$23,575 thousand.
- (3) Unsecured balance of letters of credit is as follows:

<u>Currency</u>	<u>Unused Balance (in thousands)</u>
USD	\$10,002
JPY	44,200
EUR	537
RMB	216
GBP	70

- (4) Significant contracts of construction in progress and equipment are as follows:

<u>Items</u>	<u>Contract amount</u>	<u>Amount paid</u>	<u>Amount unpaid</u>
Significant contracts of construction in progress and equipment	<u>\$758,782</u>	<u>\$360,503</u>	<u>\$398,279</u>

The above amount paid was recognized as construction in progress under property, plant and equipment and prepayment for equipment under noncurrent assets.

- (5) The Company signed the promissory notes in amount of NT\$150,000 thousand, US\$245,000 thousand and RMB\$433,000 thousand for its subsidiaries' secured loans.

(6) As of December 31, 2021 the Company issued a letter of support to Shihlin China Holding Co., Ltd to negotiate a loan of USD\$171,880 thousand from the bank according to the credit contract. The commitments are as follows:

A. It shall hold and maintain at least (including) 30% of the issued shares of the borrower with the related parties of the company at any time. The scope and target of the "related party" shall be determined in accordance with the International Financial Reporting Standards (IFRS) that apply to the Company.

B. The Company shall ensure that the borrower maintains a good financial standing at all times and has the ability to perform the credit granting and related document obligations in this case; if the borrower is unable to perform the related obligations, the Company will try its best to provide assistance and urge the borrower to perform the obligations in accordance with the agreement.

10. Losses due to major disasters

None.

11. Significant subsequent events

TG Yueda Solar Mirror Co., Ltd., one of the Group's reinvestees, plans to reduce its capital by USD 15,500 thousand. According to the shareholding ratio of Taiwan China Glass Holdings Co., Ltd., which was 75%, Taiwan China Glass Holdings Co., Ltd. can receive share capital return in the amount of USD 11,625 thousand.

12. Others

Financial Instruments

(1) Categories of financial instruments

<u>Financial assets</u>	As of December 31,	
	2021	2020
Financial assets at fair value through other comprehensive income	\$431,830	\$252,125
Financial assets measured at amortized cost		
Cash and cash equivalents (excluding cash on hand)	1,729,759	1,281,619
Receivables	2,056,222	2,442,556
Refundable deposits	3,776	6,165
Subtotal	3,789,757	3,730,340
Total	\$4,221,587	\$3,982,465

<u>Financial liabilities</u>	As of December 31,	
	2021	2020
Financial liabilities at amortized cost:		
Short-term loans	\$900,000	\$2,000,000
Short-term bills payable	3,090,314	3,194,683
Payables	1,836,807	1,418,575
Long-term loans (including current portion)	14,873,940	12,939,091
Lease liabilities (including current and non-current)	106,519	117,930
Deposits-in	1,380	989
Total	<u>\$20,808,960</u>	<u>\$19,671,268</u>

(2) Financial risk management objectives and policies

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Company identifies, measures and manages the aforementioned risks based on the Company's policy and risk appetite.

The Company has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors must be carried out based on related protocols and internal control procedures. The Company complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and equity risk.

In practice, it is rarely the case that a single risk variable changes independently from other risk variables, there are usually interdependencies between risk variables. The sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense are denominated in a different currency from the Company's functional currency).

The Company has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Company's foreign currency risk is mainly related to the volatility in the exchange rates for US dollars. The information of the sensitivity analysis is as follows:

When NTD weakens/strengthens against US dollars by 1%, the profit for the years ended of December 31, 2021 and 2020 is decreased/increased by NT\$14,368 thousand and NT\$17,331 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt instrument investments and receivables at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the years ended December 31, 2021 and 2020 to be decreased/increased by NT\$9,052 thousand and NT\$9,395 thousand, respectively.

Equity price risk

The fair value of the Company's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's listed and unlisted equity securities are classified under financial assets measured at fair value through other comprehensive income. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

As of December 31, 2021 and 2020, a change of 10% in the price of the listed equity securities measured at fair value through profit or loss could increase/decrease the Company's profit by NT\$37,943 thousand and NT\$20,165 thousand, respectively.

(4) Credit risk management

Credit risk is the risk that a counter party will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for accounts receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Customer credit risk is managed by each business unit subject to The Company's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria etc. Certain customer's credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of December 31, 2021 and 2020, accounts receivables from top ten customers represented amounts less than 10% of the total accounts receivables of the Company. The credit concentration risk of accounts receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Company's treasury in accordance with the Company's policy. The Company only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating and with no significant default risk. Consequently, there is no significant credit risk for these counter parties.

The Company adopted IFRS 9 to assess the expected credit losses. Except for trade receivables, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and makes an assessment at each reporting date as to whether the expected credit losses increase significantly, and then further determines the method of measuring the loss allowance and the loss rates. The details of the assessment for the credit risk of the Company are described as follows:

Level of credit risk	Indicator	Measurement method for expected credit losses	Total carrying amount as at	
			As of December 31, 2021	2020
Credit-impaired	Other impaired evidence	Lifetime expected credit losses	\$772,210	\$772,672
Simplified approach (Note)	(Note)	Lifetime expected credit losses	\$2,056,665	\$2,442,659

Note: By using simplified approach (loss allowance is measured at lifetime expected credit

losses), including accounts and notes receivables and other receivables.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

(5) Liquidity risk management

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments and bank borrowings. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
<u>As of December 31, 2021</u>					
Short-term loans	\$901,656	\$-	\$-	\$-	\$901,656
Short-term bills payable	3,100,000	-	-	-	3,100,000
Payables	1,836,807	-	-	-	1,836,807
Long-term loans	4,030,698	10,108,167	878,036	263,861	15,280,762
Lease liabilities	46,709	44,657	17,429	-	108,795
<u>As of December 31, 2020</u>					
Short-term loans	\$2,008,654	\$-	\$-	\$-	\$2,008,654
Short-term bills payable	3,200,000	-	-	-	3,200,000
Payables	1,418,575	-	-	-	1,418,575
Long-term loans	4,880,051	6,513,701	1,368,683	528,320	13,290,755
Lease liabilities	40,203	57,706	22,641	-	120,550

As of December 31, 2021, there was liquidity risk that the Company's current liability exceeded current asset. However, the Company expects to maintain certain financial financing plans to respond to this risk. The Company's management considers that the measures mentioned above could reduce the liquidity risk as of December 31, 2021 significantly.

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 2021:

	Short-term loans	Short-term bills payable	Long-term loans	Lease liabilities	Total liabilities from financing activities
As of January 1, 2021	\$2,000,000	\$3,194,683	\$12,939,091	\$117,930	\$18,251,704
Cash flows	(1,100,000)	(100,000)	1,934,849	(48,925)	685,924
Non-cash changes:	-	(4,369)	-	37,514	33,145
As at 31 December 2021	<u>\$900,000</u>	<u>\$3,090,314</u>	<u>\$14,873,940</u>	<u>\$106,519</u>	<u>\$18,970,773</u>

Reconciliation of liabilities for the year ended December 31, 2020:

	Short-term loans	Short-term bills payable	Long-term loans	Lease liabilities	Total liabilities from financing activities
As of January 1, 2020	\$2,000,000	\$3,741,006	\$12,133,333	\$102,353	\$17,976,692
Cash flows	-	(550,000)	805,758	(43,810)	211,948
Non-cash changes:	-	3,677	-	59,387	63,064
As of December 31, 2020	<u>\$2,000,000</u>	<u>\$3,194,683</u>	<u>\$12,939,091</u>	<u>\$117,930</u>	<u>\$18,251,704</u>

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The carrying amount of cash and cash equivalents, trade receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.
- For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certification, bonds and futures).
- Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).
- Fair value of debt instruments without market quotations, bank loans, bonds payable

and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the GreTai Securities Market, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Company's financial instruments measured at amortized cost approximate their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12. (8) for fair value measurement hierarchy for financial instruments of the Company.

(8) Assets measured at fair value

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Company's assets and liabilities

The Company does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis is as follows:

As of December 31, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Financial assets at fair value through other comprehensive income	\$379,433	\$-	\$52,397	\$431,830

As of December 31, 2020

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets:				
Financial assets at fair value through other comprehensive income	\$201,645	\$-	\$50,480	\$252,125

During the years ended December 31, 2021 and 2020, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy is as follows:

	<u>Assets</u>
	<u>At fair value through other comprehensive income</u>
	<u>Stocks</u>
Beginning balances As of January 1, 2020	\$46,697
Total gains and losses recognized for the year ended December 31, 2020:	
Amount recognized in profit or loss	-
Amount recognized in OCI	3,783
Ending balances as of December 31, 2020	50,480
Total gains and losses recognized for the year ended December 31, 2021:	
Amount recognized in profit or loss	-
Amount recognized in OCI	1,917
Ending balances as of December 31, 2021	<u>\$52,397</u>

Total gains and losses recognized for the years ended December 31, 2021 and 2020 contained gains and losses related to such assets on hand as of December 31, 2021 and

2020 in the amount of NT\$1,917 thousand and NT\$3,783 thousand, respectively.

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of December 31, 2021

	<u>Valuation techniques</u>	<u>Significant unobservable inputs</u>	<u>Quantitative information</u>	<u>Relationship between inputs and fair value</u>	<u>Sensitivity of the input to fair value</u>
Financial assets at fair value through other comprehensive income					
Stocks	Market approach	Discount for lack of marketability	-	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase (decrease) in the discount for lack of marketability would result in (decrease) increase in the Company's equity by NT\$524 thousand

As of December 31, 2020

	<u>Valuation techniques</u>	<u>Significant unobservable inputs</u>	<u>Quantitative information</u>	<u>Relationship between inputs and fair value</u>	<u>Sensitivity of the input to fair value</u>
Financial assets at fair value through other comprehensive income					
Stocks	Market approach	Discount for lack of marketability	-	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase (decrease) in the discount for lack of marketability would result in (decrease) increase in the Company's equity by NT\$505 thousand

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Company is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies at each reporting date.

C. Fair value measurement hierarchy of the Company's assets and liabilities not measured at fair value but for which the fair value is disclosed

As of December 31, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6.(11))	\$-	\$-	\$106,230	\$106,230

As of December 31, 2020

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties (please refer to Note 6.(11))	\$-	\$-	\$168,939	\$168,939

(9) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	(in thousands)					
	<u>As of December 31,</u>					
	<u>2021</u>			<u>2020</u>		
	<u>Foreign</u>	<u>exchange</u>	<u>NTD</u>	<u>Foreign</u>	<u>exchange</u>	<u>NTD</u>
	<u>currencies</u>	<u>rate</u>		<u>currencies</u>	<u>rate</u>	
<u>Financial assets</u>						
Monetary items:						
USD	\$51,908	27.68	\$1,436,816	\$60,600	28.48	\$1,725,886
Non-Monetary items:						
USD	12,435	27.68	344,203	13,276	28.48	378,107

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

Since there were various functional currencies used, the Company was unable to disclose foreign exchange gains (losses) towards each foreign currency with significant impact. The realized and unrealized foreign exchange (losses) was NT\$(60,155) thousand and NT\$(58,406) thousand for the years ended December 31, 2021 and 2020, respectively.

(10) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize stockholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, The Company may adjust dividend payment to stockholders, return capital to stockholders or issue new shares.

(11) Information of finance assets transfer

Transferred financial assets that are partially-derecognized in their entirety

The Company entered into a factoring agreement with a financial institution, which is partly with recourse and partly non-recourse. The Company has transferred the right on those non-recourse factoring, and in accordance with the contract, the Company shall not be liable for the credit risks associated with uncollectable receivables (except for commercial disputes), which met the requirements for derecognizing financial assets. The related information is as follows:

As of December 31, 2021:

Transferee	Amount transferred	Amount	Advanced amount	Interest rate range	Credit
O-Bank	\$343,647	\$309,282	\$311,384	1%	\$525,000

As of December 31, 2020:

Transferee	Amount transferred	Amount	Advanced amount	Interest rate range	Credit
O-Bank	\$279,627	\$251,665	\$252,734	1%	\$525,000

13. Other disclosure

(1) Information at significant transactions

- A. Lending fund to others: Please refer to Attachment 1.
- B. Endorsement/guarantee provided to others: Please refer to Attachment 2.
- C. Securities held at the end of the period: Please refer to Attachment 3.
- D. Individual securities acquired or disposed of with accumulated amount exceeding NT\$300 million or 20 percent of the capital stock or more: Please refer to Attachment 4.
- E. Acquisition of real estate with amount exceeding NT\$300 million or 20 percent of the capital stock or more: None.
- F. Disposal of real estate with amount exceeding NT\$300 million or 20 percent of the capital stock or more: None.
- G. Related party transactions for purchases and sales amounts exceeding NT\$100 million or 20 percent of the capital stock or more: Please refer to Attachment 5.
- H. Receivables from related parties with amounts exceeding NT\$100 million or 20 percent of capital stock or more: Please refer to Attachment 6.
- I. Financial instruments and derivative transactions: None.
- J. Business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and accounts of any significant transactions between them: Please refer to Attachment 7.

(2) Information on investees

Information of the investees in which the Company directly or indirectly has significant influence or control: Please refer to Attachment 8.

(3) Information on investments in Mainland China

- A. Investee's name, main businesses and products, total amount of capital, method of investment, accumulated inflow and outflow of investments from Taiwan, percentage of ownership, investment income or loss, carrying value of the investments, inward remittance of earnings and limits on investments in Mainland China: Please refer to Attachment 9.
- B. Directly or indirectly significant transactions through other regions with the investees in Mainland China, including price, payment terms, unrealized gain or loss, and other events with significant effects on the operating results and financial condition are disclosed as follows:
 - a. Accumulated amount and percentage of purchase and related payables at the end of the period: Please refer to Note 7 and Attachment 5.
 - b. Accumulated amount and percentage of sales and related receivables at the end of the period: Please refer to Note 7 and Attachment 5.
 - c. Amount of property transaction and related gain or loss: Note 7.
 - d. Endorsement/guarantee provided to others at the end of the period: Please refer to Attachment 2.
 - e. Financing provided to others at the end of the period: Note 7.

f. Other significant transactions, such as service provided or received: Please refer to Note 7.

C. Information of main stockholders:

Name	Shares	Common Shares	Preferred Shares	Total Shares Owned	Percentage of Ownership (%)
Tai Fong Investment Co., Ltd.		420,137,922	-	420,137,922	14.45%
HO-HO Investment Co., Ltd.		402,748,231	-	402,748,231	13.85%
Tai-Jian Investment Co., Ltd.		249,002,246	-	249,002,246	8.56%
Tai Yu Investment Co., Ltd.		245,538,788	-	245,538,788	8.44%
Tai Cheng Investment Co., Ltd.		228,213,247	-	228,213,247	7.85%
Tai Chia Investment Co., Ltd.		157,795,282	-	157,795,282	5.43%

Attachment 1
Financing provided to others for the year ended December 31, 2021

No. (Note 1)	Financing Company	Counterparty	Financial Statement Account (Note 2)	Related Party	Balance for the Period (Note 3)	Ending Balance (in thousands) (Note 4)	Actual Amount provided	Interest Rate	Nature of Financing (Note 4)	Transition Amounts (Note 5)	Reason for Financing (Note 6)	Allowance for Bad Debt	Collateral		Amount for Individual Counterparty (Note 7)	Financial Amount for Financing Company (Note 7)
													Item	Value		
1	TGCH	FPG	Other receivables	Yes	\$388,613	\$-	\$-	-	2	\$-	Need for operating	\$-	None	\$-	\$4,784,847 × 100% = 54,784,847 (in thousand)	
1	TGCH	TCD	"	Yes	939,840	-	-	-	2	-	Need for operating	-	None	-	-	
1	TGCH	TJG	"	Yes	569,600	-	-	-	2	-	Need for operating	-	None	-	-	
2	CDG	HZSS	"	Yes	134,691	115,918	115,918	0.35%	2	-	Need for operating	-	None	9,970,236 × 50% = 4,985,118 (in thousand)	9,970,236 × 100% = 9,970,236 (in thousand)	
2	CDG	TWAR	"	Yes	1,232,841	590,442	590,442	4.13%	2	-	Need for operating	-	None	-	-	
2	CDG	JTAR	"	Yes	480,130	86,830	86,830	4.13%	2	-	Need for operating	-	None	-	-	
2	CDG	TAH	"	Yes	1,074,807	-	-	-	2	-	Need for operating	-	None	-	-	
2	CDG	TYAU	"	Yes	633,163	623,003	623,003	6.00%	2	-	Need for operating	-	None	-	-	
2	CDG	TCD	"	Yes	927,921	918,224	918,224	4.13%	2	-	Need for operating	-	None	-	-	
2	CDG	TBF	"	Yes	1,525,222	1,519,519	1,519,519	4.13%	2	-	Need for operating	-	None	1,582,445 × 50% = 791,223 (in thousand)	1,582,445 × 100% = 1,582,445 (in thousand)	
3	QFG	QRG	"	Yes	191,933	185,073	185,073	-	2	-	Need for operating	-	None	-	-	
3	QFG	TQPT	"	Yes	318,814	317,623	317,623	-	2	-	Need for operating	-	None	4,384,422 × 50% = 2,192,211 (in thousand)	4,384,422 × 100% = 4,384,422 (in thousand)	
4	HNG	TJG	"	Yes	719,033	655,564	655,564	4.00%	2	-	Need for operating	-	None	5,801,079 × 50% = 2,900,540 (in thousand)	5,801,079 × 100% = 5,801,079 (in thousand)	
5	TGF	TCD	"	Yes	877,467	564,395	564,395	3.85%	2	-	Need for operating	-	None	-	-	
5	TGF	TBF	"	Yes	2,632,400	868,297	868,297	3.85%-5.62%	2	-	Need for operating	-	None	-	-	
6	DHG	QFG	"	Yes	360,395	356,826	356,826	4.00%	2	-	Need for operating	-	None	5,467,135 × 50% = 2,733,568 (in thousand)	5,467,135 × 100% = 5,467,135 (in thousand)	
6	DHG	FPG	"	Yes	2,129,934	-	-	-	2	-	Need for operating	-	None	-	-	
6	DHG	TJG	"	Yes	342,212	338,636	338,636	4.00%	2	-	Need for operating	-	None	-	-	
7	CFG	TCD	"	Yes	254,930	253,977	253,977	4.13%	2	-	Need for operating	-	None	4,568,330 × 50% = 2,284,165 (in thousand)	4,568,330 × 100% = 4,568,330 (in thousand)	
7	CFG	TYAU	"	Yes	52,648	52,098	52,098	6.00%	2	-	Need for operating	-	None	4,795,585 × 50% = 2,397,793 (in thousand)	4,795,585 × 100% = 4,795,585 (in thousand)	
8	TSY	TAH	"	Yes	215,631	-	-	-	2	-	Need for operating	-	None	3,465,584 × 50% = 1,732,792 (in thousand)	3,465,584 × 100% = 3,465,584 (in thousand)	
9	TAH	FYSS	"	Yes	107,261	-	-	-	2	-	Need for operating	-	None	-	-	
Total							\$7,446,423									

Note 1: The Company and its subsidiaries are coded as follows:

1. The Company is coded "0".

2. The subsidiaries are coded starting from "1" in numerical order.

Note 2: If the economic substance of transactions are financing to others, regardless of which component they recognized as in the financial statements, certain transactions are included herein.

Note 3: Maximum balance of the Company, and its subsidiaries' financing to others for the year ended December 31, 2020

Note 4: Nature of financing is coded as follows:

1. The financing occurred due to business transactions is coded "1".

2. The financing occurred due to short-term financing is coded "2".

Note 5: Total amount of the financing is disclosed herein if the financing was related to business transactions. The amount shall mean the transaction amount between the lending entity and the borrower within the most recent year.

Note 6: The reasons and counterparties of the financing are addressed herein as the financing associated with short-term capital needs, for example: Refund liability - Purchase equipment - Need for operating, etc.

Note 7: The process of providing finance to others, the limits to individual counterparties and the total financing limit for the company should be noted, as well as the computations.

Note 8: If a listed company brings the financing proposal to the board of directors according to Paragraph 1, Article 1 of the Regulations Governing, Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the company still needs to disclose the resolution amount of the board in the balance to disclose the risk, even if the funds are not appropriated yet.

With the return of the funds afterward, the company should disclose the amount returned to reflect the adjusted risk.

If a listed company authorizes the chairman of the board of directors to appropriate or use certain limits of the funds several times in the period of a year according to Paragraph 2, Article 14 of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the company still needs to disclose the amount approved by the board.

Note 9: All transactions listed above are eliminated in the consolidated financial statements.

Attachment 2

Endorsement/guarantee provided to others for the year ended December 31, 2021

No. (Note 1)	Endorser/ Guarantor	Endorsee		Limits of Endorsement/ Guarantee Amount (Note 2)	Maximum Balance for the Period (Note 4)	Ending Balance (Note 5)	Actual Amount drawn (Note 6)	Amount of Endorsement/ Guarantee collateralized (Note 7)	Percentage of Accumulated Endorsement/Guarantee to Net Equity per latest Financial statements	Limit on the Endorsement/Guarantee Amount (Note 3)	Parent Company Endorsed or Guaranteed for the Subsidiaries	Subsidiaries Endorsed or Guaranteed for the Parent Company	Endorsement or Guarantee for Entities in China (Note 7)
		Complainant Name	Relationship (Note 2)										
0	TGI	HNG	2	\$27,022,056	\$142,675	\$138,400	\$-	\$-	0%	1. In accordance with Article 4 of the Procedures for Endorsement and Guarantee, the Company may provide endorsement/guarantee to others but shall not exceed 120% of its net assets. For endorsement/guarantee to an individual entity, the amount is limited to 50% of the Company's net assets.	Y		Y
0	TGI	TJG	2	"	285,350	-	-	-	0%	2. Subsidiaries may provide endorsement/guarantee to others in the amount which shall not exceed 100% of their net assets. For endorsement/guarantee to an individual entity, the amount is limited to 60% of the	Y		Y
0	TGI	TGF	2	"	800,050	434,148	-	-	1%	3. TGI : 54,044,112x120%= 64,852,934(in thousand)	Y		Y
0	TGI	TSY	2	"	342,420	-	-	-	0%	4. TGF : 5,801,079x100%= 5,801,079(in thousand)	Y		Y
0	TGI	TYAU	2	"	293,951	273,513	8,683	-	1%	5. CFG : 4,568,330x100%= 4,568,330(in thousand)	Y		Y
0	TGI	TAH	2	"	142,675	-	-	-	0%	6. DHG : 5,467,135x100%= 5,467,135(in thousand)	Y		Y
0	TGI	TCD	2	"	1,807,234	1,807,234	18,629	-	3%	7. TGCH : 54,784,847x100%= 54,784,847(in thousand)	Y		Y
0	TGI	TGCH	2	"	4,879,600	3,709,120	2,159,040	-	7%	8. QFG : 1,582,445x100%= 1,582,445(in thousand)	Y		Y
0	TGI	TBF	2	"	3,834,114	1,717,767	1,562,958	-	3%	1.582,445(in thousand)	Y		Y
0	TGI	TAG	2	"	327,850	327,680	126,588	-	1%	1,582,445(in thousand)	Y		Y
1	TGF	TCD	4	3,480,647	1,263,551	781,467	173,659	-	13%	5.467,135(in thousand)	Y		Y
1	TGF	CFG	4	"	87,747	86,830	-	-	1%	5,467,135x100%= 5,467,135(in thousand)	Y		Y
1	TGF	TBF	4	"	438,733	434,148	30,334	-	7%	7. TGCH : 54,784,847x100%= 54,784,847(in thousand)	Y		Y
2	CFG	TGF	4	2,740,998	482,607	477,563	43,880	-	10%	54,784,847(in thousand)	Y		Y
2	CFG	TTAR	4	"	566,511	564,393	297,990	-	12%	54,784,847(in thousand)	Y		Y
3	DHG	QFG	4	3,280,281	701,973	620,181	232,486	-	11%	1,582,445x100%= 1,582,445(in thousand)	Y	Y	Y
4	TGCH	TGI	3	32,870,908	50,000	-	-	-	0%	1,582,445(in thousand)	Y	Y	Y
5	QFG	TQPT	2	949,467	219,367	65,122	-	-	4%		Y	Y	Y

Note 1: The Company and its subsidiaries are coded as follows:

1. The Company is coded "0".

2. The subsidiaries are coded starting from "1" in numerical order.

Note 2: Endorsees are disclosed as one of the following:

1. A company with which it does business.

2. A company in which the public company directly and indirectly holds more than 50% of the voting shares.

3. A company that directly and indirectly holds more than 50% of the voting shares in the public company.

4. A company in which the public company holds, directly or indirectly, 50% or more of the voting shares.

5. A company that fulfills its contractual obligations by providing mutual endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.

6. A company that all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.

7. 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 process of providing finance to others, the limits to individual counterparties and the total financing limit for the company, should be noted, as well as the computations.

Note 4: The maximum amount of the Company and its subsidiaries' endorsement or guarantee to others for the year ended December 31, 2021.

Note 5: The Company bears the responsibility of endorsements or guarantees as long as the ceilings on the amount of guarantees or endorsements are approved by banks.

Other occurrences related to endorsement or guarantee shall be included in the balance.

Note 6: Fill in the actual amount drawn from the balance.

Note 7: Fill in "Y" if it belongs to "Parent Company Endorsement or Guarantee for the Subsidiaries", "Subsidiaries Endorsement or Guarantee for the Parent Company", or "Endorsement or Guarantee for Entities in China".

Note 8: All transactions listed above are eliminated in the consolidated financial statements.

Attachment 3

Securities held as of December 31, 2021

(Dollar amount expressed in thousands of NTD unless otherwise specified)

Company	Type and Name of the Securities (Note 1)	Relationship (Note 2)	Financial Statement Account	As of December 31, 2021			Remark (Note 4)
				Shares	Carrying Value (Note 3)	Percentage of Ownership	
TGI	Securities-- China Development Financial Holdings Chi-Ye Chemical Corp. Chang Hwa Commercial Bank, Ltd. Hua Nan Financial Holdings Co., Ltd. Total	- - - -	Available-for-sale financial assets - non-current " " " "	21,681,340 659,000 329 160	\$379,424 52,397 6 3 <u>\$431,830</u>	0.13% 3.30% 0.00% 0.00%	\$379,424 52,397 6 3
CDG	Structured deposit-- Bank of China, Sichuan Province Branch	-	Financial assets at fair value through profit or loss - current	-	\$2,615,901	-	\$2,615,901
CDG	Bank of Chengdu, Qingbaijiang Branch	-	"	-	217,117	-	217,117
TXY	China Merchants Bank, Xianyang Branch	-	"	-	499,271	-	499,271
TXY	Bank of Chengdu, Xian Branch	-	"	-	1,193,908	-	1,193,908
CFG	Industrial and Commercial Bank of China Limited, Kunshanzhangpu Branch	-	"	-	217,074	-	217,074
CFG	Industrial Bank, Kunshan Branch	-	"	-	217,074	-	217,074
CFG	Kunshan Rural Commercial Bank, Nankang Branch	-	"	-	217,074	-	217,074
CFG	Bank of China, Kunshanzhangpu Branch	-	"	-	217,074	-	217,074
TAH	Bank of China, Fengyang Branch	-	"	-	130,245	-	130,245
TYSM	Bank of China, Yancheng Development Zone Branch	-	"	-	520,978	-	520,978
TGF	Industrial Bank, Kunshan Branch	-	"	-	694,637	-	694,637
TGF	Kunshan Rural Commercial Bank, Zhonghuayuan Branch	-	"	-	173,659	-	173,659
TGF	Shanghai Pudong Development Bank, Kunshan Branch	-	"	-	195,367	-	195,367
	Total				<u>\$7,109,379</u>		

Note 1: The securities herein shall refer to stocks, bonds, beneficiary certificates and other marketable securities derived from the above items in the scope of IFRS 9-Financial Instruments.

Note 2: Securities issued by non-related parties are not required to fill in this column.

Note 3: For items measured at fair value, the carrying value is the balance of the book value adjusted by fair value valuation deducting accumulated impairment.

For items not measured at fair value, the carrying value is the book value balance of the historical cost or amortized cost after deducting accumulated impairment.

Note 4: Securities with restrictions because of being provided for security, as pledge or under other covenants should state the number of shares or dollar amount provided for security or pledge and the restriction terms.

Attachment 4
 Individual securities acquired or disposed of with accumulated amount exceeding
 NT\$100 million or 20 percent of the capital stock for the year ended 31 December 2021
 (Dollar amount expressed in thousands of NTD unless otherwise specified)

Company	Type and Name of the Securities (Note 1)	Financial Statement Account	Counterparty (Note 2)	Relationship (Note 2)	Beginning Balance		Acquisition (Note 3)		Disposal (Note 3)			Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Selling Amount	Carrying Value	Gain or Loss on Disposal	Shares
CDG	Structured deposit – Bank of China, Sichuan Province Branch	Financial assets at fair value through profit or loss - current	-	-	-	\$1,182,203	-	\$3,125,223 (6,023) (Note 5) 11,008 (Note 6)	\$1,722,793	\$1,696,510	\$26,283	-	\$2,615,991
CDG	Structured deposit – Agricultural Bank of China, Qinghaijiang branch	Financial assets at fair value through profit or loss - current	-	-	-	570,264	-	1,041,741 (3,166) (Note 5)	1,629,372	1,608,839	20,533	-	-
CDG	Structured deposit – Nanyang Commercial Bank, Chengdu Branch	Financial assets at fair value through profit or loss - current	-	-	-	-	-	1,923,047 (Note 5)	1,857,863	1,823,047	34,816	-	-
CDG	Structured deposit – Bank of Chengdu, Qinghaijiang Branch	Financial assets at fair value through profit or loss - current	-	-	-	-	-	477,465 44 (Note 5) 43 (Note 6)	265,227	261,435	4,792	-	217,117
TXV	Structured deposit – China Merchants Bank, Xinyang Branch	Financial assets at fair value through profit or loss - current	-	-	-	130,945	-	1,627,720 (624) (Note 5)	1,268,033	1,258,770	9,263	-	498,271
TXV	Structured deposit – Bank of Chengdu, Xian Branch	Financial assets at fair value through profit or loss - current	-	-	-	-	-	2,061,779 247 (Note 5)	876,116	868,118	7,998	-	1,193,988
CFG	Structured deposit – Industrial and Commercial Bank of China Limited, Kunshan/Hangpu Branch	Financial assets at fair value through profit or loss - current	-	-	-	-	-	837,733 45 (Note 5)	625,642	620,704	4,938	-	217,074

Attachment 4
Individual securities acquired or disposed of with accumulated amount exceeding NT\$500 million or 20 percent of the capital stock for the year ended 31 December 2021

Company	Type and Name of the Securities (Note 1)	Financial Statement Account	Counterparty (Note 2)	Relationship (Note 2)	Beginning Balance		Acquisition (Note 3)		Disposal (Note 3)		Ending Balance		
					Shares	Amount	Shares	Amount	Shares	Amount	Shares	Amount	Gain or Loss on Disposal
CFG	Structured deposit – Shanghai Pudong Development Bank, Kunshan Branch	Financial assets at fair value through profit or loss – current	-	-	-	\$-	-	\$303,841 (Note 5)	\$306,298	303,841	\$2,457	-	\$-
TAH	Structured deposit – Bank of China, Fengyang Branch	Financial assets at fair value through profit or loss – current	-	-	-	-	303,841 (Note 5)	-	174,955	173,624	1,231	-	130,245
TYSM	Structured deposit – Bank of China, Yangcheng Development Zone Branch	Financial assets at fair value through profit or loss – current	-	-	-	-	1,124,212 (Note 5)	-	606,142	603,342	2,800	-	520,978
TGF	Structured deposit – Industrial Bank, Kunshan Branch	Financial assets at fair value through profit or loss – current	-	-	-	-	694,494 (Note 5)	-	-	-	-	-	694,637
TGCH	shareholders – TGPH	Investments accounted for using the equity method	Merry Int'l Holdings Group Limited	None	-	-	181,123 (Note 7)	-	1,448,098 (Note 8)	168,939 (Note 9)	1,279,159	-	-

Note 1: The securities herein shall refer to stocks, bonds, beneficiary certificates and other securities derived from the above items.

Note 2: These columns are filled only if securities are investments accounted for using the equity method.

Note 3: Accumulated amount of securities purchased or sold are calculated at market value to determine whether they exceed NT\$500 million or 20% of the capital stock.

Note 4: Paid-in Capital shall refer to the paid-in capital of parent company. If the issuer's stock is not denominated or the denomination is not NT\$100, the transaction amount of 20% of the equity of the parent company on the balance sheet.

Note 5: The amount includes foreign exchange adjustments.

Note 6: The amount is record end evaluation profit and loss.

Note 7: Due to the restructuring of the Group's investment structure, TG Fengyang Sikea Sand Co., Ltd. is directly invested by TG Fengyang Holding Co., Ltd. As at June 1, 2021.

Note 8: Include selling price NT\$1,465,098 thousand, cost of sale NT\$1,651 thousand and foreign exchange adjustments (NT\$15,349) thousand.

Note 9: The equity method is adopted to recognize investment gains and losses and other equity.

Attachment 5

Related party transactions for purchases and sales amounts exceeding NT\$100 million or 20 percent of capital stock as at for the year ended December 31, 2021

(Dollar amount expressed in thousands of NTD unless otherwise specified)

Company	Counterparty	Relationship	Transaction Details				Details Different from Non-arm's Length Transactions (Note 1)			Notes and Accounts Receivable (Payable)		Remark (Note 2)
			Sale/Purchase	Amount	Percentage of Total Sales or Purchases	Term	Unit Price	Terms	Balance	Percentage of Total Receivable (Payable)		
TGI	QFG	Parent-subsiidiary	Sales	\$(414,891)	(3)%	105 days	-	-	\$150,605	8%		
TGI	TGF	Parent-subsiidiary	Sales	(118,162)	(1)%	3 months	-	-	1,212	0%		
TAH	CFG	Affiliate Company	Sales	(588,549)	(16)%	3 months	-	-	224,712	20%		
TAH	TTAR	Affiliate Company	Sales	(811,352)	(22)%	3 months	-	-	480,777	43%		
TAH	TWAR	Affiliate Company	Sales	(614,497)	(16)%	3 months	-	-	242,913	22%		
TCD	TGF	Affiliate Company	Sales	(237,867)	(9)%	3 months	-	-	11,573	1%		
TBF	TGF	Affiliate Company	Sales	(300,557)	(11)%	3 months	-	-	20,281	2%		
QFG	TGUS	Affiliate Company	Sales	(211,787)	(9)%	3 months	-	-	57,785	8%		
QFG	TPMT	Other related party	Sales	(202,291)	(9)%	3 months	-	-	65,900	9%		
TQPT	TPMT	Other related party	Sales	(123,033)	(81)%	3 months	-	-	21,822	30%		
TJG	TGUS	Affiliate Company	Sales	(101,198)	(4)%	3 months	-	-	25,495	3%		
TYAU	DYK	Other related party	Sales	(140,327)	(25)%	3 months	-	-	50,605	16%		
QFG	TGI	Parent-subsiidiary	Purchases	414,891	27%	105 days	-	-	(150,605)	(20)%		
TGF	TGI	Parent-subsiidiary	Purchases	118,162	5%	3 months	-	-	(1,212)	(1)%		
CFG	TAH	Affiliate Company	Purchases	588,549	20%	3 months	-	-	(224,712)	(17)%		

Attachment 5

Related party transactions for purchases and sales amounts exceeding NT\$100 million or 20 percent of capital stock as at for the year ended December 31, 2021

Company	Counterparty	Relationship	Transaction Details				Details Different from Non-arm's Length Transactions (Note 1)			Remark (Note 2)	
			Sale/Purchase	Amount	Percentage of Total Sales or	Term	Unit Price	Terms	(Pavable)		
									Balance		Percentage of Total Receivable
TTAR	TAH	Affiliate Company	Purchases	\$811,352	55 %	3 months	-	-	\$(480,777)	(50)%	
TWAR	TAH	Affiliate Company	Purchases	614,497	53 %	3 months	-	-	(242,913)	(66)%	
TGF	TCD	Affiliate Company	Purchases	237,867	10 %	3 months	-	-	(11,573)	(9)%	
TGF	TBF	Affiliate Company	Purchases	300,557	13 %	3 months	-	-	(20,281)	(15)%	
TGUS	TJG	Affiliate Company	Purchases	101,198	16 %	3 months	-	-	(25,495)	(95)%	
TGUS	QFG	Affiliate Company	Purchases	211,787	33 %	3 months	-	-	(57,785)	(100)%	
QFG	SCJ	Affiliate Company	Purchases	199,450	13 %	3 months	-	-	(119,334)	(16)%	
DHG	SCJ	Affiliate Company	Purchases	342,129	23 %	3 months	-	-	(27,533)	(3)%	
HNG	SCJ	Affiliate Company	Purchases	794,122	26 %	3 months	-	-	(445,529)	(66)%	
TJG	SCJ	Affiliate Company	Purchases	136,893	8 %	3 months	-	-	(60,293)	(10)%	
TAH	SCJ	Affiliate Company	Purchases	368,423	17 %	3 months	-	-	(217,173)	(31)%	
CFG	SCJ	Affiliate Company	Purchases	383,751	13 %	3 months	-	-	(240,929)	(18)%	
FPG	SCJ	Affiliate Company	Purchases	253,838	15 %	3 months	-	-	(202,080)	(17)%	

Note 1: If the related parties' trading terms are different from the general trading terms, the differences and reasons for such differences should be stated in the "Unit price" and "Terms" columns.

Note 2: Transactions with advance receipts and prepayments should state the reasons, the terms of agreements, the amount and the difference from general transactions in the Remark column.

Note 3: Paid-in Capital shall refer to the paid-in capital of parent company. If the issuer's stock is not denominated or the denomination is not NT\$10, the transaction amount of 20% of the paid-up capital shall be calculated as 10% of the equity of the parent company on the balance sheet.

Note 4: All transactions listed above are eliminated in the consolidated financial statements except for TPMT, SCJ and DYK.

Attachment 6

Receivables from related parties with amounts exceeding NT\$100 million or 20 percent of capital stock as at the year ended December 31, 2021

Company	Counterparty	Relationship	Ending Balance (Note 1)	Turnover	Overdue Receivables		Amount Received in Subsequent	Allowance for Bad Debts
					Amount	Collection		
TGI	QFG	Parent-subsiary	Accounts receivables \$150,605	-	\$-	-	\$-	-
CDG	TWAR	Affiliate Company	Other receivables 592,673	-	-	-	-	-
CDG	TBF	Affiliate Company	Other receivables 1,519,519	-	-	-	-	-
CDG	HZSS	Affiliate Company	Other receivables 116,811	-	-	-	-	-
CDG	TCD	Affiliate Company	Other receivables 918,224	-	-	-	-	-
CDG	TTAR	Affiliate Company	Other receivables 103,711	-	-	-	-	-
CDG	TYAU	Affiliate Company	Other receivables 635,065	-	-	-	-	-
CFG	TCD	Affiliate Company	Other receivables 253,977	-	-	-	-	-
TGF	TCD	Affiliate Company	Other receivables 564,433	-	-	-	-	-
TGF	TBF	Affiliate Company	Other receivables 882,477	-	-	-	-	-

Attachment 6

Receivables from related parties with amounts exceeding NT\$100 million or 20 percent of capital stock as at for the year ended December 31, 2021

Company	Counterparty	Relationship	Ending Balance (Note 1)	Turnover	Overdue Receivables		Amount Received in Subsequent	Allowance for Bad Debts
					Amount	Collection		
DHG	QFG	Affiliate Company	Other receivables \$366,508	-	\$-	-	\$-	-
DHG	TJG	Affiliate Company	Other receivables 349,246	-	-	-	-	-
FPG	DHG	Parent-subidiary	Notes receivables 244,204	-	-	-	-	-
QFG	QRG	Parent-subidiary	Other receivables 192,419	-	-	-	-	-
QFG	TQPT	Parent-subidiary	Other receivables 350,511	-	-	-	-	-
HNG	TJG	Affiliate Company	Other receivables 689,199	-	-	-	-	-
TAH	CFG	Affiliate Company	Accounts receivables 224,712	-	-	-	-	-
TAH	TTAR	Affiliate Company	Accounts receivables 480,777	-	-	-	-	-
TAH	TWAR	Affiliate Company	Accounts receivables 242,913	-	-	-	-	-

Note 1: Fill in information such as related parties accounts receivables, notes receivable, other receivables, etc.

Note 2: Paid-in Capital shall refer to the paid-in capital of parent company. If the issuer's stock is not denominated or the denomination is not NT\$10, the transaction amount of 20% of the paid-up capital shall be calculated as 10% of the equity of the parent company on the balance sheet.

Note 3: All transactions listed above are eliminated in the consolidated financial statements.

Attachment 7

Significant intercompany transactions for the year ended December 31, 2021

No. (Note 1)	Related Party	Counterparty	Relationship with the Company (Note 2)	Transaction Details			
				Account	Amount	Terms	
0	TGI	QFG	1	Sales revenues	\$414,891	The same as export sales	1%
0	TGF	TGF	1	"	118,162	"	0%
1	TAH	CFG	3	"	588,549	The same as domestic sales	1%
1	"	TTAR	3	"	811,352	"	1%
1	"	TWAR	3	"	614,497	"	1%
1	TCD	TCD	3	"	237,867	"	0%
2	TBF	TCD	3	"	300,557	"	1%
3	QFG	TGUS	3	"	211,787	"	0%
4	TJG	TGUS	3	"	101,198	The same as export sales	0%
5	CDG	TWAR	3	"	592,673	"	0%
6	"	TBF	3	Other receivables - related parties	1,519,519	"	1%
6	"	HZSS	3	"	116,811	"	2%
6	"	TCD	3	"	918,224	"	0%
6	"	TTAR	3	"	103,711	"	1%
6	"	TYAU	3	"	635,065	"	0%
6	"	TCD	3	"	253,977	"	1%
7	CFG	TCD	3	"	564,433	"	0%
8	TGF	TBF	3	"	882,477	"	1%
8	DHG	QFG	3	"	366,508	"	0%
9	"	TJG	3	"	349,246	"	0%
4	QFG	QRG	3	"	192,419	"	0%
4	"	TQPT	1	"	350,511	"	0%
10	HNG	TJG	3	"	689,199	"	1%
0	TGI	QFG	1	Accounts receivables - related parties	150,605	"	0%
1	TAH	CFG	3	"	224,712	"	0%
1	"	TTAR	3	"	480,777	"	0%
1	"	TWAR	3	"	242,913	"	0%
11	FPG	DHG	2	Notes receivables - related parties	244,204	"	0%

Note 1: The Company and its subsidiaries are coded as follows:

1 The Company is coded "0".

2 Subsidiaries are coded consecutively starting from "1" in the order presented in the table above.

Note 2: Transactions are categorized as follows:

1. Parent company to subsidiary

2. Subsidiary to parent company

3. Subsidiary to subsidiary

Note 3: The percentage is determined by the ratio of the transaction amount to the consolidated revenues or the total assets. Items on the balance sheet are calculated by the ending balance to total consolidated assets; items on the income statement are calculated by their cumulative balance to the total consolidated income.

Note 4: The disclosure of significant intercompany transactions in this attachment is determined by the company based on the materiality.

Attachment 8

Names, locations and related information of investee companies as of December 31, 2021

Company	Investee (Note 1.2)	Area Within	Nature of Business	Initial Investment		Investment as of December 31, 2021			Profit or Loss of Investee (Note 2(2))	Gain or Loss on Investment (Note 2(3))	Remark
				Ending Balance	Beginning Balance	Shares	Percentage of Ownership	Carrying Value			
TGI	TGUS	US	Investment in QRG and selling of glasses.	\$17,676 USD 461	\$17,676 USD 461	4,612	100.00%	\$344,203	\$(23,791)	Subsidiary	
"	TGCH	Bermuda	Investment in QRG, QFG, TGF, CFG, CDG, DHG, HZSS, HNG, TJG, TXY, T1AR, TYAU, TAH, TYSM, TWAR, TCD, TBF, SCH and CFG-HK	37,839,810 USD 1,210,866	37,839,810 USD 1,210,866	1,221,748,651	93.98%	51,450,480	11,692,282	Subsidiary	
"	TAG	Taiwan	Investment in TAGH and selling of auto glasses.	263,582	263,582	26,100,000	87.00%	117,010	(22,472)	Subsidiary	
"	TVIG	Taiwan	Selling vacuum insulation glass.	4,361 (Note 5)	438,750	436,084	65.00%	9,885	6,268	Subsidiary	
TGCH	SCH	Hong Kong	Investment in Shihlien Chemical Industrial (Jiangsu) Co., Ltd. (SCJ) and Huaian Shihyuan Brine Co., Ltd. (HSB).	7,861,681 USD 252,088	7,861,681 USD 252,088	1,904,445,986	43.99%	5,469,989	2,159,705 (Note 3)	Affiliated Company	
"	TGFH	Hong Kong	Investment in FYSS.	-	-	-	0.00%	-	(Note 4)	Subsidiary	
"	CFG-HK	Hong Kong	Investment in holding company.	28 USD 1	-	1,000	100.00%	28	1 (Note 3)	Subsidiary	
TAG	TAGH	Bermuda	Investment in TYAU.	188,571 USD 6,000	188,571 USD 6,000	6,000,000	100.00%	37,370	(12,544) (Note 3)	Subsidiary	

Note 1: A listed company which has a foreign holding company that uses the consolidated financial statements as the master financial report according to its local regulations may disclose information regarding foreign investees only to the extent of the holding company.

Note 2: Fill in information following the instruction below for matters not applied in Note 1 indicated above:

(1) The columns of "Name of investee", "Area Within", "Nature of Business", "Initial Investment" and "Investment as of December 31, 2020" should fill in information of the reinvestment of the listed company, reinvestment of every direct or indirect reinvestment of the investee, and disclose the relationship of the investees with the Company in the Remark column.

(Such as subsidiary or sub-subsidiary)

(2) The column of "Profit or Loss of Investee" should fill in the current profit or loss of the investees.

(3) The column of "Gain or Loss on Investment" only require profit / loss of the direct investees and all investees accounted for under the equity method

When filling in the above items, make sure the profit / loss of direct investee subsidiaries include the profit or loss of their reinvestments that are required to be recognized.

Note 3: According to regulations, the amount of investment income (loss) recognized by the Company can be exempted from disclosure.

Note 4: Due to the restructuring of the Group's investment structure, TG Fengyang Silica Sand Co., Ltd. is directly invested by TG Fengyang Holding Co., Ltd. As at June 1, 2021. The Group lost control of TG Fengyang Silica Sand Co., Ltd. Accordingly, Taiwan Glass China Holding Ltd. disposed of the equity interest in TG Fengyang Holding Co., Ltd. as at October 15, 2021.

Note 5: The capital reduction in 2021 made up for the loss.

Note 6: All transactions listed above are eliminated in the consolidated financial statements except for SCH and its investments in mainland China.

Attachment 9
Investment in Shanghai China as of December 31, 2021

Investee	Nature of Business	Total Amount of Payable Capital	Investment Method (Note 1)	Accumulated Contributions of Investment from January 1, 2021		Investment Flows		Accumulated Contributions of Investment from January 1, 2021	Profit or Loss of Investee company	Percentage of Ownership	Profit or Loss on Investment (Note 2)(c)	Carrying Value as of December 31, 2021	Accumulated Dividend Remittance of Dividends as of December 31, 2021
				Outflow	Inflow	Investment from January 1, 2021	Investment from January 1, 2021						
QKG	Manufacturing of photochromic glass	\$810,830 USD 2,293	(c)	\$29,728 USD 1,074	\$-	\$29,728 USD 1,074	\$28,603	94.96%	\$26,648	\$46,715	\$-		
QJG	Manufacturing of flat glasses	2,430,304 USD 47,808 (Note 13 - Note 21)	(a)	1,311,728 USD 47,389	-	1,311,728 USD 47,389	239,745	93.98%	225,317	1,487,182	-		
CFG	Manufacturing of flat glasses & low-emission glasses	2,601,920 USD 84,000 (Note 7 - Note 25)	(a)	2,103,680 USD 76,000	-	2,103,680 USD 76,000	1,061,842	93.98%	997,919	4,293,317	-		
FYSS	Manufacturing of silica sand	-	(a)	58,128 USD 2,100 (Note 27)	-	58,128 USD 2,100	-	10.06%	(22,144)	-	-		
TGF	Manufacturing of glass fabric & fiber	3,044,809 USD 110,700 (Note 12)	(a)	2,522,091 USD 91,116	-	2,522,091 USD 91,116	1,183,209	93.99%	1,113,859	3,451,853	-		
CDG	Manufacturing of flat glasses & low-emission glasses	1,937,069 USD 70,000 (Note 11)	(a)	1,333,414 USD 48,895	-	1,333,414 USD 48,895	2,077,340	93.98%	1,952,284	9,370,028	-		
HZSS	Manufacturing of silica sand	296,640 USD 10,500 (Note 10)	(a)	296,640 USD 10,500	-	296,640 USD 10,500	(24,198)	93.98%	(22,741)	38,548	-		
HNG	Manufacturing of flat glasses & low-emission glasses	2,934,081 USD 106,000 (Note 10)	(a)	2,449,669 USD 88,500	-	2,449,669 USD 88,500	774,363	93.98%	727,746	4,120,480	-		
DJG	Manufacturing of flat glasses	2,214,490 USD 60,000 (Note 8 - Note 13 - Note 20)	(a)	1,384,000 USD 50,000	-	1,384,000 USD 50,000	60,406	93.98%	56,769	5,138,013	-		
TJG	Manufacturing of flat glasses & low-emission glasses	2,657,280 USD 96,000 (Note 9 - Note 22)	(a)	1,633,120 USD 59,000	-	1,633,120 USD 59,000	302,482	93.98%	284,273	912,913	-		
SCJ	Manufacturing of soda ash	22,144,000 USD 804,000 (Note 14)	(a)	4,417,597 USD 159,592	-	4,417,597 USD 159,592	2,238,714	41.34%	925,484	8,963,956	-		
HSB	Manufacturing of zinc	885,760 USD 32,000 (Note 15)	(a)	166,080 USD 6,000	-	166,080 USD 6,000	458,108	41.34%	189,419	389,248	-		
JXY	Manufacturing of flat glasses & low-emission glasses	2,768,000 USD 109,000 (Note 16)	(a)	1,799,200 USD 65,000	-	1,799,200 USD 65,000	1,502,982	93.98%	1,412,484	4,596,891	-		
ITAR	Manufacturing of low-emission glasses	968,800 USD 35,000 (Note 17)	(a)	968,800 USD 35,000	-	968,800 USD 35,000	44,285	93.98%	41,619	909,673	-		
TAF	Manufacturing of flat glasses	2,352,800 USD 85,000 (Note 17)	(a)	2,352,800 USD 85,000	-	2,352,800 USD 85,000	1,065,399	93.98%	1,000,202	3,256,956	-		
TVSM	Manufacturing of solar glasses	1,799,200 USD 65,000 (Note 17)	(a)	1,349,400 USD 48,750	-	1,349,400 USD 48,750	205,048	70.19%	144,538	419,333	-		
TWAR	Manufacturing of low-emission glasses	2,043,922 USD 73,000 (Note 23)	(a)	968,800 USD 35,000	-	968,800 USD 35,000	(33,608)	93.98%	(33,465)	1,312,817	-		
TYAU	Manufacturing of auto glasses	51,882,240 USD 686,000 (Note 18)	(a)	5963,264 USD 34,800	-	5963,264 USD 34,800	(142,224)	55.77%	(79,319)	236,293	-		
HJF	Manufacturing of glass fabric	1,669,800 USD 60,000 (Note 6)	(a)	1,669,800 USD 60,000	-	1,669,800 USD 60,000	1,096,137	93.98%	1,030,150	1,591,435	-		
YCD	Manufacturing of glass fabric	2,712,640 USD 98,000 (Note 6)	(a)	2,574,240 USD 93,000	-	2,574,240 USD 93,000	807,523	93.98%	758,910	3,067,838	-		
YNSS	Manufacturing of silica sand	-	(a)	53,672 USD 1,939 (Note 26)	-	53,672 USD 1,939	-	0%	-	-	-		

Attachment 9
Investment in Mainland China as of December 31, 2021

Accumulated Investment in Mainland China as at 31 December 2021	Investment Amount Authorized by Investment Commission, Ministry of Economic Affairs (Note 1)	Limit on Investment Amount in Mainland China (Note 5)
31,859,136	38,339,119	
USD 1,150,655	USD 1,334,661 / R. CNY 225,306	
(Note 24)		

Note 1 The methods for engaging in investment in Mainland China are like the following:

- (a) Direct investment in Mainland China companies
- (b) Investment in Mainland China companies through a company, invested and established in a third region
- (c) Other methods

Note 2 In the column of profit or loss on investment:

- (1) The investment still in preparation and not generating profit or loss yet should be noted.
- (2) The gain or loss on investment were determined based on the following:
 - a. The financial report was audited and certified by an international accounting firm in cooperation with an R.O.C. accounting firm
 - b. The financial statements certified by the CPA of the parent company in Taiwan
 - c. Others

Note 3 The amount of the attachment are expressed in New Taiwan Dollars

Note 4 The investment amount was authorized by Investment Commission, Ministry of Economic Affairs.

Note 5 The Company does not have a limit on investment in Mainland China since it qualified as operation headquarter approved by the Industrial Development Bureau, Ministry of Economic Affairs

Note 6 The TEGCI invested the other USD 5,600 thousand to the entity with its own capital

Note 7 The other USD 12,000 thousand was invested by third party through the TEGCI

Note 8 Third party invested USD 3,000 thousand to the entity through the TEGCI

Note 9 Third party invested USD 12,000 thousand to the entity through the TEGCI

Note 10 Third party invested USD 17,000 thousand to the entity through the TEGCI. TEGCI also invested to the entity USD 200 thousand with its own capital

Note 11 Third party invested USD 21,000 thousand to the entity through the TEGCI

Note 12 Third party invested USD 17,000 thousand to the entity through the TEGCI

Note 13 The QFG, and DHG invested USD 27,800 thousand, and USD 13,600 thousand, their unappropriated earnings, respectively, to the subsidiary

Note 14 The SCI, the trustee of the TEGCI, invested USD 640,408 thousand to the entity with its and third party's capital

Note 15 The SCI invested USD 28,000 thousand to the entity with third party's capital

Note 16 The USD 35,000 thousand earnings distributed by CFG and CDG was invested by TEGCI. The Company did not provide any funding

Note 17 The USD 16,250 thousand was invested by the third party. The Company did not provide any funding

Note 18 The TAGH and third party invested additional USD 6,900 thousand and USD 27,200 thousand to the entity, respectively

Note 19 The QFG and GHS invested USD 23,319 thousand and USD 4,774 thousand to the entity, respectively

Note 20 The DHF raised capital of USD 14,000 thousand through debt for equity swap. The Company did not provide any funding.

Note 21 The QFG raised capital of USD 5,000 thousand through debt for equity swap. The Company did not provide any funding

Note 22 The TFG raised capital of USD 25,000 thousand through debt for equity swap. The Company did not provide any funding

Note 23 The USD 38,805 thousand earnings distributed by CBT was invested by TEGCI. The Company did not provide any funding

Note 24 The difference of USD 22,000 thousand between the total accumulated investment amount from Taiwan and the accumulated investment amount from Mainland China at the end of the period was due to the adjustment of the investment structure of the Group.

TG Fujian Photovoltaic Glass Co., Ltd. was adjusted to be directly invested by TG Daqiang Glass Co., Ltd. as of October 29, 2021

Note 25 For the period ended September 30, 2019, the Company was merged with TKG. TKG is the surviving company, and TFG is the dissolved company

Note 26 The third-region invested entity TEGCI lost control of Yunnan Silica Sand Co., Ltd. as of October 23, 2020. Accordingly, it was excluded from the consolidated financial statements since the date

Note 27 The third-region invested entity TEGCI lost control of TG Fengyang Holding Co., Ltd. and indirectly transferred to TG Fengyang Silica Sand Co., Ltd. as of October 15, 2021. Accordingly, it was excluded from the consolidated financial statements since the date

Note 28 All amount listed above are eliminated in the consolidated financial statements except for SCI and USB.

**V. Consolidated financial statements of TGI as of and for the years ended December 31, 2021
with CPA's report**

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**TAIWAN GLASS INDUSTRIAL CORPORATION
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED
DECEMBER 31, 2021 AND 2020**

Address: 11th Floor, No. 261, Sec. 3, Nanjing E. Rd., Taipei, Taiwan, R.O.C.
Telephone: 886-2-2713-0333

The reader is advised that these consolidated financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

Independent Auditor's Report Translated from Chinese

To Taiwan Glass Industrial Corporation

Opinion

We have audited the accompanying consolidated balance sheets of Taiwan Glass Industrial Corporation (the "Company") and its subsidiaries as of December 31, 2021 and 2020, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2021 and 2020, and notes to the consolidated financial statements, including the summary of significant accounting policies (collectively "the consolidated financial statements").

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2021 and 2020, and their consolidated financial performance and cash flows for the years ended December 31, 2021 and 2020, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Certification of Financial Statements by Certified Public Accountants, and the auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 2021 consolidated financial statements. 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.

Valuation of Inventories

As of December 31, 2021, the Company and its subsidiaries net inventories amounted to NT\$10,297,779 thousand, which is relatively material for the consolidated financial statements. The Company and its subsidiaries are engaged in the manufacturing, processing and sale of various glasses which have a wide range of applications in various sectors such as construction, electronics and consumer products industries. Considering the fact that identification of slow-moving inventories and the assessment of the amount of inventory write-downs require significant management judgement based on market demands, we therefore determined this a key audit matter.

Our audit procedures included, but not limited to, assessing the appropriateness of the accounting policies of evaluating slow-moving and obsolete inventories, including analyzing slow-moving inventory allowance ratio and the net realizable value adopted; understanding and testing the internal controls established by management with respect to the valuation of inventories, including the calculation of net realizable value; sample testing the accuracy of the net realizable values used by management; vouching samples against related certificates to verify accuracy of inventory aging.

We also assessed the adequacy of disclosures of inventories. Please refer to Notes 4, 5 and 6 to the Company's consolidated financial statements.

Revenue Recognition

Operating revenues recognized by the Company and its subsidiaries amounted to NT\$56,065,737 thousand for the year ended December 31, 2021. Reflecting different market demands, trade terms of different contracts varied, along with the fact that some of the sales orders included delivery services, management needed to review the sales orders or contracts to determine the performance obligations and the time of their satisfaction, there is a significant risk in revenue recognition. Therefore, we considered this a key audit matter.

Our audit procedures included, but not limited to, assessing the appropriateness of the accounting policy of revenue recognition; evaluating and testing the operating effectiveness of internal controls with respect to revenue recognition; selecting samples to perform tests of details and reviewing related transaction certificates and the significant terms and conditions of contracts to verify the accuracy of the timing of performance obligation satisfaction; confirming significant account receivable balance by sending confirmation letters; selecting samples of transactions from either side of balance sheet date, vouching samples against related certificates and reviewing significant subsequent sales return or discounts transactions to ensure revenue was recognized at appropriate timing.

We also assessed the adequacy of disclosures of operating revenues. Please refer to Notes 4 and 6 to the Company's consolidated financial statements.

Other Matter

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Company as of and for the years ended December 31, 2021 and 2020.

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 requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission 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 ability to continue as a going concern of the Company and its subsidiaries, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company and its subsidiaries or to cease operations, or has no realistic alternative but to do so.

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditor's 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 auditor's 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 auditing standards generally accepted in the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control of the Company and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 auditor's report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company and its subsidiaries 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 a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2021 consolidated financial statements and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Hsiao, Tsui-Hui

Fuh, Wen-Fang

Ernst & Young, Taiwan

March 7, 2022

Notice to Readers

The accompanying consolidated financial statements are intended only to present the financial position, results of operations 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 accepted and applied in the Republic of China.

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Consolidated Financial Statements Originally Issued in Chinese
TAIWAN GLASS INDUSTRIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

	As of December 31,			As of December 31,		
	2021	%	2020	2021	%	2020
ASSETS	LIABILITIES AND EQUITY					
Current assets	Current liabilities					
Cash and cash equivalents	\$8,173,805	8	\$6,708,591	8	\$2,529,627	3
Current financial assets at fair value through profit or loss	7,109,379	7	1,927,060	2	3,090,314	3
Current financial assets at amortized cost	575,414	1	165,047	-	1,126,405	1
Current contract assets	201,217	-	265,371	-	874,654	1
Notes receivable, net	11,339,577	11	11,283,923	13	7,330,144	8
Accounts receivable, net	5,523,348	6	4,584,635	5	1,205,676	1
Other receivables, net	187,554	-	190,164	-	3,774,555	4
Current tax assets	13,576	-	16,941	-	393,097	-
Inventories, net	10,297,779	10	8,160,813	9	438,007	-
Prepayments	1,236,240	2	1,422,430	2	50,950	-
Non-current assets or disposal groups classified as held for sale, net	11,862	-	558,027	1	6,103,826	6
Other current financial assets	985,447	1	212,823	-	57,977	-
Other current assets, others	2,639	-	6,661	-	26,975,232	27
Total current assets	45,657,837	46	35,502,486	40	57,977	33
Non-current assets	Non-current liabilities					
Non-current financial assets at fair value through other comprehensive income	431,830	-	252,125	-	12,581,798	13
Investments accounted for using the equity method	5,482,791	6	4,616,442	5	754,618	1
Property, plant and equipment	43,948,199	45	46,050,857	52	63,439	-
Right-of-use assets	2,704,809	3	2,784,872	3	1,062,698	1
Intangible assets	35,347	-	36,934	-	7,039	-
Deferred tax assets	464,492	-	343,494	-	236,010	-
Refundable deposits	194,303	-	181,270	-	14,705,602	15
Other net defined benefit assets	318,528	-	-	-	41,680,834	42
Other non-current assets	217,193	-	161,297	-	-	-
Total non-current assets	53,797,492	54	54,427,291	60	29,080,608	30
					1,925,218	2
					6,207,565	6
					5,102,550	5
					15,249,757	15
					26,559,872	26
					(3,575,460)	(4)
					53,874	-
					(3,521,586)	(4)
					54,044,112	54
					3,730,383	4
					57,774,495	58
					\$99,455,329	100
					\$89,929,777	100
					\$89,929,777	100

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
TAIWAN GLASS INDUSTRIAL CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars Except Earnings Per Share Information)

	Note	For the years ended December 31.			
		2021		2020	
		Amount	%	Amount	%
Operating revenues	4, 6(21), 7	\$56,065,737	100	\$41,841,022	100
Operating costs	6(7), 6(12), 6(19), 6(24), 6(25), 7	(38,359,027)	(68)	(34,793,133)	(83)
Gross profit		17,706,710	32	7,047,889	17
Operating expenses	6(12), 6(19), 6(22), 6(24), 6(25), 7				
Selling and marketing expenses		(3,338,211)	(6)	(2,602,432)	(6)
General and administrative expenses		(1,596,160)	(3)	(1,216,909)	(3)
Research and development expenses		(1,130,281)	(2)	(601,989)	(2)
Expected credit losses and gains		(31,859)	-	(89,350)	-
Subtotal		(6,096,511)	(11)	(4,510,680)	(11)
Net amount of other revenues and gains and expenses and losses	6(23), 7	(52,232)	-	(21,365)	-
Operating loss		11,557,967	21	2,515,844	6
Non-operating income and expenses	6(10), 6(12), 6(22), 6(26), 6(30), 7				
Interest income		64,929	-	46,494	-
Other income		732,642	1	770,474	2
Other gains and losses		967,874	2	445,859	1
Finance costs		(497,089)	(1)	(673,795)	(2)
Share of income of associates and joint ventures		904,488	1	23,472	-
Expected credit losses and gains		12,558	-	(2,570)	-
Subtotal		2,185,402	3	609,934	1
Income from continuing operations before income tax		13,743,369	24	3,125,778	7
Income tax expense	4, 6(28)	(1,699,855)	(3)	(528,736)	(1)
Net income from continuing operations		12,043,514	21	2,597,042	6
Profit (loss) from discontinued operations	4, 6(8)	187,725	-	(136,494)	-
Profit		12,231,239	21	2,460,548	6
Other comprehensive income	4, 6(10), 6(19), 6(27)				
Other comprehensive income that will not be reclassified subsequently:					
Remeasurement of defined benefit obligation		356,291	1	311,724	1
Unrealized gain (losses) on equity instruments investment at fair value through other comprehensive income		179,705	-	(5,542)	-
Income tax related to components of other comprehensive income that will not be reclassified subsequently		(71,258)	-	(62,345)	-
Other comprehensive income that will be reclassified subsequently:					
Exchange differences on translation of foreign operations		(229,509)	-	636,938	1
Share of other comprehensive income of associates and joint ventures		(38,139)	-	361,419	1
Income tax related to components of other comprehensive income that will be reclassified subsequently		-	-	-	-
Total other comprehensive income, net of tax		197,090	1	1,242,194	3
Total comprehensive income		\$12,428,329	22	\$3,702,742	9
Net income attributable to:					
Stockholders of the parent					
Profit from continuing operations		\$11,341,423	20	\$2,564,033	6
Gain (loss) from discontinued operations		135,255	-	(95,512)	-
Net income attributable to Stockholders of the parent		11,476,678	20	2,468,521	6
Non-controlling interests					
Profit from continuing operations		702,091	1	33,009	-
Gain (loss) from discontinued operations		52,470	-	(40,982)	-
Net income (loss) attributable to Non-controlling interests		754,561	1	(7,973)	-
		\$12,231,239	21	\$2,460,548	6
Comprehensive income attributable to:					
Stockholders of the parent		\$11,690,579	21	\$3,643,483	9
Non-controlling interests		737,750	1	59,259	-
		\$12,428,329	22	\$3,702,742	9
Earnings per share (NT\$)	6(29)				
Earnings per share-basic					
Profit from continuing operations		\$3.90		\$0.88	
Gain (loss) from discontinued operations		0.05		(0.03)	
Earnings per share-basic		\$3.95		\$0.85	
Diluted earning per share					
Profit from continuing operations		\$3.89		\$0.88	
Gain (loss) from discontinued operations		0.05		\$(0.03)	
Earnings per share-diluted		\$3.94		\$0.85	

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese

TAIWAN GLASS INDUSTRIAL CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN STOCKHOLDERS' EQUITY

For the years ended December 31, 2021 and 2020
(Expressed in Thousands of New Taiwan Dollars)

EQUITY ATTRIBUTABLE TO THE PARENT COMPANY

	Capital	Additional Paid-in Capital	Legal Reserve	Special Reserve	Unappropriated Retained Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Losses on Financial Assets at Fair Value through Other Comprehensive Income	Total	Non-controlling Interests	Total Equity
Balance as of 1 January 2020	\$29,080,608	\$1,925,218	\$5,935,764	\$5,102,550	\$2,496,601	\$(4,256,371)	\$(120,289)	\$40,164,081	\$3,197,130	\$43,361,211
Net income in 2020					2,468,521			2,468,521	(7,973)	2,460,548
Other comprehensive income, net of tax in 2020					249,492	931,012	(5,542)	1,174,962	67,232	1,242,194
Total comprehensive income					2,718,013	931,012	(5,542)	3,643,483	59,259	3,702,742
Changes in non-controlling interests									(263,756)	(263,756)
Balance as of December 31, 2020	\$29,080,608	\$1,925,218	\$5,935,764	\$5,102,550	\$5,214,614	\$(3,325,359)	\$(125,831)	\$43,807,564	\$2,992,633	\$46,800,197
Balance as of January 1, 2021	\$29,080,608	\$1,925,218	\$5,935,764	\$5,102,550	\$5,214,614	\$(3,325,359)	\$(125,831)	\$43,807,564	\$2,992,633	\$46,800,197
Appropriations and distributions of 2020 earnings:										
Legal reserve			271,801		(271,801)					
Cash dividends					(1,454,031)			(1,454,031)		(1,454,031)
Net income in 2021					11,476,678			11,476,678	754,561	12,231,239
Other comprehensive income, net of tax in 2021					284,297	(250,101)	179,705	213,901	(16,811)	197,090
Total comprehensive income					11,760,975	(250,101)	179,705	11,690,579	737,750	12,428,329
Balance as of December 31, 2021	\$29,080,608	\$1,925,218	\$6,207,565	\$5,102,550	\$15,249,757	\$(3,575,460)	\$53,874	\$54,044,112	\$3,730,383	\$57,774,495

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
 TAIWAN GLASS INDUSTRIAL CORPORATION AND SUBSIDIARIES
 CONSOLIDATED STATEMENTS OF CASH FLOWS
 For the years ended December 31, 2021 and 2020
 (Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2021	2020
Cash flows from operating activities:		
Income before income tax	\$13,743,369	\$3,125,778
Gain (loss) from discontinued operations before tax	187,728	(134,557)
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation (including investment property)	4,976,370	4,940,213
Amortization	3,623	11,473
Expected credit losses	376	118,270
Gains on financial liabilities at fair value through profit	(130,001)	(48,103)
Interest expenses	497,089	678,633
Interest income	(65,991)	(47,974)
Dividend income	(12,908)	(13,998)
Share of profit or loss of associates and joint ventures accounted for using equity method	(904,488)	(23,472)
Loss on disposal of property, plant and equipment	19,298	21,410
Gain on disposal of other assets	(30)	-
Gain on disposal of investments accounted for using equity method	(1,279,159)	(697,970)
Loss on impairment of non-financial assets	-	347,018
Reversal of gain on impairment of non-financial assets	(14,208)	-
Changes in operating assets and liabilities:		
Financial assets at fair value through profit or loss, mandatorily measured at fair value	(5,104,954)	(1,235,975)
Contract assets	68,049	34,939
Notes receivable	(21,783)	(2,782,061)
Accounts receivable	(988,131)	(313,472)
Other receivables	14,698	(13,177)
Inventories	(2,139,431)	873,397
Prepayments	185,802	244,770
Other current assets	4,022	(1,820)
Current other financial assets	(784,165)	(83,932)
Other operating assets	413	6,266
Contract liabilities	1,122,514	231,325
Notes payable	496,773	213,253
Accounts payable	1,393,774	229,861
Other payable	784,584	62,368
Other current liabilities	578,094	4,153
Net accrued pension liability	(104,845)	(28,959)
Long-term deferred revenue	(116,735)	(75,820)
Cash inflow generated from operations	<u>12,409,747</u>	<u>5,641,837</u>
Interests received	65,991	47,974
Dividends received	12,908	13,998
Interests paid	(514,555)	(699,524)
Income tax paid	<u>(1,487,965)</u>	<u>(450,822)</u>
Net cash flows provided by operating activities	<u>10,486,126</u>	<u>4,553,463</u>
Cash flows from investing activities:		
Acquisition of financial assets at amortized cost	(410,367)	(59,817)
Disposal of subsidiaries	1,425,681	1,153,827
Acquisition of property, plant and equipment, excluding capitalized borrowing costs	(3,043,048)	(3,445,279)
Proceeds from disposal of property, plant and equipment	102,103	81,245
Increase in receipts in advance due to disposal of assets	-	857,841
Decrease in receipts in advance due to disposal of assets	(857,841)	-
Increase in refundable deposits	(13,033)	(43,698)
Acquisition of intangible assets	(1,038,031)	(4,454)
Acquisition of right-of-use assets	(86,843)	(256)
Increase in other non-current assets	-	(462)
Decrease in other non-current assets	462	-
Interest paid for constructing plant	(13,017)	(17,430)
Net cash flows used in investing activities	<u>(3,933,934)</u>	<u>(1,478,483)</u>
Cash flows from financing activities:		
Increase in short-term loans	8,911,702	7,659,277
Decrease in short-term loans	(13,608,704)	(8,256,175)
Increase in short-term bills payable	16,700,000	13,100,000
Decrease in short-term bills payable	(16,800,000)	(13,650,000)
Proceeds from long-term loans	5,510,298	4,588,352
Repayments of long-term loans	(4,159,695)	(4,297,279)
Increase in deposits-in	19,450	13,596
Increase in other payables to related parties	86,812	284,157
Decrease in other payable to related parties	-	(1,817,903)
Payments of lease liabilities	(49,862)	(41,809)
Cash dividends paid	(1,454,149)	(87)
Changes in non-controlling interests	-	31,869
Net cash flows (used in) provided by financing activities	<u>(4,844,148)</u>	<u>(2,386,002)</u>
Effects of exchange rate changes on cash and cash equivalents	(242,830)	(225,510)
Net increase in cash and cash equivalents	<u>1,465,214</u>	<u>463,468</u>
Cash and cash equivalents at the beginning of the year	<u>6,708,591</u>	<u>6,245,123</u>
Cash and cash equivalents at the end of the year	<u>\$8,173,805</u>	<u>\$6,708,591</u>

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
 TAIWAN GLASS INDUSTRIAL CORPORATION AND SUBSIDIARIES
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
 For the Years Ended December 31, 2021 and 2020
 (Expressed in Thousands of New Taiwan Dollars unless Otherwise Specified)

1. History and organization

Taiwan Glass Industrial Corporation (“the Company”) was incorporated on September 5, 1964 and commenced operations in 1967. The main activities of the Company are manufacturing, processing and selling of various glass products. The Company’s common shares were publicly listed on the Taiwan Stock Exchange (TWSE) in July 1973. The Company’s registered office and the main business location is at 11F, No. 261, Section 3, Nanjing E. Rd., Taipei, Republic of China (R.O.C.).

2. Date and procedures of authorization of financial statements for issue

The consolidated financial statements of the Company and its subsidiaries (“the Group”) for the years ended December 31, 2021 and 2020 were authorized for issue by the Board of Directors on March 7, 2022.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2021. Apart from the nature and impact of the new standard and amendment is described below, the remaining new standards and amendments had no material impact on the Group.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which are endorsed by FSC, but not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Narrow-scope amendments of IFRS, including Amendments to IFRS 3, Amendments to IAS 16, Amendments to IAS 37 and the Annual Improvements	January 1, 2021

(a) Narrow-scope amendments of IFRS, including Amendments to IFRS 3, Amendments to IAS 16, Amendments to IAS 37 and the Annual Improvements

A. Updating a Reference to the Conceptual Framework (Amendments to IFRS 3)

The amendments updated IFRS 3 by replacing a reference to an old version of the Conceptual Framework for Financial Reporting with a reference to the latest version, which was issued in March 2018. The amendments also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential “day 2” gains or losses arising from liabilities and contingent liabilities. In addition, the amendments clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Conceptual Framework.

B. Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognise such sales proceeds and related cost in profit or loss.

C. Onerous Contracts - Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments clarify what costs a company should include as the cost of fulfilling a contract when assessing whether a contract is onerous.

D. Annual Improvements to IFRS Standards 2018 - 2020

Amendment to IFRS 1

The amendment simplifies the application of IFRS 1 by a subsidiary that becomes a first-time adopter after its parent in relation to the measurement of cumulative translation differences.

Amendment to IFRS 9 Financial Instruments

The amendment clarifies the fees a company includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability.

Amendment to Illustrative Examples Accompanying IFRS 16 Leases

The amendment to Illustrative Example 13 accompanying IFRS 16 modifies the treatment of lease incentives relating to lessee’s leasehold improvements.

Amendment to IAS 41

The amendment removes a requirement to exclude cash flows from taxation when measuring fair value thereby aligning the fair value measurement requirements in IAS 41 with those in other IFRS Standards.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after 1 January 2022. The remaining standards and interpretations have no material impact on the Group.

- (3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 “Insurance Contracts”	1 January 2023
c	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	1 January 2023
d	Disclosure Initiative - Accounting Policies – Amendments to IAS 1	1 January 2023
e	Definition of Accounting Estimates – Amendments to IAS 8	1 January 2023
f	Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1 January 2023

- (a) IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

(b) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after 1 January 2023 (from the original effective date of 1 January 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after 1 January 2023.

(c) Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

(d) Disclosure Initiative - Accounting Policies – Amendments to IAS 1

The amendments improve accounting policy disclosures that to provide more useful information to investors and other primary users of the financial statements.

(e) Definition of Accounting Estimates – Amendments to IAS 8

The amendments introduce the definition of accounting estimates and included other amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to help companies distinguish changes in accounting estimates from changes in accounting policies.

(f) Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12

The amendments narrow the scope of the recognition exemption in paragraphs 15 and 24 of IAS 12 so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the standards and interpretations listed under a, c, d, e, and f, it is not practicable to estimate their impact on the Group at this point in time. The remaining new or amended standards and interpretations have no material impact on the Group.

4. Summary of significant accounting policies

(1) Statement of compliance

The consolidated financial statements of the Group for the years ended December 31, 2021 and 2020 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (“the Regulations”), IFRSs, IASs, IFRIC and SIC, which are endorsed by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars (“NT\$”) unless otherwise stated.

(3) Basis of consolidation

Preparation principle of consolidated financial statements

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- A. power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- B. exposure, or rights, to variable returns from its involvement with the investee, and
- C. the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- A. the contractual arrangement with the other vote holders of the investee
- B. rights arising from other contractual arrangements
- C. the Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

If the Group loses control of a subsidiary, it:

- A. derecognizes the assets (including goodwill) and liabilities of the subsidiary;
- B. derecognizes the carrying amount of any non-controlling interest;
- C. recognizes the fair value of the consideration received;
- D. recognizes the fair value of any investment retained;

- E. recognizes any surplus or deficit in profit or loss; and
F. reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss.

The consolidated entities are listed as follows:

Investor	Subsidiary	Main businesses	Percentage of ownership (%)	
			December 31, 2021	December 31, 2020
The Company	Taiwan Glass USA Sales Corp. (TGUS)	Holding company investing in Mainland China, selling of glass and etc.	100.00%	100.00%
"	Taiwan Glass China Holding Ltd. (TGCH)	Holding company investing in Mainland China	93.98%	93.98%
"	Taiwan Autoglass Ind. Corp. (TAG)	Holding company investing in Mainland China, selling of autoglass etc.	87.00%	87.00%
"	TG Teco Vacuum Insulated Glass Corp. (TVIG)	Selling vacuum insulation glass	65.00%	65.00%
Taiwan Glass USA Sales Corp.	Qingdao Rolled Glass Co., Ltd. (QRG)	Manufacturing of rolled glass	16.30%	16.30%
Taiwan Glass China Holding Ltd.	Qingdao Rolled Glass Co., Ltd. (QRG)	Manufacturing of rolled glass	4.10%	4.10%
"	TG Qingdao Glass Co., Ltd. (QFG)	Manufacturing of flat	100.00%	100.00%
"	TG Changjiang Glass Co., Ltd. (CFG)	Manufacturing of flat and low-emission glass	100.00%	100.00%
"	TG Fengyang Silica Sand Co., Ltd. (FYSS) (Note 1)	Manufacturing of silica sand	-	100.00%
"	Taichia Glass Fiber Co., Ltd. (TGF)	Manufacturing of glass fabric & fiber	100.00%	100.00%
"	TG Chengdu Glass Co., Ltd. (CDG)	Manufacturing of flat and low-emission glass	100.00%	100.00%
"	TG Hanzhong Silica Sand Co., Ltd. (HZSS)	Manufacturing of silica sand	100.00%	100.00%
"	TG Donghai Glass Co., Ltd. (DHG)	Manufacturing of flat glass	100.00%	100.00%
"	TG Huanan Glass Co., Ltd. (HNG)	Manufacturing of flat and low-emission glass	100.00%	100.00%
"	TG Tianjin Glass Co., Ltd. (TJG)	Manufacturing of flat and low-emission glass	100.00%	100.00%
"	TG Fujian Photovoltaic Glass Co., Ltd. (FPG) (Note 2)	Manufacturing of photovoltaic glass and cell module assembly	-	100.00%
"	TG Xianyang Glass Co., Ltd. (TXY)	Manufacturing of flat glass and low-emission glass	100.00%	100.00%
"	TG Taicang Architectural Glass Co., Ltd. (TTAR)	Manufacturing of low-emission glass	100.00%	100.00%
"	TG Wuhan Architectural Glass Co., Ltd. (TWAR)	Manufacturing of low-emission glass	100.00%	100.00%
"	TG Anhui Glass Co., Ltd. (TAH)	Manufacturing of flat glass	100.00%	100.00%
"	TG Yueda Autoglass Co., Ltd. (TYAU)	Manufacturing of autoglass	51.18%	51.18%
"	TG Yueda Solar Glass Co., Ltd. (TYSM)	Manufacturing of solar glass	75.00%	75.00%
"	Taichia Chengdu Glass Fiber Co., Ltd. (TCD)	Manufacturing of glass fiber	100.00%	100.00%
"	Taichia Bengbu Glass Fiber Co., Ltd. (TBF)	Manufacturing of glass fiber	100.00%	100.00%

Investor	Subsidiary	Main businesses	Percentage of ownership (%)	
			December 31, 2021	December 31, 2020
Taiwan Glass China Holding Ltd.	TG Fengyang Holding Co., Ltd.(TGFH) (Note 1)	Holding company investing in Mainland China	-	100.00%
"	TG Changjiang Holding Co., Ltd.(CFG-HK)	Holding company investing in Mainland China	100.00%	100.00%
TG Qingdao Glass Co., Ltd.	Qingdao Rolled Glass Co., Ltd. (QRG)	Manufacturing of rolled glass	79.60%	79.60%
"	TG (Qingdao) Photoelectric Technology Co., Ltd. (TQPT)	Manufacturing of ITO conductive glass	70.00%	70.00%
TG Huanan Glass Co., Ltd.	TG Heyuan Mineral Co., Ltd. (HYM)	Mining	60.00%	60.00%
TG Donghai Glass Co., Ltd.	TG Fujian Photovoltaic Glass Co., Ltd. (FPG) (Note 2)	Manufacturing of photovoltaic glass and cell module assembly	100.00%	-
Taiwan Autoglass Ind. Corp.	TAG China Holding Ltd. (TAGH)	Holding company investing in Mainland China	100.00%	100.00%
TAG China Holding Ltd.	TG Yueda Autoglass Co., Ltd. (TYAU)	Manufacturing of autoglass	8.82%	8.82%
TG Xianyang Glass Co., Ltd.	Xianyang Jienengdun Glass Co., Ltd. (XYES)	Selling low-emission glass	100.00%	100.00%
TG Wuhan Architectural Glass Co., Ltd.	Wuhan Jienengzhixing Glass Co., Ltd. (WHES)	Selling low-emission glass	100.00%	100.00%
TG Chang Jiang Glass Co., Ltd.	Kunshan Energy Star Glass Co., Ltd. (KSES)	Selling low-emission glass	100.00%	100.00%

Note1: Due to the restructuring of the Group's investment structure, TG Fengyang Silica Sand Co., Ltd. was directly invested by TG Fengyang Holding Co., Ltd. on June 1, 2021. Taiwan Glass China Holding Ltd. disposed of the equity interest in TG Fengyang Holding Co., Ltd. on October 15, 2021, and indirectly transferred TG Fengyang Silica Sand Co., Ltd. The Group lost control of TG Fengyang Silica Sand Co., Ltd. accordingly.

Note2: Due to the restructuring of the Group's investment structure, TG Fujian Photovoltaic Glass Co., Ltd. was directly invested by TG Donghai Glass Co., Ltd. on October 29, 2021.

(4) Foreign currency transactions

The Group's consolidated financial statements are presented in NT dollars, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

- A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- B. Foreign currency items within the scope of IFRS 9 *Financial Instruments* are accounted for based on the accounting policy for financial instruments.
- C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT\$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following are accounted for as disposals even if an interest in the foreign operation is retained by the Group: the loss of control over a foreign operation, the loss of significant influence over a foreign operation, or the loss of joint control over a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or jointly controlled entity that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(6) Current and non-current distinction

An asset is classified as current when:

- A. The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle;
- B. The Group holds the asset primarily for the purpose of trading;
- C. The Group expects to realize the asset within twelve months after the reporting period, or
- D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- A. The Group expects to settle the liability in its normal operating cycle;
- B. The Group holds the liability primarily for the purpose of trading;
- C. The liability is due to be settled within twelve months after the reporting period, or
- D. The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(7) Cash and cash equivalents

Cash and cash equivalents comprises cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value (include fixed-term deposits that have maturities of 3 months from the date of acquisition).

(8) Financial instruments

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

Financial assets and financial liabilities within the scope of IFRS 9 *Financial Instruments* are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

- a. the Group's business model for managing the financial assets and
- b. the contractual cash flow characteristics of the financial asset.

Financial asset measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, accounts receivables, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

- a. the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- b. 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.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

- a. purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
- b. financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

- a. the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- b. 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.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

- a. A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.
- b. When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.
- c. Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:
 - (a) Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
 - (b) Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represents a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

B. Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Group measures expected credit losses of a financial instrument in a way that reflects:

- a. an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- b. the time value of money; and
- c. reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measured as follows:

- a. At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
- b. At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
- c. For accounts receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.
- d. For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

A financial asset is derecognized when:

- a. The rights to receive cash flows from the asset have expired

- b. The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred
- c. The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

D. Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Financial liabilities

Financial liabilities within the scope of IFRS 9 *Financial Instruments* are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(9) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- A. In the principal market for the asset or liability, or
- B. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(10) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and conditions are accounted for as follows:

Raw materials - Purchase cost on a weighted average cost basis.

Finished goods and work in progress - Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(11) Non-current assets held for sale and discontinued operations

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered through a sale transaction that is highly probable within one year from the date of classification and the asset or disposal group is available for immediate sale in its present condition. Non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

In the consolidated statement of comprehensive income of the reporting period, and of the comparable period of the previous year, income and expenses from discontinued operations are reported separately from income and expenses from continuing operations, down to the level of profit after taxes, even when the Group retains a non-controlling interest in the subsidiary after the sale. The resulting profit or loss (after taxes) is reported separately in the statement of comprehensive income.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

(12) Investments accounted for using the equity method

The Group's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or an investment in a joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture. Unrealized gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the Group's related interest in the associate or joint venture.

When changes in the net assets of an associate or a joint venture occur and not those that are recognized in profit or loss or other comprehensive income and do not affect the Group's percentage of ownership interests in the associate or joint venture, the Group recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a prorata basis.

When the associate or joint venture issues new stock, and the Group's interest in an associate or a joint venture is reduced or increased as the Group fails to acquire shares newly issued in the associate or joint venture proportionately to its original ownership interest, the increase or decrease in the interest in the associate or joint venture is recognized in Additional Paid in Capital and Investment accounted for using the equity method. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Group disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 *Investments in Associates and Joint Ventures*. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 *Impairment of Assets*. If the recoverable amount is under the investment value in use, the Group uses the following measurements to determine the relevant value:

- A. Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
- B. The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate or an investment in a joint venture is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 Impairment of Assets.

Upon loss of significant influence over the associate or joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, 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 entity continues to apply the equity method and does not remeasure the retained interest.

(13) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 *Property, plant and equipment*. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	5~55 years
Machinery and equipment	1~20 years
Transportation equipment	4~46 years and 1 month
Leasehold improvements	5 years
Office equipment	2~20 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

(14) Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

- A. the right to obtain substantially all of the economic benefits from use of the identified asset;
and
- B. the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

- A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;
- B. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- C. amounts expected to be payable by the lessee under residual value guarantees;
- D. the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
- E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

- A. the amount of the initial measurement of the lease liability;
- B. any lease payments made at or before the commencement date, less any lease incentives received;
- C. any initial direct costs incurred by the lessee; and
- D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(15) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

Intangible assets are all finite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Gains or losses arising from derecognition of an intangible asset are recognized in profit or loss.

Accounting policies of the Group's intangible assets are summarized as follows:

	<u>Mining Right</u>	<u>Computer software</u>
Useful lives	Finite	Finite
Amortization method used	Amortized over the period of estimated life on a straight-line basis	Amortized over the period of estimated life on a straight-line basis
Internally generated or acquired	Acquired	Acquired

(16) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(17) Revenue recognition

The Group's revenue arising from contracts with customers are primarily related to sale of goods and rendering of services. The accounting policies are explained as follows:

Sale of goods

The Group manufactures and sells machinery. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main product of the Group is glass (flat glass, glass fiber, and glass container) and revenue is recognized based on the consideration stated in the contract. For certain sales of goods transactions, they are usually accompanied by volume discounts (based on the accumulated total sales amount for a specified period). Therefore, revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts. The Group estimates the discounts using the expected value method based on historical experiences. Revenue is only recognized to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and when the uncertainty associated with the variable consideration is subsequently resolved. During the period specified in the contract, refund liability is recognized for the expected volume discounts.

The credit period of the Group's sale of goods is generally from 30 to 180 days. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as accounts receivables. The Group usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Group has transferred the goods to customers but does not has a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Group measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses. For other services contracts, part of the consideration was received from customers upon signing the contract, and the Company has the obligation to provide the services subsequently; accordingly, these amounts are recognized as advance receipts or temporary receipts.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component arose.

(18) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(19) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

Where the Group receives non-monetary grants, the asset and the grant are recorded gross at nominal amounts and released to the statement of comprehensive income over the expected useful life and pattern of consumption of the benefit of the underlying asset by equal annual installments. Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favorable interest is regarded as additional government grant.

(20) Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore, fund assets are not included in the Group's consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Group recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

- A. the date of the plan amendment or curtailment, and
- B. the date that the Group recognizes restructuring-related costs or defined benefit

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(21) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred income tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- B. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

- A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- B. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities 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. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

5. Significant accounting judgments, estimates and assumptions

The preparation of the Group's consolidated financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Judgement

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

A. De facto control without a majority of the voting rights in subsidiaries

The Group does not have over 50% of the voting rights in certain subsidiaries. Thus, after taking the factors into consideration, the Group does not have control and only has significant influence. Please refer to Note 6.(10) for further details.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

A. Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flows model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

B. Inventories

The Group estimates the net realizable value of inventory for damage, obsolescence and price decline. The net realizable value of the inventory is mainly determined based on reliable evidence of expected cash flow. Please refer to Note 6.

C. Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The key assumptions used to determine the recoverable amount for the different cash generating units, including a sensitivity analysis, are further explained in Note 6.

D. Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and changes of the future salary etc.

E. Revenue recognition – sales returns and allowance

The Group estimates sales returns and allowance based on historical experience and other known factors at the time of sale, which reduces the operating revenue. In assessing the aforementioned sales returns and allowance, revenue is recognized to the extent it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Please refer to Note 6 for more details.

F. Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of December 31,	
	2021	2020
Cash on hand	\$1,562	\$1,911
Checking and savings accounts	7,604,437	6,656,404
Time deposits	523,787	13,269
Equivalent cash, including investments in bonds with resale agreements	44,019	37,007
Total	<u>\$8,173,805</u>	<u>\$6,708,591</u>

(2) Financial assets at fair value through profit or loss

	As of December 31,	
	2021	2020
Financial assets mandatorily measured at fair value through profit or loss:		
Structured deposit	\$7,109,379	\$1,883,412
Guaranteed financial products	-	43,648
Total	<u>\$7,109,379</u>	<u>\$1,927,060</u>

	As of December 31,	
	2021	2020
Current	\$7,109,379	\$1,927,060
Non-current	-	-
Total	<u>\$7,109,379</u>	<u>\$1,927,060</u>

Financial assets at fair value through profit or loss were not pledged.

(3) Financial assets measured at amortized cost

	As of December 31,	
	2021	2020
Time deposit	<u>\$575,414</u>	<u>\$165,047</u>

	As of December 31,	
	2021	2020
Current	\$575,414	\$165,047
Non-current	-	-
Total	\$575,414	\$165,047

Financial assets measured at amortized cost were not pledged. Please refer to Note 12 for more details on credit risk.

(4) Notes receivable and notes receivable – related parties

	As of December 31,	
	2021	2020
Notes receivable arising from operating activities	\$11,333,141	\$11,271,274
Less: loss allowance	(95,318)	(129,408)
Subtotal	11,237,823	11,141,866
Notes receivable from related parties	101,754	142,057
Less: loss allowance	-	-
Subtotal	101,754	142,057
Total	\$11,339,577	\$11,283,923

As of December 31, 2021 and 2020, the Group's discounted note receivable amounted to NT\$644,242 thousand and NT\$136,352 thousand, respectively. Please refer to Note 6. (14) for more details on short-term loans.

The Group assesses impairments according to IFRS 9 to assess the impairment. Please refer to Note 6. (22) for more details on loss allowance and Note 12 for details on credit risk.

(5) Accounts receivable and accounts receivable – related parties

	As of December 31,	
	2021	2020
Accounts receivable	\$5,701,263	\$4,742,725
Less: loss allowance	(246,731)	(209,026)
Subtotal	5,454,532	4,533,699
Accounts receivable from related parties	68,816	50,936
Less: loss allowance	-	-
Subtotal	68,816	50,936
Total	\$5,523,348	\$4,584,635

Accounts receivables were not pledged.

Please refer to Note 12.(11) for disclosure on information of accounts receivable transferred.

Accounts receivable are generally on 30 to 180 day terms. Please refer to Note 6. (22) for more details on loss allowance of accounts receivable for the years ended December 31, 2021 and 2020. Please refer to Note 12 for more details on credit risk management.

(6) Other receivables, net

	As of December 31,	
	2021	2020
Other receivables	\$208,227	\$223,577
Less: loss allowance	(20,673)	(33,413)
Total	\$187,554	\$190,164

Please refer to Note 6. (22) for more details on loss allowance of trade receivables for the years ended December 31, 2021 and 2020. Please refer to Note 12 for more details on credit risk management.

(7) Inventories, net

	As of December 31,	
	2021	2020
Raw materials	\$3,382,983	\$2,648,144
Supplies	670,209	640,792
Work in progress	759,149	658,628
Finished goods	5,473,193	4,211,511
Commodities	12,245	1,738
Total	\$10,297,779	\$8,160,813

The cost of inventories recognized in expenses amounted to NT\$38,359,027 thousand and NT\$34,793,133 thousand for the years ended December 31, 2021 and 2020, respectively, including:

	For the years ended December 31,	
	2021	2020
Losses for market price decline of inventories	\$(95,287)	\$(284,727)
(Gains) on physical inventory	-	(153)
Loss on work stoppage	316,351	482,622
Revenue from sale of scraps	(263,499)	(195,259)
Others	-	8,428
Additions to operating costs	\$(42,435)	\$10,911

As of December 31, 2021, the Company booked gain from inventory price recovery as a result of the price of the product rebounded; As of December 31, 2020, the Company booked gain from inventory price recovery as a result of reduced cost from price drop of raw materials purchased.

No inventories were pledged.

(8) Disposal groups held for sale and discontinued operations

- A. On October 29, 2021, the Group entered into a contract with Song Chuan Trading Co., Ltd. to sell land in Toufen, Miaoli for a total transaction amount of \$108,000 thousand. If the construction line and entrance/exit right-of-way cannot be obtained due to legal or statutory reasons, the contract will be unconditionally terminated by both parties. The related assets have been reclassified from investment property to non-current assets held for sale (or disposal group), net, in the amount of \$11,862 thousand as of December 31, 2021, which was measured at the lower of carrying amount or fair value less costs to sell.
- B. TG Yueda Solar Mirror Co., Ltd. (TYSM), a subsidiary of the Group, signed group of assets sale contracts with Jiangsu Yuanlong Appliances Co., Ltd. and Quanzhou Fenghuashi Intelligent Manufacturing Ltd. in 2020. The total transaction amounts with Jiangsu Yuanlong Appliances Co., Ltd. and Quanzhou Fenghuashi Intelligent Manufacturing Ltd. were CNY135,000 thousand and CNY15,000 thousand, respectively. The related asset valuation reports issued by professional appraiser have been obtained. The amount of \$558,027 thousand was measured at the lower of carrying amount or fair value less costs to sell as of December 31, 2020, and the full amount had been received as of December 31, 2021. The disposal unit has been transferred in 2021 and met the definition as discontinued operation unit.
- C. The Group signed a share transfer contract on August 28, 2020 with a related party, Yinan Yang Du Assets Operation Co., Ltd. selling all its 63.38% shares of the subsidiary, Yinan Silica Sand Co., Ltd. (YNSS). The transaction amount was CNY148,000 thousand, and the opinion on the reasonableness of the transaction issued by certified accountant has been obtained. The disposal unit has been transferred on October 23, 2020 (Please refer to Note 6. (30) for more details), and met the definition of a discontinued operation unit.
- D. The Group signed a share transfer contract on August 31, 2021 with a related party, Merry Int'l Holdings Group Limited selling all its shares of the subsidiary, TG Fengyang Holding Co., Ltd. (TGFH) and indirectly transferred 100% equity interest in TG Fengyang Silica Sand Co., Ltd. (FYSS). The total transaction amount was CNY344,700 thousand, and the opinion on the reasonableness of the transaction issued by certified accountant has been obtained. The disposal unit has been transferred on October 15, 2021 (Please refer to Note 6. (30) for more details), and met the definition of a discontinued operation unit.
- E. Details of the disposal groups held for sale As of December 31, 2021 and 2020 are as follows:

	As of December 31,	
	2021	2020
Buildings	\$-	\$294,156
Machine and equipment	-	404,483
Other facilities	-	3,058
Right-of-use asset: land	-	150,692
	11,862	-
Subtotal	11,862	852,389
Less: Accumulated impairment	-	(294,362)
Total	\$11,862	\$558,027

Based on the assessment results valued at lower of book value and fair value less costs to sale, the Group recognized impairment loss in the amount of NT\$0 and NT\$59,647 thousand for the year ended December 31, 2021 and 2020.

F. Information of gain and loss from discontinued operation units is as follows:

	For the years ended December 31,	
	2021	2020
Operating revenue	\$27,381	\$67,793
Operating costs	(31,615)	(59,661)
Operating gross profit	(4,234)	8,132
Operating expenses		
Operating expenses	(2,245)	(962)
Administrative expenses	(17,566)	(37,269)
Expected credit impairment loss	18,925	(26,350)
Total operating expenses	(886)	(64,581)
Net other income and expenses	32,964	630
Operating income (loss)	27,844	(55,819)
Non-operating revenue and expenses		
Interest revenue	1,062	1,480
Other revenue	154,631	21,000
Other gain and loss	4,191	(11,756)
Financial costs	-	(4,838)
Total non-operating revenue and expenses	159,884	5,886
Gain (loss) from discontinued operations before tax	187,728	(49,933)
Tax benefit (expense)	(3)	(1,937)
Gain (loss) from discontinued operations, net of tax	187,725	(51,870)
Gain (loss) recognized on measurement to fair value less costs to sell of assets or disposal groups constituting discontinued operation, net of tax	-	(84,624)
Gain (loss) from discontinued operation	187,725	(136,494)
Other comprehensive income	(2,661)	9,207
Total comprehensive income	\$185,064	\$(127,287)

G. Cash flows of discontinued operation units are as follows:

	For the years ended December 31,	
	2021	2020
Cash flows from operating activities	\$895,954	\$16,877
Cash flows from investing activities	(995,890)	282,518
Cash flows from financing activities	(875)	(328,143)
Effects of exchange rate changes on cash and cash equivalents	(6,062)	(25,794)
Net decrease in cash and cash equivalents	\$(106,873)	\$(54,542)

(9) Financial assets at fair value through other comprehensive income

	As of December 31,	
	2021	2020
Equity instrument investments measured at fair value through other comprehensive income – non-current:		
Listed companies stocks	\$379,433	\$201,645
Unlisted companies stocks	52,397	50,480
Total	<u>\$431,830</u>	<u>\$252,125</u>

Financial assets at fair value through other comprehensive income were not pledged.

(10) Investments accounted for using the equity method

The following table lists the investments in the associate of the Group:

Investees	As of December 31,			
	2021		2020	
	Carrying amount	Percentage of Ownership	Carrying amount	Percentage of Ownership
Investments in associates:				
Shihlien China Holding Co., Ltd.	\$5,469,989	43.99%	\$4,603,702	43.99%
Taibo Anhui Energy Co., Ltd.	<u>12,802</u>	20.00%	<u>12,740</u>	20.00%
Totals	<u>\$5,482,791</u>		<u>\$4,616,442</u>	

A. Information on the material associate of the Group:

Company name: Shihlien China Holding Co., Ltd. (SCH)

Significant influence assessment: The Group's ownership in SCH accounted for 43.99%, and totalled 44.43% along with the other related party's consolidated interest. The other two investors separately held 15.11% and 8.39% voting rights, and the remaining voting rights were held by other numerous shareholders, none of whom held more than 5% voting right. There is no agreement between the Group and other shareholders to exercise voting power, nor does the Group has any right from other contractual agreements. The total number of the board is nine. The Group and the other related parties accounted for only four members of the board. Therefore the Group does not have substantive voting power. Decisions about major resolutions by the invests must be approved at the shareholders' meeting by a majority vote. The Group and the other related parties attended a recent shareholders' meeting representing 45.26% of the total number of shares present, which did not exceed majority votes. According to IFRS B46, after considering factors listed in B42(a) to (d), if it's not clear whether the investors have the substantive rights, the investor does not control the investee.

Significant influence assessment: According to the above assessment, the Group does not have control of SCH, and only has significant influence.

Nature of the relationship with the associate: Shihlien China Holdings Co., Ltd. is in the business of manufacturing and selling related products in the Group's industry chain. The Group invested in Shihlien China Holdings Co., Ltd. for the purpose of upstream/downstream integration.

Principal place of business (country of incorporation): Hong Kong

The summarized financial information of the associate is as follows:

	As of December 31,	
	2021	2020
Current assets	\$5,395,366	\$5,819,957
Non-current assets	20,554,903	19,435,819
Current liabilities	(10,038,682)	(13,203,657)
Non-current liabilities	(3,343,858)	(1,557,550)
Equity	12,567,729	10,494,569
the Group's ownership percentage	43.99%	43.99%
Subtotal	5,528,544	4,616,561
Eliminations from intercompany transactions	(58,555)	(12,859)
Carrying amount of the investment	\$5,469,989	\$4,603,702

	As of December 31,	
	2021	2020
Operating revenue	\$13,220,827	\$9,604,330
Net income from continuing operations	2,159,705	25,704
Total other comprehensive income, net of tax	(86,545)	821,140
Total comprehensive income	2,073,160	846,844

- B. The Group's investments in Taibo Anhui Energy Co., Ltd. (TRAE) is not individually material. The aggregate carrying amount of the Group's interests in TRAE was NT\$12,802 thousand and NT\$12,740 thousand for the years ended December 31, 2021 and 2020, respectively. The aggregate financial information based on the Group's share of TRAE is as follows:

	As of December 31,	
	2021	2020
Net losses from continuing operations	\$130	\$830
Total other comprehensive income, net of tax	(68)	199
Total comprehensive income	62	1,029

The associates had no contingent liabilities or capital commitments as of December 31, 2021 and 2020, and were not pledged.

(11) Property, plant and equipment

A. Owner occupied property, plant and equipment

	Land	Buildings	Machinery and equipment	Transportation equipment	Leasehold improvements	Other equipment	Construction in progress and equipment awaiting examination	Total
Cost:								
As of January 1, 2021	\$3,805,402	\$29,228,440	\$77,939,686	\$970,083	\$-	\$2,789,326	\$1,803,701	\$116,536,638
Additions	-	75,455	182,969	8,724	-	126,393	1,566,425	1,959,966
Disposals	-	(90,642)	(1,204,543)	(40,236)	-	(87,240)	(512)	(1,423,173)
Transfers	-	64,749	2,367,199	9,351	22,079	31,451	(2,494,829)	-
Exchange effect	(263)	(110,397)	(272,128)	(3,739)	-	(12,308)	(5,541)	(404,376)
Other changes	-	(182,869)	(132,869)	(2,842)	-	(12,051)	1,082,125	751,494
As of December 31, 2021	<u>\$3,805,139</u>	<u>\$28,984,736</u>	<u>\$78,880,314</u>	<u>\$941,341</u>	<u>\$22,079</u>	<u>\$2,835,571</u>	<u>\$1,951,369</u>	<u>\$117,420,549</u>
As of January 1, 2021	\$3,805,895	\$29,451,363	\$75,498,083	\$979,767	\$-	\$2,666,267	\$2,180,564	\$114,581,939
Additions	-	70,683	949,238	9,383	-	146,031	1,547,095	2,722,430
Disposals	-	(4,883)	(1,252,327)	(26,743)	-	(52,191)	-	(1,336,144)
Transfers	-	221,522	2,808,790	2,651	-	23,968	(3,056,931)	-
Exchange effect	(493)	321,460	819,706	10,539	-	35,866	16,013	1,203,091
Other changes	-	(831,705)	(883,804)	(5,514)	-	(30,615)	1,116,960	(634,678)
As of December 31, 2020	<u>\$3,805,402</u>	<u>\$29,228,440</u>	<u>\$77,939,686</u>	<u>\$970,083</u>	<u>\$-</u>	<u>\$2,789,326</u>	<u>\$1,803,701</u>	<u>\$116,536,638</u>
Depreciation and impairment:								
As of January 1, 2021	\$-	\$16,073,592	\$51,562,662	\$656,901	\$-	\$2,192,626	\$-	\$70,485,781
Depreciation	-	1,148,074	3,519,215	34,758	1,493	126,363	-	4,829,903
Impairment	-	(41,114)	(1,156,791)	(38,311)	-	(79,764)	-	(1,315,980)
Disposals	-	(2,215)	(41)	-	2,215	41	-	-
Exchange effect	-	(53,049)	(185,468)	(2,256)	-	(9,639)	-	(250,412)
Other changes	-	(139,017)	(124,554)	(2,563)	-	(10,808)	-	(276,942)
As of December 31, 2021	<u>\$-</u>	<u>\$16,986,271</u>	<u>\$53,615,023</u>	<u>\$648,529</u>	<u>\$3,708</u>	<u>\$2,218,819</u>	<u>\$-</u>	<u>\$73,472,350</u>
As of January 1, 2020	\$-	\$15,064,330	\$49,044,481	\$645,890	\$-	\$2,094,360	\$-	\$66,849,061
Depreciation	-	1,130,949	3,526,255	34,126	-	124,956	-	4,816,286
Impairment	-	-	251,034	-	-	11,360	-	262,394
Disposals	-	(3,887)	(1,162,336)	(24,363)	-	(42,903)	-	(1,233,489)
Exchange effect	-	156,829	541,046	6,270	-	27,883	-	732,028
Other changes	-	(274,629)	(637,818)	(5,022)	-	(23,030)	-	(940,499)
As of December 31, 2020	<u>\$-</u>	<u>\$16,073,592</u>	<u>\$51,562,662</u>	<u>\$656,901</u>	<u>\$-</u>	<u>\$2,192,626</u>	<u>\$-</u>	<u>\$70,485,781</u>
Net carrying amount as at:								
December 31, 2021	<u>\$3,805,139</u>	<u>\$11,998,465</u>	<u>\$25,265,291</u>	<u>\$292,812</u>	<u>\$18,371</u>	<u>\$616,752</u>	<u>\$1,951,369</u>	<u>\$43,948,199</u>
December 31, 2020	<u>\$3,805,402</u>	<u>\$13,154,848</u>	<u>\$26,377,024</u>	<u>\$313,182</u>	<u>\$-</u>	<u>\$596,700</u>	<u>\$1,803,701</u>	<u>\$46,050,857</u>

The subsidiaries of the Group suffered operating loss due to market impact and economic downturn. As a result the Group wrote off some machinery equipment to recoverable amount. The management performed impairment test to evaluate the recoverable amount based on value in use or an independent external appraisal which the fair value less costs to sell was adopted. Its fair value evaluated by market method and cost method hierarchy was categorized at Level 3. Based on the assessment results, the Group recognized impairment loss in the amount of NT\$0 thousand and NT\$262,394 thousand for the years ended December 31, 2021 and 2020 under other gains and losses. The cumulative impairment As of December 31, 2021 and 2020 amounted to NT\$374,927 thousand and NT\$415,676 thousand. Please refer to Note 6. (26) for more details.

B. Capitalized borrowing costs of property, plant and equipment are as follows:

Item	As of December 31,	
	2021	2020
Construction in progress	\$13,017	\$17,430
Capitalization rate of borrowing costs	1.29%~1.58%	1.42%~5.23%

C. Components of machinery and equipment that have different useful lives are furnace and platinum, which are depreciated over 12 years and 20 years, respectively.

D. Please refer to Note 8 for more details on property, plant and equipment under pledge.

(12) Intangible assets

	Mining rights	Other intangible assets	Total
Cost:			
As of January 1, 2021	\$45,468	\$48,194	\$93,662
Addition-acquired separately	1,035,817	2,214	1,038,031
Transfers	(243)	(54)	(297)
Exchange effect	(1,035,816)	(16,000)	(1,051,816)
As of December 31, 2021	<u>\$45,226</u>	<u>\$34,354</u>	<u>\$79,580</u>
As of January 1, 2020	\$103,106	\$43,582	\$146,688
Addition-acquired separately	-	4,454	4,454
Transfers	707	158	865
Exchange effect	(58,345)	-	(58,345)
As of December 31, 2020	<u>\$45,468</u>	<u>\$48,194</u>	<u>\$93,662</u>
Amortization and impairment:			
As of January 1, 2021	\$15,675	\$41,053	\$56,728
Amortization	83	3,540	3,623
Exchange effect	(84)	(34)	(118)
Other changes	-	(16,000)	(16,000)
As of December 31, 2021	<u>\$15,674</u>	<u>\$28,559</u>	<u>\$44,233</u>
As of January 1, 2020	\$56,158	\$35,621	\$91,779
Amortization	6,143	5,330	11,473
Exchange effect	185	102	287
Other changes	(46,811)	-	(46,811)
As of December 31, 2020	<u>\$15,675</u>	<u>\$41,053</u>	<u>\$56,728</u>
Net carrying amount as at:			
December 31, 2021	<u>\$29,552</u>	<u>\$5,795</u>	<u>\$35,347</u>
December 31, 2020	<u>\$29,793</u>	<u>\$7,141</u>	<u>\$36,934</u>

Amortization expense of intangible assets under the statement of comprehensive income:

	As of December 31,	
	2021	2020
Operating costs	\$169	\$789
General and administrative expenses	3,454	4,544
Other losses	-	333
Total	<u>\$3,623</u>	<u>\$5,666</u>

(13) Other non-current assets

	As of December 31,	
	2021	2020
Investment property	\$5,978	\$17,849
Advance payments in equipment	196,948	128,768
Overdue receivables	772,210	772,672
Less: loss allowance	(772,210)	(772,672)
Overdue receivables, net	-	-
Others	14,267	14,680
Net	\$217,193	\$161,297

- A. No investment property was pledged.
- B. The Group entered into a contract to sell its investment properties as of October 29, 2021, please refer to Note 6.(8) for more details.
- C. Please refer to Note 6.(22) for more details on loss allowance of trade receivables for the years ended December 31, 2021 and 2020. Please refer to Note 12 for more details on credit risk management.
- D. Investment properties held by the Group are not measured at fair value but for which the fair value is disclosed. The fair value measurements of the investment properties are categorized within Level 3. The fair value of investment properties is NT\$106,230 thousand and NT\$168,939 thousand, as of December 31, 2021 and 2020 respectively. The fair value has been determined based on valuations performed by an independent appraiser. The valuation method used is direct capitalized method and market approach, and the inputs used are as follows:

Direct capitalization method:

	As of December 31,	
	2021	2020
Income capitalization rate	1.22%~2.79%	2.53%~5.70%

(14) Short-term loans

	As of December 31,	
	2021	2020
Discounted note receivable	\$644,242	\$136,352
Unsecured bank loans	1,160,489	2,762,365
Secured bank loans	724,896	4,381,030
Total	\$2,529,627	\$7,279,747
Discount rates	0.57%~2.83%	2.80%~3.20%
Unsecured interest rates	0.78%~4.00%	0.78%~4.35%
Secured interest rates	1.40%~6.09%	1.38%~6.09%

- A. The Group's unused short-term lines of credits amounted to NT\$5,140,044 thousand and NT\$1,606,384 thousand as of December 31, 2021 and 2020 respectively.
- B. The above loans were guaranteed by the Company, its subsidiaries and other related parties. Please refer to Note 7.(15) and Note 7.(16) for more details. Furthermore, please refer to Note 8 for more details on pledge.

(15) Short-term bills payable

	As of December 31,	
	2021	2020
Short-term bills payable	\$3,100,000	\$3,200,000
Less: unamortized discount	(9,686)	(5,317)
Net	\$3,090,314	\$3,194,683
Interest rates	1.350%~1.488%	1.400%~1.668%

(16) Long-term loans

Details of long-term loans as of December 31, 2021 and 2020 are as follows:

Lenders	Terms	Credit Type	Interest Rate	As of December 31,		Redemption
				2021	2020	
Chang-Hwa Bank	2018.12.21- 2021.12.21	Credit loan	Floating interest rate	\$-	\$250,000	Repayable semiannually every 6 months from June 21, 2020.
Chang-Hwa Bank	2021.09.30- 2024.09.30			500,000	\$-	Repayable semiannually every 6 months from March 30, 2023.
Hua-Nan Bank	2015.12.23- 2022.12.29	"	"	600,000	1,200,000	Repayable semiannually every 6 months from June 23, 2018.
Hua-Nan Bank	2020.06.23- 2025.06.23	"	"	1,050,000	1,350,000	Repayable semiannually every 6 months from December 23, 2020.
Hua-Nan Bank	2019.05.27- 2021.05.27	"	"	-	1,000,000	Principal repaid at maturity
Hua-Nan Bank	2021.05.27- 2023.05.27	"	"	1,000,000	-	Principal repaid at maturity
Hua-Nan Bank	2021.12.27- 2023.12.27	"	"	1,000,000	-	Principal repaid at maturity
King's Town Bank	2020.06.29- 2027.12.28	"	"	1,560,000	1,820,000	Repayable semiannually from December 29, 2020.
O-Bank	2019.11.15- 2022.11.15	"	"	1,000,000	1,000,000	Principal repaid at maturity
Union Bank of Taiwan	2020.09.07- 2022.03.07	"	"	600,000	600,000	Principal repaid at maturity
Far Eastern International Bank	2019.12.06- 2021.12.06	"	"	-	500,000	Principal repaid at maturity
Far Eastern International Bank	2021.12.06- 2023.12.06	"	"	800,000	-	Principal repaid at maturity
Bank of Kaohsiung	2019.12.13- 2021.12.13	"	"	-	300,000	Principal repaid at maturity
Bank of Kaohsiung	2021.12.22- 2023.12.22	"	"	300,000	-	Principal repaid at maturity
Mega Bank	2019.06.20-	"	"	-	210,000	The 12-month period

Lenders	Terms	Credit Type	Interest Rate	As of December 31,		Redemption
				2021	2020	
	2022.06.20					following the drawdown is the first installment, and each of the three following months is deemed one installment. The credit limit is reduced by 30%, 30%, and 40%.
Mega Bank	2021.12.17- 2024.12.17	"	"	600,000	-	Principal repaid at maturity
KGI Bank	2019.01.04- 2021.01.04	"	"	-	300,000	Principal repaid at maturity
KGI Bank	2021.11.04- 2023.11.04	"	"	300,000	-	Principal repaid at maturity
KGI Bank	2021.12.06- 2024.12.06	"	"	300,000	-	Repaid in 5 installments of \$50,000 thousand each in the first 4 installments and \$100,000 thousand in the 5th installment from December 6, 2022, with 6 months as one installment.
Bank of PanShin	2019.12.16- 2021.12.16	"	"	-	200,000	Principal repaid at maturity
JihSun Bank	2020.11.19- 2022.11.19	"	"	500,000	500,000	Principal repaid at maturity
Taiwan Cooperative Bank	2020.07.24- 2023.07.24	"	"	500,000	500,000	Repayable monthly from August 24, 2022.
Bank of China	2019.02.01- 2021.01.31	"	"	-	400,000	Principal repaid at maturity
Taichung Commercial Bank	2020.09.25- 2022.09.25	"	"	500,000	500,000	Principal repaid at maturity
EnTie Commercial Bank	2021.09.16- 2023.09.16	"	"	-	500,000	Principal repaid at maturity
EnTie Commercial Bank	2020.08.26- 2022.08.26	"	"	700,000	-	Principal repaid at maturity
Shin Kong Commercial Bank	2021.09.28- 2023.09.22	"	"	-	300,000	Principal repaid at maturity
Shin Kong Commercial Bank	2018.08.01- 2023.08.01	"	"	300,000	-	Principal repaid at maturity
The Export-Import Bank of the Republic of China	2018.08.01- 2023.08.01	"	"	266,667	400,000	Repayable semiannually every 6 months from August 1, 2019.
Shanghai Commercial & Savings Bank	2018.09.05- 2021.09.05	"	"	-	200,000	Principal repaid at maturity
Shanghai Commercial & Savings Bank	2021.09.06- 2024.09.05	"	"	300,000	-	Principal repaid at maturity
Taiwan Business Bank	2018.10.18- 2025.10.18	"	"	727,273	909,091	Repayable semiannually every 6 months from October 18, 2020.
Agricultural Bank of Taiwan	2021.11.15- 2024.11.15	"	"	500,000	-	Repayable monthly from December 15, 2023.

Lenders	Terms	Credit Type	Interest Rate	As of December 31,		Redemption
				2021	2020	
Mizuho Bank	2021.11.10-2023.11.10	"	"	970,000	-	Principal repaid at maturity
Cathay United Bank	2018.11.20-2023.11.20	"	"	395,429	610,286	7 equal installments of principal and interest made every 6 months from November 20, 2020
Mega Bank	2018.01.22-2023.01.16	"	"	711,771	1,220,571	7 installments of principal and interest made every 6 months from January 22, 2020
Mega Bank	2018.06.12-2021.06.12	"	"	-	284,800	3 installments of principal and interest starting from June 12, 2020
Shanghai Commercial & Savings Bank	2018.12.20-2022.07.24	"	"	138,400	427,200	Principal repaid US\$ 10 million on December 19, 2021 and US\$ 5 million on July 24, 2022
Shanghai Commercial & Savings Bank	2021.12.20-2024.12.19	"	"	276,800	-	Principal repaid at maturity
Far Eastern International Bank	2020.12.24-2022.12.24	"	"	415,200	427,200	Principal repaid at maturity
Bank of Kaohsiung	2018.12.24-2020.12.24	"	"	-	284,800	Principal repaid at maturity
Bank of Kaohsiung	2020.12.24-2024.12.24	"	"	276,800	-	Principal repaid at maturity
KGI Bank	2020.05.29-2022.05.29	"	"	913,440	939,840	Principal repaid at maturity
O-Bank	2018.05.14-2021.05.14	Credit loan	Floating interest rate	-	\$71,200	6 equal installments of the principal made every 6 months from 14 November 2018. US\$1.5 million were repaid for the first 5 installments, and the last installment were repaid at US\$2.5 million.
O-Bank	2021.06.10-2024.06.10	"	"	553,600	-	1. The principal of USD10,000 thousand shall be repaid in 5 installments starting from June 10, 2022 with the first two installments of USD1.5 million each, the third and fourth installments of USD2 million each, and the fifth installment of USD3 million each.

Lenders	Terms	Credit Type	Interest Rate	As of December 31,		Redemption
				2021	2020	
						2. The principal of USD10,000 thousand shall be repaid in 5 installments starting from August 10, 2022, with the first two installments of USD1.5 million each, the third and fourth installments of USD2 million each, and the fifth installment of USD3 million each.
First Bank	2018.05.28-2021.05.28	"	"	-	72,015	6 installments of principal and interest starting from November 28, 2018. 10% each repaid in the first 4 installments and 30% each in the last two installments.
Rural Commercial Bank	2018.10.16-2021.10.15	Credit loan	Floating interest rate	-	174,593	10 equal installments of the principal made from February 8, 2019. RMD300 thousand repaid at the first 5 installments, RMB24,100 thousand at the 9th repayment, and RMB15,300 thousand the last repayment
Rural Commercial Bank	2021.12.23-2023.12.21	"	"	65,122	-	The principal will be repaid in equal semi-annual installments of RMB375 thousand from the date of borrowing and RMB13,875 thousand on the maturity date.
Rural Commercial Bank	2021.12.24-2023.12.22	"	"	65,122	-	The principal will be repaid in equal semi-annual installments of RMB375 thousand from the date of borrowing and RMB13,875 thousand on the maturity date.
Subtotal				18,685,624	17,451,596	
Less: current portion of long-term loans				(6,103,826)	(6,579,017)	
Total				\$12,581,798	\$10,872,579	

Note 1: As of December 31, 2021 and 2020, part of long-term loans contained covenants that required the Group to maintain certain financial ratios such as (1) the current ratio, (2) the ratio of the total liabilities to the net tangible assets, (3) the ratio of EBITDA to interest expense and (4) the tangible assets net worth amount.

Note 2: The above loans were guaranteed by the Company, its subsidiaries and other related parties. Please refer to Note 7. (16) for more details. Furthermore, please refer to Note 8 for more details on pledge.

(17) Long-term deferred revenue

Government grant

	As of December 31,	
	2021	2020
Beginning balance	\$1,185,796	\$1,243,581
Received during the period	157,735	68,408
Released to the statement of comprehensive income	(274,470)	(144,228)
Exchange effect	(6,363)	18,035
Ending balance	<u>\$1,062,698</u>	<u>\$1,185,796</u>
	As of December 31,	
	2021	2020
Non-current deferred revenue - government grants related to assets	<u>\$1,062,698</u>	<u>\$1,185,796</u>

Government grants have been received for prepaid long-term rent and property, plant and equipment. There are no unfulfilled conditions or contingencies attached to these grants.

(18) Other current liabilities

As of December 31, 2020, other current liabilities are mainly composed of the price NT\$857,841 thousand (CNY204,486 thousand) precharged for disposal of asset and equity.

(19) Post-employment benefits

Defined contribution plan

The Company and its domestic subsidiaries adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company and its domestic subsidiaries will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company and its domestic subsidiaries have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Subsidiaries located in the People's Republic of China will contribute social welfare benefits based on a certain percentage of employees' salaries or wages to the employees' individual pension accounts.

Pension benefits for employees of overseas subsidiaries are provided in accordance with the local regulations.

Pension expenses under the defined contribution plan for the years ended December 31, 2021 and 2020 were NT\$344,689 thousand and NT\$159,346 thousand, respectively.

Defined benefits plan

The Company and its domestic subsidiaries adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company and its domestic subsidiaries contribute an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company and its domestic subsidiaries assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company and its domestic subsidiaries will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is managed in-house or under a mandate, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Group does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Group expects to contribute NT\$129,520 thousand to its defined benefit plan during the 12 months beginning after December 31, 2021.

Apart from the abovementioned pension funds, the Group has another fund managed by the pension fund management committee, and the plan is categorized as follows:

	As of December 31,	
	2021	2020
Investments with quoted prices in an active market		
Equity instruments-domestic	95%	95%
Debt instruments-domestic	5%	5%
Others	0%	0%

The durations of the defined benefits plan obligation as of December 31, 2021 and 2020 are 3 and 4 years, respectively.

Pension costs recognized in profit or loss for the years ended December 31, 2021 and 2020 are as follows:

	As of December 31,	
	2021	2020
Current period service costs	\$25,613	\$31,230
Interest income or expense	516	3,236
Past service cost	-	-
Payments from the plan	-	-
Total	\$26,129	\$34,466

Parent Company

Changes in the defined benefit obligation and fair value of plan assets are as follows:

	As of		
	December 31, 2021	December 31, 2020	January 1, 2020
Defined benefit obligation at January 1,	\$1,589,968	\$1,824,082	\$2,027,676
Plan assets at fair value	(1,908,496)	(1,696,972)	(1,568,604)
Other non-current liabilities - Accrued pension liabilities recognized on the consolidated balance sheets	\$ (318,528)	\$ 127,110	\$ 459,072

Reconciliation of liability (asset) of the defined benefit plan is as follows:

	Defined benefit obligation	Fair value of plan assets	Benefit liability (asset)
As of January 1, 2020	\$2,027,676	\$1,568,604	\$459,072
Current period service costs	30,206	-	30,206
Net interest expense (income)	13,382	10,352	3,030
Subtotal	2,071,264	1,578,956	492,308
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	(1,313)	-	(1,313)
Actuarial gains and losses arising from changes in financial assumptions	54,477	-	54,477
Experience adjustments	(11,409)	-	(11,409)
Return on plan assets	-	354,564	(354,564)
Subtotal	41,755	354,564	(312,809)
Payments from the plan	(288,937)	(288,937)	-
Contributions by employer	-	52,389	(52,389)
Effect of changes in foreign exchange rates	-	-	-
As of December 31, 2020	1,824,082	1,696,972	127,110
Current period service costs	24,930	-	24,930
Net interest expense (income)	6,202	5,770	432
Subtotal	1,855,214	1,702,742	152,472
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	819	-	819
Actuarial gains and losses arising from changes in financial assumptions	(74,185)	-	(74,185)
Experience adjustments	40,706	-	40,706
Return on plan assets	-	316,556	(316,556)
Subtotal	(32,660)	316,556	(349,216)
Payments from the plan	(232,586)	(232,586)	-
Contributions by employer	-	121,784	(121,784)
Effect of changes in foreign exchange rates	-	-	-
As of December 31, 2021	\$1,589,968	\$1,908,496	\$(318,528)

Domestic Subsidiary

Changes in the defined benefit obligation and fair value of plan assets are as of follows:

	As of		
	December 31, 2021	December 31, 2020	January 1, 2020
Defined benefit obligation at January 1,	\$27,611	\$60,340	\$71,126
Plan assets at fair value	(20,572)	(37,802)	(39,867)
Other non-current liabilities - Accrued pension liabilities recognized on the consolidated balance sheets	\$7,039	\$22,538	\$31,259

Reconciliation of liability (asset) of the defined benefit plan is as follows:

	Defined benefit obligation	Fair value of plan assets	Benefit liability (asset)
As of January 1, 2020	\$71,126	\$39,867	\$31,259
Current period service costs	1,024	-	1,024
Net interest expense (income)	469	263	206
Subtotal	72,619	40,130	32,489
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	(250)	-	(250)
Actuarial gains and losses arising from changes in financial assumptions	1,796	-	1,796
Experience adjustments	834	-	834
Return on plan assets	-	1,295	(1,295)
Subtotal	2,380	1,295	1,085
Payments from the plan	(14,659)	(14,659)	-
Contributions by employer	-	11,036	(11,036)
Effect of changes in foreign exchange rates	-	-	-
As of December 31, 2020	60,340	37,802	22,538

	Defined benefit obligation	Fair value of plan assets	Benefit liability (asset)
Current period service costs	683	-	683
Net interest expense (income)	224	140	84
Subtotal	61,247	37,942	23,305
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	31	-	31
Actuarial gains and losses arising from changes in financial assumptions	(1,468)	-	(1,468)
Experience adjustments	(5,237)	-	(5,237)
Return on plan assets	-	401	(401)
Subtotal	(6,674)	401	(7,075)
Payments from the plan	(26,962)	(26,962)	-
Contributions by employer	-	9,191	(9,191)
Effect of changes in foreign exchange rates	-	-	-
As of December 31, 2021	\$27,611	\$20,572	\$7,039

The following significant actuarial assumptions are used to determine the present value of the defined benefit obligation:

	As of December 31,	
	2021	2020
Discount rate	0.69%~0.70%	0.34%~0.37%
Expected rate of salary increases	1.00%	1.00%

A sensitivity analysis for significant assumption As of December 31, 2021 and 2020 is as shown below:

	Effect on the defined benefit obligation			
	2021		2020	
	Increase in defined benefit obligation	Decrease in defined benefit obligation	Increase in defined benefit obligation	Decrease in defined benefit obligation
Discount rate increase by 0.5%	\$-	\$11,878	\$-	\$60,176
Discount rate decrease by 0.5%	111,659	-	138,841	-
Future salary increase by 0.5%	110,705	-	137,183	-
Future salary decrease by 0.5%	-	11,895	-	60,154

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(20) Equities

A. Common stock

The Company's authorized capital were both NT\$30,000,000 thousand as of December 31, 2021 and 2020. The Company's issued capital were both NT\$29,080,608 thousand as of December 31, 2021 and 2020, each at a par value of NT\$10. The Company has issued both 2,908,061 thousand common shares as of December 31, 2021 and 2020. Each share has one voting right and a right to receive dividends.

B. Capital surplus

	As of December 31,	
	2021	2020
Additional paid-in capital	\$1,540,300	\$1,540,300
Increase through changes in ownership interests in subsidiaries	258,091	258,091
Expired employee stock warrants	23,661	23,661
Gains on disposal of assets	103,166	103,166
Total	<u>\$1,925,218</u>	<u>\$1,925,218</u>

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its stockholders in proportion to the number of shares being held by each of them.

C. Earnings distribution and dividend policies

According to the Company's Articles of Incorporation, the Company's annual earnings, if any, shall first set aside 1.5% as employee bonuses and no higher than 1.5% as directors and supervisor's remunerations. Nevertheless, the Company shall first make up for losses if there are accumulated losses. The Company shall make distributions from its net income (less any deficit) in the following order:

- a. Offset an accumulated deficit.
- b. Set aside 10% as legal reserve.
- c. Set aside or reverse special reserve.
- d. Following distributions of items "a" to "c" indicated above, the remaining amount, if any, shall be proposed by the board of directors at a board meeting to be distributed as shareholders dividends and bonuses.

Based on the Company's plan to achieve healthy financial standing, whether to distribute the beginning undistributed earnings should consider the actual operation of the year and the budget planning for the following year, to evaluate the necessity of providing funding via earnings distribution so as to determine the most appropriate dividend policy for sustainable business development. The said shareholders dividend and bonus distribution shall not be less than 50% of the distributable earnings after deducting the above items "a" to "c" from current net income. However, if the shareholders dividends and bonuses are less than 1% of the paid-in capital, the company may resolve to transfer it to retained earnings without distribution. At least 20% of the dividends must be paid in the form of cash.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total authorized capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the stockholders.

When the Company distributing distributable earnings, it shall set aside to special reserve, an amount equal to "other net deductions from shareholders" equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements for the adoption of IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

Following the adoption of TIFRS, the FSC on March 31, 2021 issued Order No. Jin-Guan-Cheng-Fa-Zi-1090150022, which sets out the following provisions for compliance:

On a public company's first-time adoption of the TIFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to stockholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside an equal amount of special reserve. The special reserves booked from first-time adoption of International Financial Reporting Standards were both NT\$3,232,749 thousand as of December 31, 2021 and 2020. The Company did not reverse special reserve to retained earnings for using, disposing of or reclassifying relevant assets in 2021 and 2020.

Details of the 2021 and 2020 earnings distribution and dividends per share as approved by Board of Directors' meeting on March 7, 2022 and by the stockholders' meeting on July 2, 2021, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NT\$)	
	2021	2020	2021	2020
Legal reserve	\$1,176,098	\$271,801	\$-	\$-
Common stock-cash dividend	5,292,671	1,454,031	1.82	0.5

Please refer to Note 6. (25) for further details on employees' compensation and remuneration to directors.

D. Non-controlling interests

	As of December 31,	
	2021	2020
Beginning balance	\$2,992,633	\$3,197,130
Net gains (losses) attributable to non-controlling interests	754,561	(7,973)
Other comprehensive income, attributable to non-controlling interests, net of tax:		
Exchange differences resulting from translating the financial statements of foreign operations	(15,251)	45,587
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(2,296)	21,758
Actuarial (losses) gains on defined benefit	736	(113)
Capital decreased by cash	-	(216,974)
Proceeds from disposal of subsidiaries	-	(46,782)
Ending balance	\$3,730,383	\$2,992,633

(21) Operating revenues

	As of December 31,	
	2021	2020
Sale of goods	<u>\$56,065,737</u>	<u>\$41,907,654</u>

Analysis of revenue from contracts with customers during the years ended December 31, 2021 and 2020 are as follows:

A. Disaggregation of revenue:

The timing of revenue recognition was at a point in time. Please refer to Note 14 Segment Information for more details.

B. Contract balances

a. Contract assets - current

	December 31, 2021	December 31, 2020	January 1, 2020
Sales of goods	\$211,279	\$279,328	\$314,267
Less: loss allowance	(10,062)	(13,957)	(15,136)
Net	<u>\$201,217</u>	<u>\$265,371</u>	<u>\$299,131</u>

Please refer to Note 6.(22) for more details on the impairment impact.

The significant changes in the Group's balances of contract assets during the years ended December 31, 2021 and 2020 are as follows:

	As of December 31,	
	2021	2020
The opening balance transferred to trade receivables	\$279,328	\$314,267
Acquisition	211,279	279,328
Impairment	(10,062)	(13,957)

b. Contract liabilities - current

	December 31, 2021	December 31, 2020	January 1, 2020
Sales of goods	<u>\$1,126,405</u>	<u>\$1,039,795</u>	<u>\$812,294</u>

The significant changes in the Group's balances of contract liabilities for the years ended December 31, 2021 and 2020 are as follows:

	As of December 31,	
	2021	2020
The opening balance transferred to revenue	\$1,039,795	\$812,294
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	1,126,405	1,039,795

C. Assets recognized from costs to obtain or fulfill a contract: None.

(22) Expected credit losses/ (gains)

	As of December 31,	
	2021	2020
Operating expenses – Expected credit losses/(gains)		
Contract assets	\$(3,819)	\$(1,390)
Notes receivables	(33,391)	86,502
Trade receivables	69,069	3,776
Overdue receivables	-	462
Subtotal	31,859	89,350
Non-operating income and expenses- Expected credit losses/(gains)		
Other receivable	(12,558)	2,570
Total	\$19,301	\$91,920

Please refer to Note 12 for more details on credit risk.

The Group measures the loss allowance of its contract assets and trade receivables (including note receivables, trade receivables and other receivables) at an amount equal to lifetime expected credit losses. The assessment of the Group's loss allowance As of December 31, 2021 and 2020 is as follow:

(A) The historical credit loss experience for contract assets shows that different customer segments do not have significantly different loss patterns. Therefore, the loss allowance of contract assets is measured at an amount equal to lifetime expected credit losses and with no distinction between groups, details are as follow:

	As of December 31,	
	2021	2020
Total carrying amount	\$211,279	\$279,328
Expected credit loss rates	0%~100%	0%~100%
Loss allowance	(10,062)	(13,957)
Total	\$201,217	\$265,371

(B) The Group considers the grouping of trade receivables by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix, details are as follow:

As of December 31, 2021

Group 1	Overdue				Total
	Not yet due	31-90 days	91-360 days	>=361 days	
Total carrying amount	\$-	\$-	\$-	\$1,147,125	\$1,147,125
Loss ratio	0%	0%	0%	97,47%	
Lifetime expected credit losses	-	-	-	(1,118,070)	(1,118,070)
Subtotal	-	-	-	29,055	29,055

Group 2	Overdue				Total
	Not yet due	31-90 days	91-360 days	>=361 days	
Total carrying amount	\$4,880,745	\$506,369	\$84,280	\$-	\$5,471,394
Loss ratio	0.33%	0.08%	0.23%	0%	
Lifetime expected credit losses	(16,280)	(387)	(195)	-	(16,862)
Subtotal	4,864,465	505,982	84,085	-	5,454,532

Group 3	Overdue				Total
	Not yet due	31-90 days	91-360 days	>=361 days	
Total carrying amount	\$11,566,892	\$-	\$-	\$-	\$11,566,892
Loss ratio	0%	0%	0%	0%	
Lifetime expected credit losses	-	-	-	-	-
Subtotal	11,566,892	-	-	-	11,566,892
Carrying amount					<u>\$17,050,479</u>

As of December 31, 2020

Group 1	Overdue				Total
	Not yet due	31-90 days	91-360 days	>=361 days	
Total carrying amount	\$182,170	\$-	\$-	\$1,066,994	\$1,249,164
Loss ratio	50%	0%	0%	97.06%	
Lifetime expected credit losses	(91,085)	-	-	(1,035,588)	(1,126,673)
Subtotal	91,085	-	-	31,406	122,491

Group 2	Overdue				Total
	Not yet due	31-90 days	91-360 days	>=361 days	
Total carrying amount	\$3,917,304	\$545,409	\$88,831	\$-	\$4,551,544
Loss ratio	0%	2.52%	4.60%	0%	
Lifetime expected credit losses	-	(13,758)	(4,088)	-	(17,846)
Subtotal	3,917,304	531,651	84,743	-	4,533,698

Group 3	Overdue				Total
	Not yet due	31-90 days	91-360 days	>=361 days	
Total carrying amount	\$11,402,533	\$-	\$-	\$-	\$11,402,533
Loss ratio	0%	0%	0%	0%	
Lifetime expected credit losses	-	-	-	-	-
Subtotal	11,402,533	-	-	-	11,402,533
Carrying amount					\$16,058,722

Group 1: The Group's accounts receivable, other receivables and notes receivables have been exercised recourse upon individual assessment, and the commercial acceptance bills were assessed to carry higher expected credit risk losses.

Group 2: The Group's accounts receivable are overdue but not for more than one year.

Group 3: The Group's notes receivable, accounts receivable-related parties, other receivables and other receivables-related parties are not yet due.

The movement in the provision for impairment of contract assets, notes receivable, accounts receivable, other receivables and overdue receivables during 2021 and 2020 was as follows:

	Contract assets	Note receivables	Accounts receivable	Other receivables	Overdue receivables
As of January 1, 2021	\$13,957	\$129,408	\$209,026	\$33,413	\$772,672
Addition/(reversal) for the current period	(3,819)	(33,391)	69,069	(12,558)	-
Write off	-	-	(11,251)	-	(462)
Reclass	-	-	(18,925)	-	-
Foreign exchange effects	(76)	(699)	(1,188)	(182)	-
As of December 31, 2021	\$10,062	\$95,318	\$246,731	\$20,673	\$772,210
As of January 1, 2020	\$15,136	\$40,611	\$199,328	\$30,319	\$772,210
Addition/(reversal) for the current period	(1,390)	86,502	3,776	2,570	462
Write off	-	-	(23,438)	-	-
Reclass	-	-	26,350	-	-
Foreign exchange effects	211	2,295	3,010	524	-
As of December 31, 2020	\$13,957	\$129,408	\$209,026	\$33,413	\$772,672

(23) Net amount of other revenues and gains and expenses and losses

	For the years ended December 31,	
	2021	2020
Losses on disposal of property, plant, and equipment	\$(52,262)	\$(21,365)
Gain on disposal of right-of-use asset	30	-
Total	<u>\$(52,232)</u>	<u>\$(21,365)</u>

(24) Leases

A. Group as a lessee

The Group leases various properties, including real estate such as land and buildings, machinery and equipment, transportation equipment, office equipment and other equipment. The lease terms range from three to five years. There are no restrictions placed upon the Group by entering into these leases.

The Group's leases effect on the financial position, financial performance and cash flows are as follow:

I. Amounts recognized in the balance sheet

i. Right-of-use assets

The carrying amount of right-of-use assets

	As of December 31,	
	2021	2020
Land	\$2,605,530	\$2,696,331
Buildings	68,648	62,269
Other equipment	30,631	26,272
Total	<u>\$2,704,809</u>	<u>\$2,784,872</u>

During the years ended December 31, 2021 and 2020, the Group's additions to right-of-use assets amounting to NT\$124,872 and NT\$59,652 thousand, respectively.

ii. Lease liabilities

	As of December 31,	
	2021	2020
Current	\$50,950	\$44,069
Non-current	63,439	84,234
Lease liabilities	<u>\$114,389</u>	<u>\$128,303</u>

Please refer to Note 6. (26)(d) for the interest on lease liabilities recognized during the years ended December 31, 2021 and refer to Note 12. (5) Liquidity Risk Management for the maturity analysis for lease liabilities As of December 31, 2021.

2. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the year ended December 31,	
	2021	2020
Land	\$121,247	\$98,755
Buildings	15,760	7,356
Other equipment	9,451	10,508
Total	<u>\$146,458</u>	<u>\$116,619</u>

3. Income and costs relating to leasing activities

	For the year ended December 31,	
	2021	2020
The expenses relating to short-term leases	\$6,519	\$10,713
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	5,103	5,619

4. Cash outflow relating to leasing activities

During the year ended December 31, 2021 and 2020, the Group's total cash outflows for leases amounting to NT\$150,093 thousand and NT\$59,904 thousand, respectively.

(25) Summary statement of employee benefits, depreciation and amortization expenses by function:

	For the year ended December 31,					
	2021			2020		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries	\$5,086,067	\$1,590,692	\$6,676,759	\$4,389,695	\$1,077,904	\$5,467,599
Labor and health insurance	373,404	63,923	437,327	340,457	48,508	388,965
Pension	275,086	95,732	370,818	131,754	52,035	193,789
Other employee benefits expense	143,496	37,251	180,747	145,164	36,167	181,331
Depreciation(Note)	4,533,353	389,162	4,922,515	4,526,436	326,149	4,852,585
Amortization(Note)	169	3,454	3,623	789	4,544	5,333

Note: The differences between the amount stated above and the depreciation stated in the Consolidated Statements of Cash Flows was recognized in other gains and losses and discontinued operations.

According to the Company's Articles of Incorporation, when there is profit of the current year, the Company shall distribute 1.5% of profit of the current year as employees' compensation and no higher than 1.5% of profit of the current year as remuneration to directors. However, the Company's accumulated losses shall have been covered. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors can be obtained from the "Market Observation Post System" on the website of the TWSE.

Based on the profit for the current year, the Company shall estimate 1.5% of profit for employees' compensation and directors' remuneration. As such, employees' compensation and remuneration to directors for the year ended December 31, 2021 and 2020 amounted to NT\$178,628 and NT\$39,106 thousand, recognized as salaries expense; a resolution was approved at the board meeting held on March 7, 2022 to distribute employees' compensation and remuneration to directors for the year ended December 31, 2021 amounted to NT\$178,628 which did not differ from the amount recorded as expenses in the financial statements for the year ended December 31, 2021; The actual amount of employees' compensation and remuneration to directors for the year ended December 31, 2021 was \$39,106 thousand, which did not differ from the amount recorded as expenses in the financial statements for the year ended December 31, 2020.

(26) Non-operating income and expenses

A. Interest income

	As of December 31,	
	2021	2020
Bank deposit interest	\$63,157	\$46,494
Financial assets measured at amortized cost	1,772	-
	<u>\$64,929</u>	<u>\$46,494</u>

B. Other income

	As of December 31,	
	2021	2020
Rental income	\$99,840	\$106,652
Dividend income	12,908	13,998
Others	619,894	649,886
Total	<u>\$732,642</u>	<u>\$770,536</u>

C. Other gains and losses

	As of December 31,	
	2021	2020
Gain on financial assets at fair value through profit	\$125,143	\$46,578
Impairment reversal benefit	14,208	-
Foreign exchange gain	55,483	341,602
Gain on disposal of investment(Note1)	1,279,159	697,970
Miscellaneous disbursement	(506,119)	(377,897)
Impairment(Note2)	-	(262,394)
Total	<u>\$967,874</u>	<u>\$445,859</u>

Note1 : The Group recognized gain from disposal of related party investment. Please refer Note 6. (30).

Note2 : The Group wrote off part of machinery equipment to recoverable amount in 2020. Please refer to Note 6. (11).

D. Finance costs

	As of December 31,	
	2021	2020
Interest on borrowings from bank	\$486,191	\$628,562
Interest on borrowings from intercompany	6,228	40,662
Interest on lease liabilities	1,766	1,507
Interest on factoring of accounts receivable	2,904	3,064
Total	<u>\$497,089</u>	<u>\$673,795</u>

(27)Components of other comprehensive income

For the year ended December 31, 2021

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of	
				other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	\$356,291	\$-	\$356,291	\$(71,258)	\$285,033
Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	179,705	-	179,705	-	179,705
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	(229,509)	-	(229,509)	-	(229,509)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(38,139)	-	(38,139)	-	(38,139)
Total	<u>\$268,348</u>	<u>\$-</u>	<u>\$268,348</u>	<u>\$(71,258)</u>	<u>\$197,090</u>

As of December 31, 2020

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax relating to components of	
				other comprehensive income	Other comprehensive income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	\$311,724	\$-	\$311,724	\$(62,345)	\$249,379
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations					
Unrealized gains from available-for-sale financial assets	636,938	-	636,938	-	636,938
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	361,419	-	361,419	-	361,419
Total	\$1,304,539	\$-	\$1,304,539	\$(62,345)	\$1,242,194

(28) Income tax

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

Income tax expense recognized in profit or loss

	As of December 31,	
	2021	2020
Current income tax expense:		
Current income tax charge	\$1,640,592	\$457,288
Adjustments in respect of current income tax of prior periods	56,509	41,433
Deferred tax expense (benefit):		
Deferred tax expense (benefit) relating to origination and reversal of temporary differences	2,754	30,015
Total income tax expense	\$1,699,855	\$528,736

Income tax relating to components of other comprehensive income

	As of December 31,	
	2021	2020
Deferred tax expense:		
Remeasurement of defined benefit plans	\$71,258	\$62,345

Reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	As of December 31,	
	2021	2020
Accounting profit before tax from continuing operations	\$13,743,369	\$3,125,778
Tax at the domestic rates applicable to profits in the country concerned	\$4,349,963	\$2,011,471
Net investment income accounted for using the equity method	(2,363,298)	(647,978)
Tax effect of revenues exempt from taxation	(4,409)	(933,147)
Tax effect of expenses not deductible for tax purposes	75,323	9,711
Tax effect of income tax deduction	(124,178)	(139,109)
Tax on undistributed earnings	33,545	-
Non-deductible offshore tax	4,308	1,999
Tax effect of other deferred tax assets/liabilities	(463,822)	242,244
Adjustments in respect of current income tax of prior periods	56,509	(60,292)
Deferred tax expense (income) relating to changes in tax rate or the imposition of new taxes	135,914	43,837
Total income tax expense recognized in profit or loss	\$1,699,855	\$528,736

Deferred tax assets (liabilities) relate to the following:

As of December 31, 2021

	Beginning balance as of January 1, 2021	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Ending balance as of December 31, 2021
Temporary differences					
Depreciation difference for tax purpose	\$(64,760)	\$(401,360)	\$-	\$(83)	\$(466,203)
Unrealized allowance for receivables	15,689	30,175	-	(77)	45,787
Prepaid pension cost difference	25,422	(19,285)	(69,843)	-	(63,706)
Prepaid pension cost difference	4,508	(1,684)	(1,415)	-	1,409
Employee benefits	-	50,898	-	11	50,909
Unrealized loss due to market price decline of inventories	238,480	63,704	-	(108)	302,076
Unrealized intragroup profits and losses	10,031	(237)	-	-	9,794
Capitalization of interest	1,916	(1,067)	-	-	849
Provisions of employee benefit obligations	23,060	(1,509)	-	-	21,551
Unrealized loss on foreign exchange	-	18	-	-	18
Unrealized gain on foreign exchange	(19,922)	(493)	-	-	(20,415)
Government grants	(271,907)	285,135	-	1,512	14,740
Amortization of government grants	23,837	(8,987)	-	(129)	14,721
Others	551	1,938	-	-	2,489
Land value increment tax	(204,145)	-	-	-	(204,145)
Deferred tax income/ (expense)		\$(2,754)	\$(71,258)	\$1,126	
Net deferred tax assets/(liabilities)	\$217,240				\$(290,126)
Reflected in balance sheet as follows:					
Deferred tax assets	\$343,494				\$464,492
Deferred tax liabilities	\$(560,734)				\$(754,618)

As of December 31, 2020

	Beginning balance as of January 1, 2020	Recognized in profit or loss	Recognized in other comprehensive income	Exchange differences	Ending balance as of December 31, 2020
Temporary differences					
Depreciation difference for tax purpose	\$(66,078)	\$1,318	\$-	\$-	\$(64,760)
Loss allowance	42	(42)	-	-	-
Unrealized allowance for receivables	12,503	2,936	-	250	15,689
Prepaid pension cost difference	98,066	(5,791)	(62,345)	-	29,930
Employee benefits	2,091	(2,091)	-	-	-
Unrealized loss due to market price decline of inventories	293,020	(54,881)	-	341	238,480
Unrealized intragroup profits and losses	8,769	1,262	-	-	10,031
Capitalization of interest	3,117	(1,201)	-	-	1,916
Provisions of employee benefit obligations	23,873	(813)	-	-	23,060
Unrealized loss on foreign exchange	58	(58)	-	-	-
Unrealized gain on foreign exchange	(17,946)	(1,976)	-	-	(19,922)
Government grants	(296,034)	28,225	-	(4,098)	(271,907)
Amortization of government grants	20,692	2,768	-	377	23,837
Others	222	329	-	-	551
Land value increment tax	(204,145)	-	-	-	(204,145)
Deferred tax income/ (expense)		<u>\$(30,015)</u>	<u>\$(62,345)</u>	<u>\$(3,130)</u>	
Net deferred tax assets/(liabilities)	<u>\$(121,750)</u>				<u>\$(217,240)</u>
Reflected in balance sheet as follows:					
Deferred tax assets	<u>\$462,453</u>				<u>\$343,494</u>
Deferred tax liabilities	<u>\$(584,203)</u>				<u>\$(560,734)</u>

The following table contains information of the unused tax losses of the Group:

Year	Tax losses for the period	Unused tax losses as of December 31,		
		2021	2020	Expiration year
2012	\$37,862	\$8,881	\$8,881	2022
2013	386,330	47,427	47,427	2023
2014	953,678	253,760	76,462	2024
2015	1,347,749	282,184	97,612	2025
2016	1,556,588	423,964	1,283,719	2021
2016	596,804	210,870	53,200	2026
2017	635,788	576,522	868,693	2022
2017	420,242	325,681	148,044	2027
2018	674,556	654,995	1,069,622	2023
2018	601,354	327,655	213,840	2028
2019	913,538	798,474	1,872,996	2024
2019	2,002,280	1,338,721	976,617	2029
2020	497,861	497,861	551,144	2025
2020	1,407,138	1,398,556	1,052,424	2030
2021	60,413	60,413	-	2026
2021	820,585	820,585	-	2031
Total		<u>\$8,026,549</u>	<u>\$8,320,681</u>	

Unrecognized deferred tax assets

As of December 31, 2021 and 2020, deferred tax assets that have not been recognized as they may not be used to offset taxable profits amounted to NT\$1,811,445 thousand and NT\$2,361,440 thousand, respectively.

Unrecognized deferred tax liabilities relating to the investment in subsidiaries

The Group did not recognize any deferred tax liability for taxes that would be payable on the unremitted earnings of the Group's overseas subsidiaries, as the Group has determined that undistributed profits of its subsidiaries will not be distributed in the foreseeable future. As of December 31, 2021 and 2020, the taxable temporary differences associated with investment in subsidiaries, for which deferred tax liability has not been recognized, aggregated to NT\$17,176,372 thousand and NT\$5,501,042 thousand, respectively.

The assessment of income tax returns

As of December 31, 2021, the assessment of the income tax returns of the Company and its subsidiaries is as follows:

	<u>The assessment of income tax returns</u>
The Company	Assessed and approved up to 2019
TAG	Assessed and approved up to 2019
TVIG	Assessed and approved up to 2019
TGCH	Not required
TAGH	Not required
Subsidiaries in Mainland China	Assessed and approved up to 2020

(28) Earnings per share

Basic earnings per share amounts are calculated by dividing net (loss) profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net (loss) profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible preference shares) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	<u>For the years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands):		
Gain from continuing operations	\$11,341,423	\$2,564,033
Gain(loss) from discontinued operations	135,255	(95,512)
Profit	<u>\$11,476,678</u>	<u>\$2,468,521</u>
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	<u>2,908,061</u>	<u>2,908,061</u>
Basic earnings per share from continuing operations	\$3.90	\$0.88
Basic earnings (loss) per share from discontinued operations	0.05	(0.03)
Basic earnings per share (NT\$)	<u>\$3.95</u>	<u>\$0.85</u>

	For the years ended December 31,	
	2021	2020
Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands):		
Gain from continuing operations	\$11,341,423	\$2,564,033
Gain(loss) from discontinued operations	135,255	(95,512)
Profit (loss)	<u>\$11,476,678</u>	<u>\$2,468,521</u>
Weighted average number of ordinary shares outstanding after dilution (in thousands)	2,908,061	2,908,061
Employees' compensation	7,060	2,005
Weighted average number of ordinary shares outstanding after dilution (in thousands)	<u>2,915,121</u>	<u>2,910,066</u>
Basic earnings per share from continuing operations	\$3.89	\$0.88
Basic earnings (loss) per share from discontinued operations	0.05	(0.03)
Diluted earnings per share (NT\$)	<u>\$3.94</u>	<u>\$0.85</u>

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

(30) Changes in parent's interest in subsidiaries

Losing control of a subsidiary

- (A) The Company disposed of 100% of the shares of TG Fengyang Holding Co., Ltd. on October 15, 2021, and indirectly transferred TG Fengyang Silica Sand Co., Ltd., thereby losing control over the company for a disposition price of RMB 344,700 thousand (NT\$1,465,098 thousand).

Details on book value of assets and liabilities of TG Fengyang Holding Co., Ltd. (TGFH) and TG Fengyang Silica Sand Co., Ltd. (FYSS) which was the subsidiary of TGFH as of October 15, 2021 are as follows:

	Book value
Cash and cash equivalents	\$37,766
Current financial assets at fair value through	43,534
Account receivables	870
Inventories	2,466
Prepaid expenses	388
Other current financial assets	11,541
Property, plant and equipment	53,843
Right-of-use assets	40,939
Other intangible assets	1,035,817
Contract liabilities	(1,035,905)
Account payables	(17,152)
Other non-current assets	(5,168)
Net identifiable net assets	<u>\$168,939</u>
Selling price	\$1,465,098
Less: Identifiable net assets	(168,939)
Less: Cost of sale	(1,651)
Reclassified to profit or(loss) – Effects of exchange rate change	(15,349)
Gain (loss) on disposal	<u>\$1,279,159</u>

- (B) As of September 9, 2020, the Group disposed of 100% shares of TG Zhangzhou silica Co., Ltd. (ZZSS) and lost control of ZZSS. The transaction price was CNY\$135,000 thousand. (equivalent to NT\$578,166 thousand.)

Details on book value of assets and liabilities of TG Zhangzhou Silica Sand Co., Ltd. (ZZSS) as of September 9, 2020 are as follows:

	<u>Book value</u>
Cash and cash equivalents	\$44,464
Account receivables	66,371
Inventories	5,617
Prepaid expenses	2,709
Other current financial assets	9,993
Property, plant and equipment	244,784
Right-of-use assets	69,432
Other intangible assets	6,552
Other non-current assets	7,698
Contract liabilities	(3,824)
Account payables	(16,809)
Current tax liabilities	(6,220)
Net identifiable net assets	<u>\$430,768</u>
Selling price	\$578,166
Less: Identifiable net assets	(430,768)
Less: Cost of sale	(6,105)
Exchange differences on translation	8,103
Gain (loss) on disposal	<u>\$149,396</u>

- (C) As of October 23, 2020, the Group disposed of 63.38% shares of Yinan silica Sand Co.,Ltd.(YNSS) and lost control of YNSS. The transaction price was CNY\$148,000 thousand. (equivalent to NT\$640,702 thousand)

Details on book value of assets and liabilities of Yinan silica Sand Co.,Ltd.(YNSS) as of October 23, 2020 are as follows:

	<u>Book value</u>
Cash and cash equivalents	\$14,151
Receivables	557
Inventories	5,285
Prepayments	6,565
Other current financial assets	29,050
Property, plant and equipment	43,742
Right-of-use assets	17,414
Other intangible assets	5,031
Other non-current assets	21,656
Payables	(15,057)
Other non-current liabilities	(643)
Identifiable net assets	<u>\$127,751</u>
Selling price	\$640,702
Less: Identifiable net assets	(127,751)
Non-controlling interest	46,782
Less: cost of sale	(321)
Reclassified to profit or(loss) – Effects of exchange rate change	(10,838)
Selling price	<u>\$548,574</u>

(31) Subsidiaries that have material non-controlling interests

Financial information of subsidiaries that have material non-controlling interests is provided below:

Proportion of equity interest held by non-controlling interests:

<u>Name</u>	<u>Country of Incorporation and operation</u>	<u>As of December 31,</u>	
		<u>2021</u>	<u>2020</u>
TGCH and subsidiaries	Bermuda	6.02%	6.02%
		<u>As of December 31,</u>	
		<u>2021</u>	<u>2020</u>
Accumulated balances of material non-controlling interest:			
TGCH and subsidiaries		<u>\$3,706,034</u>	<u>\$2,968,987</u>
		<u>As of December 31,</u>	
		<u>2021</u>	<u>2020</u>
Profit allocated to material non-controlling interest:			
TGCH and subsidiaries		<u>\$754,559</u>	<u>\$84,857</u>

The summarized financial information of these subsidiaries is provided below. This information is based on amounts before inter-company eliminations.

Summarized information of profit or loss of TGCH and subsidiaries for the years ended December 31, 2021 and 2020:

	<u>For the years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Operating revenue	\$42,744,721	\$30,147,491
Profit or loss for the period from continuing operations	12,245,092	3,654,650
Total comprehensive income for the period	12,172,808	4,515,469

Summarized information of financial position of TGCH and subsidiaries of December 31, 2021 and 2020:

	<u>As of December 31,</u>	
	<u>2021</u>	<u>2020</u>
Current assets	\$38,063,202	\$28,591,871
Non-current assets	37,460,795	37,952,164
Current liabilities	17,046,837	19,151,655
Non-current liabilities	3,240,256	4,328,285

Summarized cash flow information of TGCH and subsidiaries for the years ended December 31, 2021 and 2020:

	<u>For the years ended December 31,</u>	
	<u>2021</u>	<u>2020</u>
Operating activities	\$7,724,395	\$4,279,097
Investing activities	(2,394,397)	176,471
Financing activities	(4,095,917)	(4,411,673)
Net increase (decrease) in cash and cash equivalents	1,028,468	(305,375)

7. Related party transactions

The significant transactions for 2021 and 2020 are summarized below:

Name and Relationship of Related Parties

Name of related parties	Relationship with the Company
Shihlien Chemical Industrial (Jiangsu) Co., Ltd. (SCJ)	Associates
Taibo Anhui Energy Co., Ltd.	"
Tai Fong Investment Co., Ltd.	Other related parties
Ho Ho Investment Co., Ltd.	"
Tai Cheng Investment Co., Ltd.	"
Tai Yu Investment Co., Ltd.	"
Tai Chia Investment Co., Ltd.	"
Tai Fong Golf Club	"
KAH HUNG CORP.	Other related parties
Teng Yue Investment Corp.	"
Shihlien Apex Huaian Technology Co., Ltd.	"
Shihlien Apex EV Leasing Jiangsu	"
Shihlien International Investment Co., Ltd.	"
Shihlien Fine Chemical Co., Ltd.	"
Shenzhen Taizhi Photoelectric Materials Technology Co., Ltd. (TPMT)	"
Xue Xue Institute	"
Xue Xue Foundation	"
Dongfeng Yueda Kia Motors Co., Ltd. (DYK)	"
Jiangsu Yueda Mobis Trade Co., Ltd.	"
Jiangsu Yueda Group Co., Ltd.	"
Yueda Automobile Development Co., Ltd.	"
Yueda Modern Supply Chain Management Co., Ltd.	"
Jiangsu Yueda Printing Co., Ltd.	"
Jiangsu Yueda Advertising Media Co., Ltd.	"
Yancheng Yueda Lvneng Photovoltaic Power Co., Ltd.	"
Jiangsu Yueda Health Management Service Co., Ltd.	"
Jiangsu Yueda Glovis Logistic Co., Ltd.	"
TECO Electric & Machinery Co., Ltd.	"
Shinkong Insurance Co.,Ltd(Note)	"
Tong-An Investment Co., Ltd.	"
Information Technology Total Services Corp.	"
Hong Jing Investment Co.,Ltd	"
Nippon Parts Co., Ltd.	"
PILKINGTON AUTOMOTIVE ESPANA S.A.	"
PILKINGTON AUTOMOTIVE BELGIUM NV.	"
Nippon Sheet Glass Co., Ltd.	"
NSG Purchase & Supply Co., Ltd.	"
Pilkington North America Inc.	"
FJG	"
TAIHONG HOLDING LTD.	"
TAIHONG CORP.(GUAM)	"
PILKINGTON ITALIA S.P.A	"
PILKINGTON AGR(UK) LTD.	"
PILKINGTON AUTOMOTIVE DEUTSCHLAND GMB	"
PLIKINGTON TECHNOLOGY MANAGEMENT LIMITED	"
PILKINGTON AUTOMOTIVE LIMITED	"
PILKINGTON AUTOMOTIVE POLAND SP.ZO.O.	"
Jiangsu Guoxin New Energy Passenger Car Co., Ltd.	"
PILKINGTON AUTOMOTIVE FINLAND OY	"
Tex-Ray Industrial Co.,Ltd.	"

Note: Since January 1, 2022 it was no longer Group's related party.

Significant transactions with related parties

(1) Sales

	For the years ended December 31,	
	2021	2020
Other related parties	\$582,909	\$427,438

The sales price to the above related parties was determined through mutual agreement based on the market rates. The collection period for related parties was month-end 90 days. The outstanding balance at December 31, 2021 and 2020 was unsecured, non-interest bearing and must be settled in cash. The receivables from the related parties were not guaranteed.

(2) Purchases

	For the years ended December 31,	
	2021	2020
Associates	\$2,493,723	\$1,644,384
Other related parties	30,108	19,456
Total	\$2,523,831	\$1,663,840

The purchase price to the above related parties was determined through mutual agreement based on the market rates. The payment terms from the related party suppliers are comparable with third party suppliers and are paid within three months after delivery.

(3) Lease

Rental expense

	For the years ended December 31,	
	2021	2020
Other related parties	\$415	\$87

The Group has leased offices and vehicles for the year ended December 31, 2021 and 2020.

Rental income

	For the years ended December 31,	
	2021	2020
Other related parties	\$2,700	\$2,664

Other receivables

	As of December 31,	
	2021	2020
Other related parties	\$-	\$401

Other payables

	As of December 31,	
	2021	2020
Other related parties	\$1,001	\$1,918

Advance rental income

	As of December 31,	
	2021	2020
Other related parties	\$68	\$35

Right-of-use asset

	As of December 31,	
	2021	2020
Other related parties	\$62,351	\$96,344

Current lease liabilities

	As of December 31,	
	2021	2020
Tai Fong Investment co.,Ltd.	\$10,432	\$9,615
Tai Cheng Investment Co., Ltd.	24,792	24,365
Others	-	960
Total	\$35,224	\$34,940

Non-current lease liabilities

	As of December 31,	
	2021	2020
Tai Fong Investment co.,Ltd.	\$28,284	\$37,785
Tai Cheng Investment Co., Ltd.	-	24,791
Others	-	88
Total	\$28,284	\$64,664

Interest expense

	For the years ended December 31,	
	2021	2020
Other related parties	\$1,089	\$946

(4) Notes receivable

	As of December 31,	
	2021	2020
Other related parties	\$101,754	\$142,057

(5) Accounts receivable

	As of December 31,	
	2021	2020
Other related parties	68,816	50,936
Less: loss allowance	-	-
Net	\$68,816	\$50,936

(6) Other receivables

	110.12.31	109.12.31
	Associate	\$8,749
Other related parties	12	581
Total	\$8,761	\$13,116

(7) Notes payable

	As of December 31,	
	2021	2020
Associate		
Shihlien Chemical Industrial (Jiangsu) Co., Ltd. (SCJ)	\$121,520	\$-

(8) Accounts payable

	As of December 31,	
	2021	2020
Associates		
Shihlien Chemical Industrial (Jiangsu) Co., Ltd. (SCJ)	\$1,194,556	\$892,650
Other related parties	11,120	12,146
Total	\$1,205,676	\$904,796

(9) Other payables

A. Logistic payable, technical service fee, guarantee fee and capital reduction fee etc.

	As of December 31,	
	2021	2020
Associates and joint ventures	\$-	\$157
Other related parties:		
FJG	221,693	228,101
Others	20,033	18,334
Subtotal	241,726	246,435
Total	\$241,726	\$246,592

B. Financing

	For the year ended December 31, 2021				
	Maximum balance	Ending balance	Interest rate	Interest expense (Note)	Interest payables
Other related parties	\$173,613	\$147,610	6%	\$6,228	\$2,760

(RMB40,000 thousand)

Note: Interest expense including capitalized interest was NT\$0 thousand.

For the year ended December 31, 2020

Other related parties:	Maximum balance	Ending balance	rate	Interest expense (Note)	Interest payables
Tai Fong Investment Co., Ltd.	\$200,000	\$-	3%	\$2,862	\$-
Ho Ho Investment Co., Ltd.	880,000	-	3%	20,953	-
Tai Yu Investment Co., Ltd.	500,000	-	3%	12,976	-
Othes	297,416	61,107	3%~6%	5,976	1,863
	(NT100,000 thousand and RMB46,200 thousand)				
		<u>\$61,107</u>		<u>\$42,767</u>	<u>\$1,863</u>

Note: Interest expense including capitalized interest was NT\$1,691 thousand.

(10) Others

The Group's other transactions with associates and other related parties are as follows:

	As of December 31,	
Assets	2021	2020
Other related parties	<u>\$2,406</u>	<u>\$1,530</u>
	As of December 31,	
Other non-current assets	2021	2020
Other related parties	<u>\$84</u>	<u>\$85</u>
	As of December 31,	
Other current liabilities	2021	2020
Other related parties	<u>\$-</u>	<u>\$1,249</u>
	As of December 31,	
Other non-current liabilities	2021	2020
Other related parties	<u>\$2,171</u>	<u>\$2,182</u>
	For the years ended December 31,	
Operating expense	2021	2020
Other related parties	<u>\$15,726</u>	<u>\$19,345</u>

	For the years ended December 31,	
	2021	2020
Other income		
Associates	\$9,826	\$40,646
Other related parties	5,902	5,938
Total	\$15,728	\$46,584

	For the years ended December 31,	
	2021	2020
Other disbursements		
Other related parties	\$-	\$10

- (11) The payment term to related parties has no significant difference to other third parties. The outstanding balance at December 31, 2021 and 2020 was unsecured, non-interest bearing and must be settled in cash. The receivables from and the payables to the related parties were not guaranteed.
- (12) The Group purchased property, plant and equipment from other related parties in amount of NT\$5,860 thousand for the years ended December 31, 2021; The Group purchased intangible assets and property, plant and equipment from other related parties in amount of NT\$7,725 thousand for the years ended December 31, 2020.
- (13) The Group purchased right-of-use asset from other related parties in the amount of NT\$2,184 thousand and NT\$48,832 thousand for the year ended December 31, 2021 and 2020, respectively.
- (14) The Group derecognized right-of-use assets and lease liabilities from other related parties and recognized loss on disposal of right-of-use assets was NT\$13 thousand for the year ended December 31, 2021. No such occurrence in 2020.
- (15) As of December 31, 2021 and 2020, other related parties guaranteed for the Company's subsidiaries' bank loans. The balances as at December 31, 2021 and 2020 were RMB\$73,000 thousand and RMB\$75,000 thousand, respectively. Thus, the subsidiaries were entitled to a guaranteed fee of NT\$1,515 thousand and NT\$1,551 thousand for the years ended December 31, 2021 and 2020, respectively, recorded as non-operating expense.
- (16) The Company's endorsement or guarantee for subsidiaries or between subsidiaries are eliminated in the consolidated financial statements for the year ended December 31, 2021 and 2020, respectively. Please refer to Attachment 2.

(17) Key management personnel compensation

	For the years ended December 31,	
	2021	2020
Short-term employee benefits	\$218,858	\$72,248
Post-employment benefits	1,721	1,864
Total	\$220,579	\$74,112

8. Assets pledged as security

As of December 31, 2021:

<u>Assets pledged for security</u>	<u>Carrying amount</u>	<u>Obligee</u>	<u>Secured liabilities</u>
Bank savings	151,517	Bank of China	Performance bond
(other financial assets - current)			
"	19,646	Bank of Nanjing	"
"	485,515	China Zheshang Bank	"
"	282	Mizuho Bank	"
"	44,795	CTBC Bank	"
"	99,713	Shanghai Pudong Development Bank	"
"	39,582	Rural Commercial Bank	Marginal deposit
"	22,835	Bank of China	"
"	121,562	First Bank	"
Subtotal	<u>985,447</u>		
Notes receivables	22,120	Rural Commercial Bank	Discounted notes receivable
"	217,613	Agricultural Bank of China	"
"	347	Bank of Nanjing	"
"	14,327	Industrial Bank	"
"	48,908	Postal Savings Bank of China	"
"	157,681	China Construction Bank	"
"	183,246	Shanghai Pudong Development Bank	"
Subtotal	<u>644,242</u>		
Machine and equipment	18,757	OC NL INVEST COOPERATIEF U.A.	Performance bond
Total	<u>\$1,648,446</u>		

As of December 31, 2020:

<u>Assets pledged for security</u>	<u>Carrying amount</u>	<u>Obligee</u>	<u>Secured liabilities</u>
Bank savings	\$10,542	Industrial and Commercial	Performance bond
(other financial assets - current)		Bank of China	
"	13,335	Bank of China	"
"	87,296	Bank of Communications	"
"	21,999	Bank of Nanjing	"
"	65,036	Shanghai Pudong	"
		Development Bank	
"	290	Mizuho Bank	"
"	1,539	China Minsheng Bank	"
"	8,514	Bank of China	Marginal deposit
"	4,272	Cathay united bank	"
Subtotal	<u>212,823</u>		
Notes receivables	1,746	Agricultural Bank of China	Discounted notes
			receivable
"	8,730	Bank of China	"
"	2,829	Shanghai Pudong	"
		Development Bank	
"	36,010	Industrial Bank	"
"	9,343	China Zheshang Bank	"
"	21,824	Postal Savings Bank of	"
		China	
"	54,124	China Everbright Bank	"
"	437	Ping An BANK	"
"	1,309	China Construction Bank	"
Subtotal	<u>136,352</u>		
Machine and equipment	18,757	OC NL INVEST	Performance bond
		COOPERATIEF U.A.	
Total	<u><u>\$367,932</u></u>		

9. Commitments and contingencies

As of December 31, 2021, the contingency and off balance sheet commitments are as follows:

- (1) As of December 31, 2021, the outstanding promissory notes signed for business needs, including importing equipment, purchase of equipment, performance bond, and loan guarantee, totaled NT\$20,410,709 thousand.
- (2) Commodity tax and export tariff were NT\$23,575 thousand.
- (3) Unsecured balance of letters of credit is as follows:

<u>Currency</u>	<u>Unused Balance (in thousands)</u>
JYP	532,450
USD	12,197
EUR	716
RMB	70
GBP	2,824

- (4) Significant contracts of construction in progress and equipment are as follows:

<u>Items</u>	<u>Contract amount</u>	<u>Amount paid</u>	<u>Amount unpaid</u>
Significant contracts of construction in progress and equipment	<u>\$2,592,387</u>	<u>\$1,144,272</u>	<u>\$1,448,115</u>

The above amount paid was recognized as construction in progress under property, plant and equipment and prepayment for equipment under other noncurrent assets.

5. As of December 31, 2021 the Company issued a letter of support to Shihlin China Holding Co., Ltd. to negotiate a loan of USD\$171,880 thousand from the bank according to the credit contract. The commitments are as follows:
 - A. It shall hold and maintain at least (including) 30% of the issued shares of the borrower with the related parties of the company at any time. The scope and target of the "related party" shall be determined in accordance with the International Financial Reporting Standards (IFRS) that apply to the Company.
 - B. The Company shall ensure that the borrower maintains a good financial standing at all times and has the ability to perform the credit granting and related document obligations in this case; if the borrower is unable to perform the related obligations, the Company will try its best to provide assistance and urge the borrower to perform the obligations in accordance with the agreement.

10. Losses due to major disasters

None.

11. Significant subsequent events

TG Yueda Solar Mirror Co., Ltd., one of the Group's reinvestees, plans to reduce its capital by USD 15,500 thousand. According to the shareholding ratio of Taiwan China Glass Holdings Co., Ltd., which was 75%, Taiwan China Glass Holdings Co., Ltd. can receive share capital return in the amount of USD 11,625 thousand.

12. Others

Financial Instruments

(1) Categories of financial instruments

<u>Financial assets</u>	<u>As of December 31,</u>	
	<u>2021</u>	<u>2020</u>
Financial assets at fair value through profit or loss:		
Designated at fair value through profit or loss at initial recognition	\$7,109,379	\$1,927,060
Financial assets at fair value through other comprehensive income	431,830	252,125
Financial assets measured at amortized cost:		
Cash and cash equivalents (excluding cash on hand)	8,172,243	6,706,680
Financial assets measured at amortized cost	575,414	165,047
Receivables	17,050,479	16,058,722
Other financial assets	985,447	212,823
Refundable deposits	194,303	181,270
Subtotal	<u>26,977,886</u>	<u>23,324,542</u>
Total	<u>\$34,519,095</u>	<u>\$25,503,727</u>
<u>Financial liabilities</u>	<u>As of December 31,</u>	
	<u>2021</u>	<u>2020</u>
Financial liabilities at amortized cost:		
Short-term loans	\$2,529,627	\$7,279,747
Short-term bills payable	3,090,314	3,194,683
Payables	13,578,126	10,793,790
Long-term loans (including current portion)	18,685,624	17,451,596
Lease liabilities	114,389	128,303
Deposits-in(including current and non-current)	236,010	221,728
Total	<u>\$38,234,090</u>	<u>\$39,069,847</u>

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activities. The Group identifies, measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and equity risk.

In practice, it is rarely the case that a single risk variable changes independently from other risk variables, there are usually interdependencies between risk variables. The sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for US dollars and RMB. The information of the sensitivity analysis is as follows:

A. When NTD weakens/strengthens against US dollars by 1%, the profit for the years ended December 31, 2021 and 2020 is decreased/increased by NT\$2,701 thousand and NT\$18,302 thousand, respectively.

B. When RMB strengthens/weakens against US dollars by 1%, the profit for the years ended December 31, 2021 and 2020 is increased/decreased by NT\$6,111 thousand and NT\$27,114 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt instrument investments and receivables at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable loans and borrowings.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates and interest rate swaps. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the years ended December 31, 2021 and 2020 to decrease/increase by NT\$12,389 thousand and NT\$15,367 thousand, respectively.

Equity price risk

The fair value of the Group's listed and unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's listed and unlisted equity securities are classified under financial assets measured at fair value through other comprehensive income. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

The amount of the investment in the unlisted equity securities is not significant. Therefore, a change in the overall earnings stream of the valuations performed on the invested company would not have a significant impact on the income nor equity attributable to the Group for the years ended December 31, 2021 and 2020.

At the reporting date, a change of 10% in the price of the listed equity securities measured at fair value through profit or loss could increase/decrease the Group's profit for the years ended December 31, 2021 and 2020 by NT\$37,943 thousand and NT\$20,165 thousand, respectively.

(4) Credit risk management

Credit risk is the risk that a counter party will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Customer credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain customer's credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of December 31, 2021 and 2020, accounts receivables from top ten customers represented amounts less than 10% of the total accounts receivables of the Group. The credit concentration risk of accounts receivables is insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit ratings and with no significant default risk. Consequently, there is no significant credit risk for these counter parties.

The Group adopted IFRS 9 to assess the expected credit losses. Except for trade receivables, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and makes an assessment at each reporting date as to whether the expected credit losses increase significantly, and then further determines the method of measuring the loss allowance and the loss rates. The details of the assessment for the credit risk of the Group are described as follows:

Level of credit risk	Indicator	Measurement method for expected credit losses	Total carrying amount	
			As of December 31,	
			2021	2020
Low credit risk	Counterparty with good credit risk	Lifetime expected credit losses	\$575,414	\$165,047
Credit-impaired	Other impaired evidence	Lifetime expected credit losses	1,147,125	1,249,164
Simplified approach (Note)	(Note)	Lifetime expected credit losses	17,249,565	16,233,405

Note: By using simplified approach (loss allowance is measured at lifetime expected credit losses), including contract assets, note receivables, accounts receivables and other receivables.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments and bank borrowings. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as at the end of the reporting period.

Non-derivative financial instruments

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
<u>As of December 31, 2021</u>					
Short-term loans	\$2,548,664	\$-	\$-	\$-	\$2,548,664
Short-term bills payable	3,100,000	-	-	-	3,100,000
Payables	13,578,126	-	-	-	13,578,126
Long-term loans	6,347,775	11,682,708	878,036	263,861	19,172,380
Lease liabilities(Note)	48,896	48,814	19,177	-	116,887
<u>As of December 31, 2020</u>					
Short-term loans	\$7,378,595	\$-	\$-	\$-	\$7,378,595
Short-term bills payable	3,200,000	-	-	-	3,200,000
Payables	10,793,790	-	-	-	10,793,790
Long-term loans	6,820,637	9,195,356	1,368,683	528,320	17,912,996
Lease liabilities	42,886	62,433	25,985	-	131,304

Note: Information about the maturities of lease liabilities is provided in the table below:

As of December 31, 2021

	Maturities					Total
	Less than 1 year	1 to 5 years	6 to 10 years	10 to 15 years	>15 years	
Lease Liabilities	\$48,896	\$67,991	\$-	\$-	\$-	\$116,887

As of December 31, 2020

	Maturities					Total
	Less than 1 year	1 to 5 years	6 to 10 years	10 to 15 years	>15 years	
Lease Liabilities	\$42,886	\$88,418	\$-	\$-	\$-	\$131,304

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 2021:

	Short-term loans	Short-term bills payable	Long-term loans	Other related parties	Lease liabilities	Total liabilities from financing activities
As of January 1, 2021	\$7,279,747	\$3,194,683	\$17,451,596	\$61,107	\$128,303	\$28,115,436
Cash flows	(4,697,002)	(100,000)	1,350,603	86,812	(51,628)	(3,411,215)
Non-cash changes:	-	(4,369)	-	-	37,882	33,513
Foreign exchange movement	(53,118)	-	(116,575)	(309)	(168)	(170,170)
As of December 31, 2021	<u>\$2,529,627</u>	<u>\$3,090,314</u>	<u>\$18,685,624</u>	<u>\$147,610</u>	<u>\$114,389</u>	<u>\$24,567,564</u>

Reconciliation of liabilities for the year ended December 31, 2020:

	Short-term loans	Short-term bills payable	Long-term loans	Other related parties	Lease liabilities	Total liabilities from financing activities
As of January 1, 2020	\$7,963,287	\$3,741,006	\$17,393,698	\$1,593,752	\$111,019	\$30,802,762
Cash flows	(596,898)	(550,000)	291,073	(1,533,746)	(43,316)	(2,432,887)
Non-cash changes:	-	3,677	-	-	60,902	64,579
Foreign exchange movement	(86,642)	-	(233,175)	1,101	(302)	(319,018)
As of December 31, 2020	<u>\$7,279,747</u>	<u>\$3,194,683</u>	<u>\$17,451,596</u>	<u>\$61,107</u>	<u>\$128,303</u>	<u>\$28,115,436</u>

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

- The carrying amount of cash and cash equivalents, trade receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.
- For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certification, bonds and futures).
- Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

- d. Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the GreTai Securities Market, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)
- B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Group's financial assets and liabilities measured at amortized cost approximate their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12.(8) for fair value measurement hierarchy for financial instruments of the Group.

(8) Assets measured at fair value

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

As of December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Structured deposit	\$-	\$-	\$7,109,379	\$7,109,379
Guaranteed financial products	-	-	-	-
Financial assets at fair value through other comprehensive income				
Equity securities	379,433	-	52,397	431,830

As of December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Structured deposit	\$-	\$-	\$1,883,412	\$1,883,412
Guaranteed financial products	-	-	43,648	43,648
Financial assets at fair value through other comprehensive income				
Equity securities	201,645	-	50,480	252,125

During the years ended December 31, 2021 and 2020, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy is as follows:

	Assets		Total
	At fair value through profit or loss	At fair value through other comprehensive income	
Beginning balances as of January 1, 2020	\$608,823	\$46,697	\$655,520
Total gains and losses recognized for the year ended December 31, 2020:			
Amount recognized in profit or loss	48,103	-	48,103
Amount recognized in OCI	-	3,783	3,783
Acquisition for the year ended December 31, 2020	8,569,707	-	8,569,707
Disposals	(7,333,732)	-	(7,333,732)
Exchange effect	34,159	-	34,159
Ending balances as of December 31, 2020	1,927,060	50,480	1,977,540
Total gains and losses recognized for the year ended December 31, 2021:			
Amount recognized in profit or loss	130,001	-	130,001
Amount recognized in OCI	-	1,917	1,917
Acquisition for the year ended December 31, 2021	14,831,724	-	14,831,724
Disposals	(9,726,770)	-	(9,726,770)
Exchange effect	(9,102)	-	(9,102)
Reclassify	(43,534)	-	(43,534)
Ending balances as of December 31, 2021	\$7,109,379	\$52,397	\$7,161,776

Total gains and losses recognized for the years ended December 31, 2021 and 2020 contained gains and losses related to securities and derivatives on hand as of December 31, 2021 and 2020 in the amount of NT\$130,001 thousand and NT\$48,103 thousand, respectively.

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of December 31, 2021

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets: At fair value through profit or loss					
Structured deposit and Guaranteed financial product	Market approach	Financial product pricing	Not applicable	No need to apply	Because it is mainly a currency transaction, its value is equal to its fair value.
Financial assets at fair value through other comprehensive income					
Stocks	Market approach	Discount for lack of marketability	-	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase (decrease) in the discount for lack of marketability would result in (decrease) increase in the Group's equity by NT\$524 thousand

As of December 31, 2020

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets: At fair value through profit or loss					
Structured deposit and Guaranteed financial product	Market approach	Financial product pricing	Not applicable	No need to apply	Because it is mainly a currency transaction, its value is equal to its fair value.
Financial assets at fair value through other comprehensive income					
Stocks	Market approach	Discount for lack of marketability	-	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase (decrease) in the discount for lack of marketability would result in (decrease) increase in the Group's equity by NT\$505 thousand

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Group is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies at each reporting date.

C. Fair value measurement hierarchy of the Group's assets and liabilities not measured at fair value but for which the fair value is disclosed

As of December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment property (please refer to Note 6.(13))	\$-	\$-	\$106,230	\$106,230

As of December 31, 2020

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment property (please refer to Note 6.(13))	\$-	\$-	\$168,939	\$168,939

(9) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	(in thousands)					
	As of December 31,					
	2021			2020		
	Foreign	Foreign	NTD	Foreign	Foreign	NTD
	currencies	exchange		currencies	exchange	
	rate	rate		rate	rate	
<u>Financial assets</u>						
Monetary items:						
USD	\$107,738	27.68	\$2,982,188	\$84,992	28.48	\$2,420,570

As of December 31,						
	2021			2020		
	Foreign	Foreign		Foreign	Foreign	
	currencies	exchange	NTD	currencies	exchange	NTD
		rate			rate	
RMB	6,735,511	4.3415	29,242,113	4,956,351	4.3648	21,633,569
Non-Monetary items:						
USD	197,615	27.68	5,469,989	161,647	28.48	4,603,702
RMB	2,949	4.3415	12,802	2,919	4.3648	12,740
<u>Financial liabilities</u>						
Monetary items:						
USD	142,857	27.68	3,954,275	241,895	28.48	6,889,172
RMB	3,019,648	4.3415	13,109,755	2,849,573	4.3648	12,437,869

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

Since there were various functional currencies used within the subsidiaries of the Group, the Group was unable to disclose foreign exchange gains (losses) towards each foreign currency with significant impact. The realized and unrealized foreign exchange gains was NT\$55,483 thousand and NT\$341,602 thousand for the years ended December 31, 2021 and 2020, respectively.

(10) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize stockholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to stockholders, return capital to stockholders or issue new shares.

(11) Information of financial asset transferred

Transferred financial assets that are partially-derecognized in their entirety

The Group entered into a factoring agreement with a financial institution, which is partly with recourse and partly non-recourse. The Group has transferred the right on those non-recourse factoring, and in accordance with the contract, the Group shall not be liable for the credit risks associated with uncollectable receivables (except for commercial disputes), which met the requirements for derecognizing financial assets. The related information is as follows:

As of December 31, 2021

Transferee	Amount transferred	Amount	Advanced amount	Interest rate range	Credit
O-Bank	\$343,647	\$309,282	\$311,384	1%	\$525,000

As of December 31, 2020

<u>Transferee</u>	<u>Amount transferred</u>	<u>Amount</u>	<u>Advanced amount</u>	<u>Interest rate range</u>	<u>Credit</u>
O-Bank	\$279,627	\$251,665	\$252,734	1%	\$525,000

13. Other disclosure

(1) Information at significant transactions

- A. Lending fund to others: Please refer to Attachment 1.
- B. Endorsement/guarantee provided to others: Please refer to Attachment 2.
- C. Securities held at the end of the period: Please refer to Attachment 3.
- D. Individual securities acquired or disposed of with accumulated amount exceeding NT\$300 million or 20 percent of the capital stock or more: Please refer to Attachment 4.
- E. Acquisition of real estate with amount exceeding NT\$300 million or 20 percent of the capital stock or more: None.
- F. Disposal of real estate with amount exceeding NT\$300 million or 20 percent of the capital stock or more: None.
- G. Related party transactions for purchases and sales amounts exceeding NT\$100 million or 20 percent of the capital stock or more: Please refer to Attachment 5.
- H. Receivables from related parties with amounts exceeding NT\$100 million or 20 percent of capital stock or more: Please refer to Attachment 6.
- I. Financial instruments and derivative transactions: None.
- J. Business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and accounts of any significant transactions between them: Please refer to Attachment 7.

(2) Information on investees

Information of the investees in which the Company directly or indirectly has significant influence or control: Please refer to Attachment 8.

(3) Information on investments in Mainland China

- A. Investee's name, main businesses and products, total amount of capital, method of investment, accumulated inflow and outflow of investments from Taiwan, percentage of ownership, investment income or loss, carrying value of the investments, inward remittance of earnings and limits on investments in Mainland China: Please refer to Attachment 9.
- B. Directly or indirectly significant transactions through other regions with the investees in Mainland China, including price, payment terms, unrealized gain or loss, and other events with significant effects on the operating results and financial condition are disclosed as follows:
 - a. Accumulated amount and percentage of purchase and related payables at the end of the period: None. *

- b. Accumulated amount and percentage of sales and related receivables at the end of the period: None. *
- c. Amount of property transaction and related gain or loss: None. *
- d. Endorsement/guarantee provided to others at the end of the period: None. *
- e. Financing provided to others at the end of the period: None. *
- f. Other significant transactions, such as service provided or received: None. *

* The transactions have been eliminated in the consolidation financial statements.

(4) Information of main stockholders

Name	Shares	Common Shares	Preferred Shares	Total Shares Owned	Percentage of Ownership (%)
Tai Fong Investment Co.,Ltd		420,137,922	-	420,137,922	14.45%
Ho Ho Investment Co., Ltd.		402,748,231	-	402,748,231	13.85%
Tai Jian Investment Co., Ltd.		249,002,246	-	249,002,246	8.56%
Tai Yu Investment Co., Ltd.		245,538,788	-	245,538,788	8.44%
Tai Cheng Investment Co., Ltd.		228,213,247	-	228,213,247	7.85%
Tai Chia Investment Co., Ltd.		157,795,282	-	157,795,282	5.43%

14. Segment information

(1) General Information

For management purposes, the Group is organized into business units based on their products and services and has three reportable operating segments as follows:

- A. Flat Glass Segment: Manufacturing and selling of flat glasses.
- B. Glass Container Segment: Manufacturing and selling of glass containers.
- C. Glass Fiber Segment: Manufacturing and selling of glass fibers.

No operating segments have been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured based on accounting policies consistent with those in the consolidated financial statements. However income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segment are on an arm's length basis in a manner similar to transactions with third parties.

(2) Reportable segment information

For the year ended December 31, 2021

	Flat Glass	Glass Container	Glass Fiber	Subtotal	Other Operating Segments (Note 1)	Adjustment and Elimination	Consolidated
Revenue:							
External customer	\$38,076,343	\$3,367,623	\$14,620,894	\$56,064,860	\$877	\$-	\$56,065,737
Inter-segment (Note 2)	47,693	1	-	47,694	157,162	(204,856)	-
Total revenue	<u>\$38,124,036</u>	<u>\$3,367,624</u>	<u>\$14,620,894</u>	<u>\$56,112,554</u>	<u>\$158,039</u>	<u>\$(204,856)</u>	<u>\$56,065,737</u>
Depreciation	<u>\$3,303,258</u>	<u>\$382,604</u>	<u>\$1,236,223</u>	<u>\$4,922,085</u>	<u>\$50,353</u>	<u>\$-</u>	<u>\$4,972,438</u>
Segment profit	<u>\$8,175,210</u>	<u>\$73,161</u>	<u>\$3,451,434</u>	<u>\$11,699,805</u>	<u>\$(141,838)</u>	<u>\$-</u>	<u>\$11,557,967</u>

For the year ended December 31, 2020

	Flat Glass	Glass Container	Glass Fiber	Subtotal	Other Operating Segments (Note 1)	Adjustment and Elimination	Consolidated
Revenue							
External customer	\$28,659,264	\$3,570,950	\$9,569,422	\$41,799,636	\$41,386	\$-	\$41,841,022
Inter-segment (Note 2)	33,869	2,885	-	36,754	219,565	(256,319)	-
Total revenue	<u>\$28,693,133</u>	<u>\$3,573,835</u>	<u>\$9,569,422</u>	<u>\$41,836,390</u>	<u>\$260,951</u>	<u>\$(256,319)</u>	<u>\$41,841,022</u>
Depreciation	<u>\$3,205,490</u>	<u>\$402,571</u>	<u>\$1,233,292</u>	<u>\$4,841,353</u>	<u>\$62,118</u>	<u>\$-</u>	<u>\$4,903,471</u>
Segment profit	<u>\$2,852,380</u>	<u>\$209,509</u>	<u>\$(530,730)</u>	<u>\$2,531,159</u>	<u>\$(15,315)</u>	<u>\$-</u>	<u>\$2,515,844</u>

Note1: Revenue from other operating segments are operating segments that do not meet the quantitative thresholds for reportable segments.

Note2: Inter-segment revenues are eliminated on consolidation and recorded under the "adjustment and elimination" column.

(3) Other reconciliations of reportable segments

	<u>For the years ended December 31,</u>	
	2021	2020
Segment profit	\$11,699,805	\$2,531,159
Profit (losses) from other operating segments	(141,838)	(15,315)
Non-operating income and expenses	2,185,402	609,934
Income before income tax from continuing operations	<u>\$13,743,369</u>	<u>\$3,125,778</u>

(4) Geographical information

Revenue from external customers

	For the years ended December 31,	
	2021	2020
Taiwan	\$7,892,451	\$6,660,666
China	41,516,529	29,821,786
Other countries (not account for 10%)	6,656,757	5,358,570
Total	<u>\$56,065,737</u>	<u>\$41,841,022</u>

The revenue information above is based on the location of the customer.

Non-current assets

	As of December 31,	
	2021	2020
Taiwan	\$15,313,491	\$15,905,936
China	31,564,215	33,098,222
Other countries (not account for 10%)	13,575	15,122
Total	<u>\$46,891,281</u>	<u>\$49,019,280</u>

Non-current assets include property, plant and equipment, right-of-use assets, intangible assets, advance in payments in equipment and investment in property .

(5) Information about major customers (account for over 10% operating revenue)

The revenue from single external customer accounts for over 10% net consolidated operating revenue: None.

Attachment 1
Financing provided to others for the year ended December 31, 2021

No. (Note 1)	Financing Company	Counterparty	Financial Statement Account (Note 2)	Related Party	Balance for the Period (Note 3)	Ending Balance (in Thousands) (Note 4)	Actual Amount provided	Interest Rate	Nature of Financing (Note 4)	Transaction Amounts (Note 5)	Reason for Financing (Note 6)	Allowance for Bad Debt	Collateral		Amount for Counterparty (Note 7)	Financial Amount for Financing Company (Note 7)	
													Item	Value			
1	TCCH	FPG	Other receivables	Yes	\$588,643	\$-	\$-	-	2	\$-	Need for operating	\$-	None	\$-	54,784,847 × 40% = 21,913,939 (in thousand)	54,784,847 × 40% = 21,913,939 (in thousand)	
1	TCCH	TCD	"	Yes	939,840	-	-	-	2	-	Need for operating	-	None	-	-	-	
1	TCCH	TJG	"	Yes	569,600	-	-	-	2	-	Need for operating	-	None	-	-	-	
2	CDG	HZSS	"	Yes	134,691	115,918	115,918	0.35%	2	-	Need for operating	-	None	-	9,970,236 × 50% = 4,985,118 (in thousand)	9,970,236 × 100% = 9,970,236 (in thousand)	
2	CDG	TWAR	"	Yes	1,232,841	590,442	590,442	4.13%	2	-	Need for operating	-	None	-	-	-	
2	CDG	TTAR	"	Yes	480,130	86,830	86,830	4.13%	2	-	Need for operating	-	None	-	-	-	
2	CDG	TAH	"	Yes	1,074,897	-	-	-	2	-	Need for operating	-	None	-	-	-	
2	CDG	TYAU	"	Yes	633,163	623,083	623,083	6.00%	2	-	Need for operating	-	None	-	-	-	
2	CDG	TCD	"	Yes	927,921	918,224	918,224	4.13%	2	-	Need for operating	-	None	-	-	-	
2	CDG	TBF	"	Yes	1,525,222	1,519,519	1,519,519	4.13%	2	-	Need for operating	-	None	-	-	-	
3	QFG	QBG	"	Yes	191,933	185,073	185,073	-	2	-	Need for operating	-	None	-	1,582,445 × 50% = 791,223 (in thousand)	1,582,445 × 100% = 1,582,445 (in thousand)	
3	QFG	TOPT	"	Yes	318,814	317,623	317,623	-	2	-	Need for operating	-	None	-	4,384,422 × 50% = 2,192,211 (in thousand)	4,384,422 × 100% = 4,384,422 (in thousand)	
4	HNG	TJG	"	Yes	719,033	655,564	655,564	4.00%	2	-	Need for operating	-	None	-	5,801,079 × 50% = 2,900,540 (in thousand)	5,801,079 × 100% = 5,801,079 (in thousand)	
5	TGF	TCD	"	Yes	877,467	564,395	564,395	3.45%	2	-	Need for operating	-	None	-	-	-	
5	TGF	TBF	"	Yes	2,632,400	868,297	868,297	3.85%-5.62%	2	-	-	Need for operating	-	None	-	5,467,135 × 50% = 2,733,568 (in thousand)	5,467,135 × 100% = 5,467,135 (in thousand)
6	DHG	QFG	"	Yes	360,595	356,826	356,826	4.00%	2	-	Need for operating	-	None	-	-	-	
6	DHG	FPG	"	Yes	2,129,954	-	-	-	2	-	Need for operating	-	None	-	-	-	
6	DHG	TJG	"	Yes	342,212	338,656	338,656	4.00%	2	-	Need for operating	-	None	-	-	-	
7	CFG	TCD	"	Yes	254,930	253,977	253,977	4.13%	2	-	Need for operating	-	None	-	4,568,330 × 50% = 2,284,165 (in thousand)	4,568,330 × 100% = 4,568,330 (in thousand)	
7	CFG	TYAU	"	Yes	52,648	52,098	52,098	6.00%	2	-	Need for operating	-	None	-	4,795,585 × 50% = 2,397,793 (in thousand)	4,795,585 × 100% = 4,795,585 (in thousand)	
8	FXY	TAH	"	Yes	215,631	-	-	-	2	-	Need for operating	-	None	-	3,465,584 × 50% = 1,732,792 (in thousand)	3,465,584 × 100% = 3,465,584 (in thousand)	
9	TAH	FYSS	"	Yes	107,261	-	-	-	2	-	Need for operating	-	None	-	-	-	
Total						\$7,446,423											

Note 1: The Company and its subsidiaries are coded as follows:

1. The Company is coded "1".

2. The subsidiaries are coded starting from "1" in numerical order.

Note 2: If the economic substance of transactions are financing to others, regardless of which component they recognized as in the financial statements, certain transactions are included herein.

Note 3: Maximum balance of the Company and its subsidiaries' financing to others for the year ended December 31, 2020

Note 4: Nature of financing is coded as follows:

1. The financing occurred due to business transactions is coded "1".

2. The financing occurred due to short-term financing is coded "2".

Note 5: Total amount of the financing is disclosed herein if the financing was related to business transactions. The amount shall mean the transaction amount between the lending entity and the borrower within the most recent year.

Note 6: The reasons and counterparties of the financing are addressed herein as the financing associated with short-term capital needs, for example: Refund liability - Purchase equipment - Need for operating, etc.

Note 7: The process of providing finance to others, the limits to individual counterparties, and the total financing limit for the company should be noted, as well as the computations.

Note 8: If a listed company brings the financing proposal to the board of directors according to Paragraph 1, Article 1 of the Regulations Governing Lending of Funds and Making of Endorsements/Guarantees by Public Companies, the company still needs to disclose the amount approved by the board.

the company still needs to disclose the resolution amount of the board in the balance to disclose the risk, even if the funds are not appropriated yet.

With the return of the funds afterward, the company should disclose the amount returned to reflect the adjusted risk.

If a listed company authorizes the chairman of the board of directors to appropriate or use certain limits of the funds several times in the period of a year according to Paragraph 2, Article 14 of Regulations Governing Lending of Funds and Making of

Endorsements/Guarantees by Public Companies, the company still needs to disclose the amount approved by the board.

Note 9: All transactions listed above are eliminated in the consolidated financial statements.

Attachment 2

Endorsement/guarantees provided to others for the year ended December 31, 2021

No. (Note 1)	Endorser/ Guarantor	Endorser		Relationship (Note 2)	Limits of Endorsement /Guarantee Amount for	Maximum Balance for the Period (Note 4)	Ending Balance (Note 5)	Actual Amount drawn (Note 6)	Amount of Endorsement/ Guarantee collateralized	Percentage of Accumulated Endorsement/Guarantee to Net Equity per latest Financial statements	Limit on the Endorsement/Guarantee Amount (Note 3)	Parent Company Endorsed or Guaranteed for the Subsidiaries	Subsidiaries Endorsed or Guaranteed for the Parent Company	Endorsement or Guarantee for Entities in China. (Note 7)
		Company Name	HNG											
0	TGI		HNG	2	\$27,022,056	\$142,675	\$138,400	\$-	\$-	0%	1. In accordance with Article 4 of the Procedures for Endorsement and Guarantee, the Company may provide endorsement/guarantee to others but shall not exceed 120% of its net assets. For endorsement/guarantee to an individual entity, the amount is limited to 50% of the Company's net assets.	Y		Y
0	TGI		TIG	2	"	285,350	-	-	-	0%	2. Subsidiaries may provide endorsement/guarantee to others in the amount which shall not exceed 100% of their net assets. For endorsement/guarantee to an individual entity, the amount is limited to 60% of the entity, the amount is limited to 60% of the	Y		Y
0	TGI		TGF	2	"	800,050	434,148	-	-	1%	3. TGI : 54,044,112x120%= (64,852,934)(in thousand)	Y		Y
0	TGI		TXY	2	"	342,420	-	-	-	0%	4. TGF : 5,801,079x100%= 5,801,079(in thousand)	Y		Y
0	TGI		TYAU	2	"	293,951	273,513	8,683	-	1%	5. CFG : 4,568,330x100%= 4,568,330(in thousand)	Y		Y
0	TGI		TAH	2	"	142,675	-	-	-	0%	6. DHG : 5,467,135x100%= 5,467,135(in thousand)	Y		Y
0	TGI		TCD	2	"	1,807,234	1,807,234	18,629	-	3%	7. TCCH : 54,784,847x100%= 54,784,847(in thousand)	Y		Y
0	TGI		TCCH	2	"	4,879,600	3,709,120	2,159,040	-	7%	8. QFG : 1,582,445x100%= 1,582,445(in thousand)	Y		Y
0	TGI		TBF	2	"	3,834,114	1,717,767	1,562,958	-	3%		Y		Y
0	TGI		TAG	2	"	327,850	327,680	126,588	-	1%		Y		Y
1	TGF		TCD	4	3,480,647	1,263,551	781,467	173,659	-	13%		Y		Y
1	TGF		CFG	4	"	87,747	86,830	-	-	1%		Y		Y
1	TGF		TBF	4	"	438,733	434,148	30,334	-	7%		Y		Y
2	CFG		TGF	4	2,740,998	482,607	477,563	43,880	-	10%		Y		Y
2	CFG		TFAR	4	"	566,311	564,393	297,990	-	12%		Y		Y
3	DHG		QFG	4	3,380,281	701,973	620,181	232,486	-	11%		Y	Y	Y
4	TCCH		TGI	3	32,870,908	50,000	-	-	-	0%		Y	Y	Y
5	QFG		TQPT	2	949,467	219,367	65,122	65,122	-	4%		Y	Y	Y

Note 1: The Company and its subsidiaries are coded as follows:

1. The Company is coded "0".

2. The subsidiaries are coded starting from "1" in numerical order.

Note 2: Endorsers are disclosed as one of the following:

1. A company with which it does business.

2. A company in which the public company directly and indirectly holds more than 50% of the voting shares.

3. A company that directly and indirectly holds more than 50% of the voting shares in the public company.

4. A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.

5. A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.

6. A company that all capital contributing shareholders make endorsements/guarantees for their jointly invested company in proportion to their shareholding percentages.

7. 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 process of providing finance to others, the limits to individual counterparties and the total financing limit for the company, should be noted, as well as the computations.

Note 4: The maximum amount of the Company and its subsidiaries' endorsement or guarantee to others for the year ended December 31, 2021.

Note 5: The Company bears the responsibility of endorsements or guarantees as long as the ceilings on the amount of guarantees or endorsements are approved by banks.

Other occurrences related to endorsement or guarantee shall be included in the balance.

Note 6: Fill in the actual amount drawn from the balance.

Note 7: Fill in "Y" if it belongs to "Parent Company Endorsement or Guarantee for the Subsidiaries", "Subsidiaries Endorsement or Guarantee for the Parent Company", or "Endorsement or Guarantee for Entities in China".

Note 8: All transactions listed above are eliminated in the consolidated financial statements.

Attachment 3

Securities held as of December 31, 2021

(Dollar amount expressed in thousands of NTD unless otherwise specified)

Company	Type and Name of the Securities (Note 1)	Relationship (Note 2)	Financial Statement Account	As of December 31, 2021			Remark (Note 4)
				Shares	Carrying Value (Note 3)	Percentage of Ownership	
TGI	Securities – China Development Financial Holdings Chi-Ye Chemical Corp. Chang Hiwa Commercial Bank, Ltd. Hua Nan Financial Holdings Co., Ltd. Total	- - - -	Available-for-sale financial assets - non-current " " " "	21,681,340 659,000 329 160 \$431,830	0.13% 3.30% 0.00% 0.00%	\$379,424 52,397 6 3	
CDG	Structured deposit – Bank of China, Sichuan Province Branch	-	Financial assets at fair value through profit or loss - current "	-	-	\$2,615,901	\$2,615,901
CDG	Bank of Chengdu, Qingbaijiang Branch	-	"	-	-	217,117	217,117
TXY	China Merchants Bank, Xianyang Branch	-	"	-	-	499,271	499,271
TXY	Bank of Chengdu, Xian Branch	-	"	-	-	1,193,908	1,193,908
CFG	Industrial and Commercial Bank of China Limited, Kunshanzhangpu Branch	-	"	-	-	217,074	217,074
CFG	Industrial Bank, Kunshan Branch	-	"	-	-	217,074	217,074
CFG	Kunshan Rural Commercial Bank, Nankang Branch	-	"	-	-	217,074	217,074
CFG	Bank of China, Kunshanzhangpu Branch	-	"	-	-	217,074	217,074
TAH	Bank of China, Fengyang Branch	-	"	-	-	130,245	130,245
TYSM	Bank of China, Yancheng Development Zone Branch	-	"	-	-	520,978	520,978
TGF	Industrial Bank, Kunshan Branch	-	"	-	-	694,637	694,637
TGF	Kunshan Rural Commercial Bank, Zhonghuayuan Branch	-	"	-	-	173,659	173,659
TGF	Shanghai Pudong Development Bank, Kunshan Branch	-	"	-	-	195,367	195,367
	Total					\$7,109,379	

Note 1: The securities herein shall refer to stocks, bonds, beneficiary certificates and other marketable securities derived from the above items in the scope of IFRS 9-Financial Instruments.

Note 2: Securities issued by non-related parties are not required to fill in this column.

Note 3: For items measured at fair value, the carrying value is the balance of the book value adjusted by fair value valuation deducting accumulated impairment.

For items not measured at fair value, the carrying value is the book value balance of the historical cost or amortized cost after deducting accumulated impairment.

Note 4: Securities with restrictions because of being provided for security, as pledges or under other covenants should state the number of shares or dollar amount provided for security or pledge and the restriction terms.

Attachment 4
 Individual securities acquired or disposed of with accumulated amount exceeding
 NT\$300 million or 20 percent of the capital stock for the year ended 31 December 2021
 (Dollar amount expressed in thousands of NTD unless otherwise specified)

Company	Type and Name of the Securities (Note 1)	Financial Statement Account	Country (Note 2)	Relationship (Note 2)	Beginning Balance		Acquisition (Note 3)		Disposal (Note 3)			Ending Balance	
					Shares	Amount	Shares	Amount	Shares	Selling Amount	Carrying Value	Gain or Loss on Disposal	Shares
CDG	Structured deposit – Bank of China, Sichuan Province Branch	Financial assets at fair value through profit or loss - current	-	-	-	\$1,182,203	-	\$3,125,223 (6,023) (Note 5) 11,008 (Note 6)	-	\$1,696,510	\$26,383	-	\$2,045,901
CDG	Structured deposit – Agricultural Bank of China, Qinghaijiang branch	Financial assets at fair value through profit or loss - current	-	-	-	570,264	-	1,041,744 (3,166) (Note 5)	-	1,608,839	20,533	-	-
CDG	Structured deposit – Nanyang Commercial Bank, Chengde Branch	Financial assets at fair value through profit or loss - current	-	-	-	-	-	1,823,047 (Note 5)	-	1,823,047	34,816	-	-
CDG	Structured deposit – Bank of Chengde, Qinghaijiang Branch	Financial assets at fair value through profit or loss - current	-	-	-	-	-	477,465 44 (Note 5) 43 (Note 6)	-	260,435	4,792	-	217,117
TXY	Structured deposit – China Merchants Bank, Xiayang Branch	Financial assets at fair value through profit or loss - current	-	-	-	(30,945)	-	1,627,720 (624) (Note 5)	-	1,258,770	9,263	-	499,271
TXY	Structured deposit – Bank of Chengde, Xian Branch	Financial assets at fair value through profit or loss - current	-	-	-	-	-	2,061,779 247 (Note 5)	-	868,118	7,998	-	1,193,908
CFG	Structured deposit – Industrial and Commercial Bank of China Limited, Kunshan-shangpu Branch	Financial assets at fair value through profit or loss - current	-	-	-	-	-	837,733 45 (Note 5)	-	620,704	4,938	-	217,074

Attachment 4
Individual securities acquired or disposed of with accumulated amount exceeding
NT\$300 million or 20 percent of the capital stock for the year ended 31 December 2021

Company	Type and Name of the Securities (Note 1)	Financial Statement Account	Counterparty (Note 2)	Relationship (Note 2)	Beginning Balance		Acquisition (Note 3)		Disposal (Note 3)		Ending Balance		
					Shares	Amount	Shares	Amount	Shares	Selling Amount	Gain or Loss on Disposal	Shares	Amount
CFG	Structured deposit— Shanghai Pudong Development Bank, Kunshan Branch	Financial assets at fair value through profit or loss - current	-	-	-	\$-	-	\$303,841 (Note 5)	\$306,298	303,841	\$2,457	-	\$-
TAH	Structured deposit— Bank of China, Fengshang Branch	Financial assets at fair value through profit or loss - current	-	-	-	-	303,841 28 (Note 5)	174,955	-	173,624	1,331	-	130,245
TYSM	Structured deposit— Bank of China, Yancheng Development Zone Branch	Financial assets at fair value through profit or loss - current	-	-	-	-	1,124,212 108 (Note 5)	606,142	-	603,342	2,800	-	520,978
TGF	Structured deposit— Industrial Bank, Kaoshan Branch	Financial assets at fair value through profit or loss - current	-	-	-	-	694,491 143 (Note 5)	-	-	-	-	-	694,637
TGCH	shareholders— TGCH	Investments accounted for using the equity method	Merry Int'l Holdings Group Limited	None	-	-	181,123 (Note 7)	1,448,098 (Note 8)	-	168,939	1,279,159	-	-

Note 1: The securities herein shall refer to stocks, bonds, beneficiary certificates and other securities derived from the above items.

Note 2: These columns are filled only if securities are investments accounted for using the equity method.
Note 3: Accumulated amount of securities purchased or sold are calculated at market value to determine whether they exceed NT\$300 million or 20% of the capital stock.

Note 4: Paid-in Capital shall refer to the paid-in capital of parent company. If the issuer's stock is not denominated or the denomination is not NT\$10, the transaction amount of 20% of the equity of the parent company on the balance sheet.

Note 5: The amount includes foreign exchange adjustments.

Note 6: The amount is period end evaluation profit and loss.

Note 7: Due to the restructuring of the Group's investment structure, TG Fengyang Silean Sand Co., Ltd. is directly invested by TG Fengyang Holding Co., Ltd. As at June 1, 2021.

Note 8: Include selling price NT\$1,465,098 thousand, cost of sale NT\$1,651 thousand and foreign exchange adjustments (NT\$1,349) thousand.

Note 9: The equity method is adopted to recognize investment gains and losses and other equity.

Attachment 5

Related party transactions for purchases and sales amounts exceeding NT\$100 million or 20 percent of capital stock as at for the year ended December 31, 2021

Company	Counterparty	Relationship	Transaction Details				Details Different from Non-arm's Length Transactions (Note 1)			Notes and Accounts Receivable (Payable)		Remark (Note 2)
			Sale/Purchase	Amount	Percentage of Total Sales or Purchases	Term	Unit Price	Terms	Balance	Percentage of Total Receivable (Payable)		
											Amount	
TGI	QFG	Parent-subsubsidiary	Sales	\$(414,891)	(3)%	105 days	-	-	\$150,605	8%		
TGI	TGF	Parent-subsubsidiary	Sales	(118,162)	(1)%	3 months	-	-	1,212	0%		
TAH	CFG	Affiliate Company	Sales	(588,549)	(16)%	3 months	-	-	224,712	20%		
TAH	TTAR	Affiliate Company	Sales	(811,352)	(22)%	3 months	-	-	480,777	43%		
TAH	TWAR	Affiliate Company	Sales	(614,497)	(16)%	3 months	-	-	242,913	22%		
TCD	TGF	Affiliate Company	Sales	(237,867)	(9)%	3 months	-	-	11,573	1%		
TBF	TGF	Affiliate Company	Sales	(300,557)	(11)%	3 months	-	-	20,281	2%		
QFG	TGUS	Affiliate Company	Sales	(211,787)	(9)%	3 months	-	-	57,785	8%		
QFG	TPMT	Other related party	Sales	(202,291)	(9)%	3 months	-	-	65,900	9%		
TQPT	TPMT	Other related party	Sales	(123,033)	(81)%	3 months	-	-	21,822	30%		
TJG	TGUS	Affiliate Company	Sales	(101,198)	(4)%	3 months	-	-	25,495	3%		
TYAU	DYK	Other related party	Sales	(140,327)	(25)%	3 months	-	-	50,605	16%		
QFG	TGI	Parent-subsubsidiary	Purchases	414,891	27%	105 days	-	-	(150,605)	(20)%		
TGF	TGI	Parent-subsubsidiary	Purchases	118,162	5%	3 months	-	-	(1,212)	(1)%		
CFG	TAH	Affiliate Company	Purchases	588,549	20%	3 months	-	-	(224,712)	(17)%		

Attachment 5

Related party transactions for purchases and sales amounts exceeding NT\$100 million or 20 percent of capital stock as at for the year ended December 31, 2021

Company	Counterparty	Relationship	Transaction Details				Details Different from Non-arms Length Transactions (Note 1)			(Payable)		Remark (Note 2)
			Sale/Purchase	Amount	Percentage of Total Sales or	Term	Unit Price	Terms	Balance	Percentage of Total Receivable		
TTAR	TAH	Affiliate Company	Purchases	\$811,352	55 %	3 months	-	-	\$(480,777)	(50)%		
TWAR	TAH	Affiliate Company	Purchases	614,497	53 %	3 months	-	-	(242,913)	(66)%		
TGF	TCD	Affiliate Company	Purchases	237,867	10 %	3 months	-	-	(11,573)	(9)%		
TGF	TBF	Affiliate Company	Purchases	300,557	13 %	3 months	-	-	(20,281)	(15)%		
TGUS	TJG	Affiliate Company	Purchases	101,198	16 %	3 months	-	-	(25,495)	(95)%		
TGUS	QFG	Affiliate Company	Purchases	211,787	33 %	3 months	-	-	(57,785)	(100)%		
QFG	SCJ	Affiliate Company	Purchases	199,450	15 %	3 months	-	-	(119,334)	(16)%		
DHG	SCJ	Affiliate Company	Purchases	342,129	23 %	3 months	-	-	(27,533)	(3)%		
HNG	SCJ	Affiliate Company	Purchases	794,122	26 %	3 months	-	-	(445,529)	(66)%		
TJG	SCJ	Affiliate Company	Purchases	136,893	8 %	3 months	-	-	(60,293)	(10)%		
TAH	SCJ	Affiliate Company	Purchases	368,423	17 %	3 months	-	-	(217,173)	(31)%		
CFG	SCJ	Affiliate Company	Purchases	383,751	13 %	3 months	-	-	(240,929)	(18)%		
FPG	SCJ	Affiliate Company	Purchases	253,838	15 %	3 months	-	-	(202,080)	(17)%		

Note 1: If the related parties' trading terms are different from the general trading terms, the differences and reasons for such differences should be stated in the "Unit price" and "Terms" columns.

Note 2: Transactions with advance receipts and prepayments should state the reasons, the terms of agreements, the amount and the difference from general transactions in the Remark column.

Note 3: Paid-in Capital shall refer to the paid-in capital of parent company. If the issuer's stock is not denominated or the denomination is not NT\$10, the transaction amount of 20% of the paid-up capital shall be calculated as 10% of the equity of the parent company on the balance sheet.

Note 4: All transactions listed above are eliminated in the consolidated financial statements except for TPMT, SCJ and DYK.

Attachment 6

Receivables from related parties with amounts exceeding NT\$100 million or 20 percent of capital stock as at for the year ended December 31, 2021

Company	Counterparty	Relationship	Ending Balance (Note 1)	Turnover	Overdue Receivables		Amount Received in Subsequent	Allowance for Bad Debts
					Amount	Collection		
TGI	QFG	Parent-subsiidiary	Accounts receivables \$150,605	-	\$-	-	\$-	-
CDG	TWAR	Affiliate Company	Other receivables 592,673	-	-	-	-	-
CDG	TBF	Affiliate Company	Other receivables 1,519,519	-	-	-	-	-
CDG	HZSS	Affiliate Company	Other receivables 116,811	-	-	-	-	-
CDG	TCD	Affiliate Company	Other receivables 918,224	-	-	-	-	-
CDG	TTAR	Affiliate Company	Other receivables 103,711	-	-	-	-	-
CDG	TYAU	Affiliate Company	Other receivables 635,065	-	-	-	-	-
CFG	TCD	Affiliate Company	Other receivables 253,977	-	-	-	-	-
TGF	TCD	Affiliate Company	Other receivables 564,433	-	-	-	-	-
TGF	TBF	Affiliate Company	Other receivables 882,477	-	-	-	-	-

(Dollar amount expressed in thousands of NTD unless otherwise specified)

Attachment 6

Receivables from related parties with amounts exceeding NT\$100 million or 20 percent of capital stock as at for the year ended December 31, 2021

Company	Counterparty	Relationship	Ending Balance (Note 1)	Turnover	Overdue Receivables		Amount Received in Subsequent	Allowance for Bad Debts
					Amount	Collection		
DHG	QFG	Affiliate Company	Other receivables \$366,508	-	\$-	-	\$-	-
DHG	TJG	Affiliate Company	Other receivables 349,246	-	-	-	-	-
FPG	DHG	Parent-subsidary	Notes receivables 244,204	-	-	-	-	-
QFG	QRG	Parent-subsidary	Other receivables 192,419	-	-	-	-	-
QFG	TQPT	Parent-subsidary	Other receivables 350,511	-	-	-	-	-
HNG	TJG	Affiliate Company	Other receivables 689,199	-	-	-	-	-
TAH	CFG	Affiliate Company	Accounts receivables 224,712	-	-	-	-	-
TAH	TTAR	Affiliate Company	Accounts receivables 480,777	-	-	-	-	-
TAH	TWAR	Affiliate Company	Accounts receivables 242,913	-	-	-	-	-

Note 1: Fill in information such as related parties accounts receivables, notes receivable, other receivables, etc.

Note 2: Paid-in Capital shall refer to the paid-in capital of parent company. If the issuer's stock is not denominated or the denomination is not NT\$10, the transaction amount of 20% of the paid-up capital shall be calculated as 10% of the equity of the parent company on the balance sheet.

Note 3: All transactions listed above are eliminated in the consolidated financial statements.

Attachment 7

Significant intercompany transactions for the year ended December 31, 2021

(Dollar amount expressed in thousands of NTID unless otherwise specified)

No. (Note 1)	Related Party	Counterparty	Relationship with the Company (Note 2)	Transaction Details			
				Account	Amount	Terms	Percentage (Note 3)
0	TGI	QFG	1	Sales revenues	\$414,891	The same as export sales	1%
0	TGF	TGF	1	"	118,162	"	0%
1	TAH	CFG	3	"	588,549	The same as domestic sales	1%
1	"	TTAR	3	"	811,352	"	1%
1	"	TWAR	3	"	614,497	"	1%
2	TCD	TCD	3	"	237,867	"	0%
3	TBF	TCD	3	"	300,557	"	1%
4	QFG	TGUS	3	"	211,787	The same as export sales	0%
5	TJG	TGUS	3	"	101,198	"	0%
6	CDG	TWAR	3	"	592,673	"	1%
6	"	TBF	3	Other receivables - related parties	1,519,519	"	2%
6	"	HZSS	3	"	116,811	"	0%
6	"	TCD	3	"	918,224	"	1%
6	"	TTAR	3	"	103,711	"	0%
6	"	TYAU	3	"	635,065	"	1%
7	CFG	TCD	3	"	253,977	"	0%
8	TGF	TCD	3	"	564,433	"	1%
8	DHG	TBF	3	"	882,477	"	1%
9	"	QFG	3	"	366,508	"	0%
9	"	TJG	3	"	349,246	"	0%
4	QFG	QRG	1	"	192,419	"	0%
4	"	TQPT	1	"	350,511	"	0%
10	HNG	TJG	3	"	689,199	"	1%
0	TGI	QFG	1	Accounts receivables - related parties	150,605	"	0%
1	TAH	CFG	3	"	224,712	"	0%
1	"	TTAR	3	"	480,777	"	0%
1	"	TWAR	3	"	242,913	"	0%
11	FPG	DHG	2	Notes receivables - related parties	244,204	"	0%

Note 1: The Company and its subsidiaries are coded as follows:

1 The Company is coded "0".

2 Subsidiaries are coded consecutively starting from "1" in the order presented in the table above.

Note 2: Transactions are categorized as follows:

1. Parent company to subsidiary

2. Subsidiary to parent company

3. Subsidiary to subsidiary

Note 3: The percentage is determined by the ratio of the transaction amount to the consolidated revenues or the total assets. Items on the balance sheet are calculated by the ending balance to total consolidated assets; items on the income statement are calculated by their cumulative balance to the total consolidated income.

Note 4: The disclosure of significant intercompany transactions in this attachment is determined by the company based on the materiality.

Attachment 8
Names, locations and related information of investee companies as of December 31, 2021 (Dollar amount expressed in thousands of NTD unless otherwise specified)

Company	Investee (Note 1.2)	Area Within	Nature of Business	Initial Investment		Investment as of December 31, 2021			Profit or Loss of Investee (Note 2(2))	Gain or Loss on Investment (Note 2(3))	Remark
				Ending Balance	Beginning Balance	Shares	Percentage of Ownership	Carrying Value			
TGI	TGUS	US	Investment in QRG and selling of glasses.	\$17,676 USD 461	\$17,676 USD 461	4,612	100.00%	\$344,203	\$(23,791)	Subsidiary	
"	TGCH	Bermuda	Investment in QRG, QFG, TGF, CFG, CDG, DHG, HZSS, HNG, TJG, TXY, TTAR, TYAU, TAH, TYSM, TWAR, TCD, TBF, SCH and CFG-HK	37,839,810 USD 1,210,866	37,839,810 USD 1,210,866	1,221,748,651	93.98%	51,450,480	11,692,282	Subsidiary	
"	TAG	Taiwan	Investment in TAGH and selling of auto glasses.	263,582	263,582	26,100,000	87.00%	117,010	(22,472)	Subsidiary	
"	TVIG	Taiwan	Selling vacuum insulation glass.	4,361 (Note 5)	438,750	436,084	65.00%	9,885	6,268	Subsidiary	
TGCH	SCH	Hong Kong	Investment in Shihlien Chemical Industrial (Jiangsu) Co., Ltd. (SCJ) and Huanan Shihyuan Brine Co., Ltd. (HSB).	7,861,681 USD 252,088	7,861,681 USD 252,088	1,904,445,986	43.99%	5,469,989	(Note 3)	Affiliated Company	
"	TGFH	Hong Kong	Investment in FYSS.	-	-	-	0.00%	-	(Note 4)	Subsidiary	
"	CFG-HK	Hong Kong	Investment in holding company.	28 USD 1	-	1,000	100.00%	28	(Note 3)	Subsidiary	
TAG	TAGH	Bermuda	Investment in TYAU.	188,571 USD 6,000	188,571 USD 6,000	6,000,000	100.00%	37,370	(Note 3)	Subsidiary	

Note 1: A listed company which has a foreign holding company that uses the consolidated financial statements as the master financial report according to its local regulations may disclose information regarding foreign investees only to the extent of the holding company.

Note 2: Fill in information following the instruction below for matters not applied in Note 1 indicated above:

(1) The columns of "Name of investee"; "Area Within"; "Nature of Business"; "Initial Investment" and "Investment as of December 31, 2020" should fill in information of the reinvestment of the listed company, reinvestment of every direct or indirect reinvestment of the investee, and disclose the relationship of the investees with the Company in the Remark column.

(Such as subsidiary or sub-subsidiary)

(2) The column of "Profit or Loss of Investee" should fill in the current profit or loss of the investees.

(3) The column of "Gain or Loss on Investment" only require profit / loss of the direct investees and all investees accounted for under the equity method

When filling in the above items, make sure the profit / loss of direct investee subsidiaries include the profit or loss of their reinvestments that are required to be recognized.

Note 3: According to regulations, the amount of investment income (loss) recognized by the Company can be exempted from disclosure.

Note 4: Due to the restructuring of the Group's investment structure, TG Fengyang Silica Sand Co., Ltd. is directly invested by TG Fengyang Holding Co., Ltd. As at June 1, 2021. The Group lost control of TG Fengyang Silica Sand Co., Ltd. Accordingly, Taiwan Glass China Holding Ltd. disposed of the equity interest in TG Fengyang Holding Co., Ltd. as at October 15, 2021.

Note 5: The capital reduction in 2021 made up for the loss.

Note 6: All transactions listed above are eliminated in the consolidated financial statements except for SCH and its investments in mainland China.

Attachment 9
Investment in Mainland China as of December 31, 2021

Investee	Nature of Business	Total Amount of Paid-up Capital	Investment Method (Note 1)	Accumulated Outflows of Investment from January 1, 2021		Investment Flows	Accumulated Outflows of Investment from January 1, 2021	Profit or Loss of Investee company	Percentage of Ownership	Profit or Loss on Investment (Note 2)(b)(3)	Carrying Value as of December 31, 2021	Accumulated Inward Remittance of Earnings as of December 31, 2021
				Outflow	Inflow							
QKGF	Manufacturing of photovoltaic glass	\$816,830 USD 29,293 (Note 17)	(i)	\$29,728 USD 1,074	\$-	\$-	\$29,728 USD 1,074	94.96%	\$26,648	\$46,715	\$-	
QFG	Manufacturing of flat glasses	2,430,304 USD 87,800 (Note 13 - Note 21)	(ii)	1,311,728 USD 47,369	-	-	1,311,728 USD 47,369	93.98%	225,313	1,487,182	-	
CFG	Manufacturing of flat glasses & low-emission glasses	2,601,920 USD 94,000 (Note 7 - Note 25)	(ii)	2,103,680 USD 76,000	-	-	2,103,680 USD 76,000	93.98%	997,919	4,293,317	-	
FYSS	Manufacturing of silica sand	-	(ii)	58,128 USD 2,106 (Note 27)	-	-	58,128 USD 2,106	0.68%	(22,144)	-	-	
TGF	Manufacturing of glass fabric & fiber	3,044,300 USD 110,000 (Note 12)	(ii)	2,522,091 USD 91,116	-	-	2,522,091 USD 91,116	93.96%	1,113,859	5,451,854	-	
CDG	Manufacturing of flat glasses & low-emission glasses	1,937,600 USD 70,000 (Note 11)	(ii)	1,353,413 USD 48,895	-	-	1,353,414 USD 48,895	93.98%	1,952,284	9,370,028	-	
BZSS	Manufacturing of silica sand	290,640 USD 10,500 (Note 10)	(ii)	290,640 USD 10,500	-	-	290,640 USD 10,500	93.98%	(22,741)	58,548	-	
BNG	Manufacturing of flat glasses & low-emission glasses	2,434,080 USD 106,000 (Note 10)	(ii)	2,449,660 USD 98,500	-	-	2,449,680 USD 88,500	93.98%	774,563	4,270,480	-	
DFG	Manufacturing of flat glasses	2,214,400 USD 80,000 (Note 8 - Note 13 - Note 20)	(ii)	1,384,000 USD 50,000	-	-	1,384,000 USD 50,000	93.98%	56,769	5,138,613	-	
TG	Manufacturing of flat glasses & low-emission glasses	2,657,200 USD 96,000 (Note 9 - Note 22)	(ii)	1,633,120 USD 59,000	-	-	1,633,120 USD 59,000	93.98%	302,482	284,273	-	
SCJ	Manufacturing of soda ash	22,144,000 USD 816,000 (Note 15)	(ii)	4,417,507 USD 159,592	-	-	4,417,507 USD 159,592	41.34%	2,238,714	925,484	-	
USB	Manufacturing of fabric	385,760 USD 32,000 (Note 15)	(ii)	166,080 USD 6,000	-	-	166,080 USD 6,000	41.34%	458,198	189,419	-	
TXV	Manufacturing of flat glasses & low-emission glasses	2,768,000 USD 100,000 (Note 16)	(ii)	1,799,200 USD 65,000	-	-	1,799,200 USD 65,000	93.98%	1,502,962	1,412,484	-	
ITAR	Manufacturing of low-emission glasses	968,800 USD 35,000 (Note 17)	(ii)	968,800 USD 35,000	-	-	968,800 USD 35,000	93.98%	44,285	919,673	-	
TAH	Manufacturing of flat glasses	2,352,800 USD 85,000 (Note 17)	(ii)	2,352,800 USD 85,000	-	-	2,352,800 USD 85,000	93.98%	1,063,399	1,000,262	-	
TVSM	Manufacturing of solar glasses	1,799,200 USD 65,000 (Note 17)	(ii)	1,349,400 USD 48,750	-	-	1,349,400 USD 48,750	70.49%	203,048	141,538	-	
TWAR	Manufacturing of low-emission glasses	2,042,922 USD 73,805 (Note 23)	(ii)	968,800 USD 35,000	-	-	968,800 USD 35,000	93.98%	(33,465)	1,313,817	-	
TYAU	Manufacturing of auto glasses	51,882,240 USD 68,000 (Note 18)	(ii)	\$963,264 USD 34,800	-	-	\$963,264 USD 34,800	53.77%	(79,319)	236,293	-	
TDF	Manufacturing of glass fabric	1,660,800 USD 60,000 (Note 18)	(ii)	1,660,800 USD 60,000	-	-	1,660,800 USD 60,000	93.98%	1,096,137	1,030,159	-	
ICD	Manufacturing of glass fabric	2,712,640 USD 93,000 (Note 6)	(ii)	2,574,240 USD 93,000	-	-	2,574,240 USD 93,000	93.98%	807,523	738,910	-	
TYSS	Manufacturing of silica sand	-	(ii)	55,672 USD 1,939 (Note 26)	-	-	55,672 USD 1,939	0%	-	-	-	

Attachment 9
Investment in Mainland China as of December 31, 2021

Accumulated Investment in Mainland China as at 31 December 2021	Investment Amount Authorized by Investment Commission, Ministry of Economic Affairs (Note 1)	Limit on Investment Amount to Mainland China (Note 5)
31,856,130	38,339,119	
USD 1,150,655 (Note 24)	USD 1,334,061.8, CNY325,306	

Note 1 The methods for engaging in investment in Mainland China include the following:

(i) Direct investment in Mainland China companies

(ii) Investment in Mainland China companies through a company, invested and established in a third region

(iii) Other methods

Note 2 In the column of profit or loss on investment

(i) The investment still in preparation and not generating profit or loss yet should be noted

(ii) The gain or loss on investment were determined based on the following:

a. The financial report was audited and certified by an international accounting firm in cooperation with an R.O.C. accounting firm

b. The financial statements certified by the CPA of the parent company in Taiwan

c. Others

Note 3 The amount of this attachment are expressed in New Taiwan Dollars

Note 4 The investment amount was authorized by Investment Commission, Ministry of Economic Affairs

Note 5 The Company does not have a limit on investment in Mainland China since it qualified as operation headquarters approved by the Industrial Development Bureau, Ministry of Economic Affairs

Note 6 The TKGCI invested the other USD 5,000 thousand to the entity with its own capital

Note 7 The other USD 12,000 thousand was invested by third party through the TGCII

Note 8 Third party invested USD 3,000 thousand to the entity through the TGCII

Note 9 Third party invested USD 12,000 thousand to the entity through the TGCII

Note 10 Third party invested USD 17,000 thousand to the entity through the TGCII. TGCII also invested to the entity USD 500 thousand with its own capital

Note 11 Third party invested USD 21,000 thousand to the entity through the TGCII

Note 12 Third party invested USD 17,000 thousand to the entity through the TGCII

Note 13 The QFG and DHG invested USD 27,800 thousand, and USD 13,000 thousand, their unappropriated earnings, respectively, to the subsidiary

Note 14 The SCH, the investee of the TGCII, invested USD 640,408 thousand to the entity with its and third party's capital

Note 15 The SCH invested USD 28,000 thousand to the entity with third party's capital

Note 16 The USD 35,000 thousand earnings distributed by CFG and CDG was invested by TGCII. The Company did not provide any funding.

Note 17 The USD 16,250 thousand was invested by the third party. The Company did not provide any funding.

Note 18 The TAGH and third party invested additional USD 6,000 thousand and USD 27,200 thousand to the entity, respectively

Note 19 The QFG and TCHS invested USD 23,319 thousand and USD 4,774 thousand to the entity, respectively

Note 20 The DHB raised capital of USD 14,000 thousand through debt for equity swap. The Company did not provide any funding.

Note 21 The QFG raised capital of USD 3,000 thousand through debt for equity swap. The Company did not provide any funding.

Note 22 The TFG raised capital of USD 25,000 thousand through debt for equity swap. The Company did not provide any funding.

Note 23 The USD 38,005 thousand earnings distributed by CDG was invested by TGCII. The Company did not provide any funding.

Note 24 The difference of USD 22,000 thousand between the total accumulated investment amount from Taiwan and the accumulated investment amount from Taiwan to Mainland China at the end of the period was due to the adjustment of the investment structure of the Group.

TG Fujian Photovoltaic Glass Co., Ltd. was adjusted to be directly invested by TG Douglas Glass Co., Ltd. as of October 29, 2021

Note 25 For the period ended September 30, 2019, the Company was merged with TKG. CFG is the surviving company, and TKG is the dissolved company

Note 26 The third-region invested entity: TGCII lost control of Yunnan Silica Sand Co., Ltd. as of October 23, 2020. Accordingly, it was excluded from the consolidated financial statements since the date

Note 27 The third-region invested entity: TGCII lost control of TG Fengyang Holding Co., Ltd. and indirectly transferred to TG Fengyang Silica Sand Co., Ltd. as of October 15, 2021. Accordingly, it was excluded from the consolidated financial statements since the date

Note 28 All amount listed above are eliminated in the consolidated financial statements except for SCJ and HSB.

VI. If the Company or any of its affiliates has encountered any financial difficulties from the most recent years until the date the Annual Report was printed, the impact on the Company's financial condition shall be set forth: None.

Seven. Financial Highlights:

I. 2021 vs. 2020 financial analysis

The causes resulting in material changes in assets, liabilities and shareholders' equity in the most recent two years and the effect thereof:

Currency Unit: NTD thousand

Item	Year		Increase (decrease) in amount	Variation Ratio %
	2021	2020		
Current assets	45,657,837	35,502,486	10,155,351	+28.60
Investments accounted for using the equity method	5,482,791	4,616,442	866,349	+18.77
Property, plant and equipment	43,948,199	46,050,857	(2,102,658)	-4.57
Other noncurrent assets	4,366,502	3,759,992	606,510	+16.13
Total assets	99,455,329	89,929,777	9,525,552	+10.59
Current liabilities	26,975,232	30,054,861	(3,079,629)	-10.25
Long-term liabilities	12,581,798	10,872,579	1,709,219	+15.72
Other noncurrent liabilities	2,123,804	2,202,140	(78,336)	-3.56
Total liabilities	41,680,834	43,129,580	(1,448,746)	-3.36
Capital	29,080,608	29,080,608	0	-0.00
Additional paid-in capital	1,925,218	1,925,218	0	-0.00
Retained earnings	26,559,872	16,252,928	10,306,944	+63.42
Other components of equity	(3,521,586)	(3,451,190)	(70,396)	-2.04
Non-controlling interests	3,730,383	2,992,633	737,750	+24.65
Total equity	57,774,495	46,800,197	10,974,298	+23.45

Changes in the Company's assets, liabilities and equity by more than 20% in the previous and subsequent periods and by more than NT\$10,000,000, if any, in the most recent two years:

1. Root cause:

- (1) Current assets: This is due to the rise in product prices in 2021 and the increase in gross profit margin, leading to reduced costs and increased cash flow from operating activities.
- (2) Retained earnings: This is due to the rise in product prices in 2021 and the increase in gross profit margin, leading to reduced costs and increased after-tax income.
- (3) Non-controlling interests: This is due to the rise in product prices in 2021 and the increase in gross profit margin, leading to reduced costs and increased net income attributable to non-controlling interests.

II. 2021 vs. 2020 financial performance analysis:

The causes resulting in material changes in operating revenues, operating income and income before income tax in the most recent two years:

(I) Comparison and analysis of operating results Currency Unit: NTD thousand

Item	Year	2021	2020	Increase (decrease) in amount	Variation Ratio %
	Operating revenues		56,065,737	41,841,022	14,224,715
Operating costs		38,359,027	34,793,133	3,565,894	+10.25
Gross profit		17,706,710	7,047,889	10,658,821	+151.23
Operating expenses		6,096,511	4,510,680	1,585,831	+35.16
Net amount of other revenues and gains and expenses and losses		(52,232)	(21,365)	(30,867)	-144.47
Operating gain		11,557,967	2,515,844	9,042,123	+359.41
Non-operating income and expenses		2,185,402	609,934	1,575,468	+258.30
Gain from continuing operations before income tax		13,743,369	3,125,778	10,617,591	+339.68
Income tax (expenses) benefits		(1,699,855)	(528,736)	(1,171,119)	-221.49
Profit from continuing operations		12,043,514	2,597,042	9,446,472	+363.74
Gain (Loss) from discontinued operations, net of tax		187,725	(136,494)	324,219	+237.53
Net Income		12,231,239	2,460,548	9,770,691	+397.09

Variation of more than 20% and explanation of such variation:

- (1) Increase in operating revenue, due to the strong demand on the raw materials and the applied products, as well as the strong demand of the industry with the recovery of pandemic.
- (2) The significant increase in gross profit and operating income due to the strong demand of raw material and applied products, with the gradual recovery from the pandemic driven the strong demand of the industry, resulting a significant growth in operating income.
- (3) The increase in operating costs due to the shortage of containers, stuck in the port, increase in freight costs, and the application of research and development grant from the subsidiary.
- (4) Decrease in other expenses due to the loss from selling real property, plant and equipment recognized in 2021.
- (5) Increase in non-operating income mostly due to the increase in investment and significant gains on disposal of investment.
- (6) The significant increase in net income before tax due to the strong demand of raw materials and the applied products, with the gradual recovery from the pandemic driven the strong demand of the industry, resulting in the significant growth in operating income.
- (7) Increase in income tax expense is due to operating gain.
- (8) Increase in profit from continuing operations and net Income were dues to increase in operating revenue, due to the strong demand on the raw materials and the applied products, as well as the strong demand of the industry with the recovery of pandemic.
- (9) The increase in the income from discontinued operation unit due to the one-time recognition of the grants for discontinued operation unit to purchase the land as the income from the sale of land.

(II) Analysis of changes in gross profit:

Product type	Increase/decrease in previous and subsequent periods	Cause of Variation			
		Variation in selling price	Variation in cost price	Variation in portfolio	Variation in quantity
Flat glass	6,151,428	8,782,328	(2,824,228)	101,008	92,320
Fiberglass	4,643,288	3,814,455	376,416	387,345	65,072
Glass Container	(95,386)	(5,639)	(45,048)	2,811	(47,510)
Others	(40,509)	(40,509)	0	0	0
Total	10,658,821	12,550,635	(2,492,860)	491,164	109,882

Notes:

The increase in operating margin for this period is mostly attributable to favorable cost variance. Plate glass and glass fiber due to the strong demand in raw material and applied products, with the gradual recovery from the pandemic driven the strong demand of the industry and generate a favorable price difference in sales and resulting in the significant increase in gross operating profit for both plate glass and glass fiber. The glassware was impacted by the lack of containers, stuck in the port, increase in freight cost and two production lines of heat-resistant glassware and kitchenware combined in one kiln, generate the unfavorable price difference in costs and unfavorable quantity variance resulting in the slight decrease in the gross operating profit in glassware.

(III) Anticipated sales volume and the basis thereof, and the potential effect against the Company's finances and business and remedial measures thereof:

The Company has not yet started to disclose the financial forecast in 2022, and no financial forecast was disclosed to the public. Explanation: omitted.

III. Cash flows analysis: Any cash flow changes during the most recent fiscal year, corrective measures to be taken in response to illiquidity, and a liquidity analysis for the coming year.

Currency Unit: NTD thousand

Cash balance-beginning	Annual net cash flow from operating activities	Annual cash outflow	Cash balance-ending (shortage)	Plan for cash balance-ending shortage	
				Investment activities	Financing activities
6,708,591	10,486,126	9,020,912	8,173,805	-	-

1. Analysis of changes in cash flows this year:

	2021	2020	Change	Variation Ratio (%)
(1) Operating activities:	10,486,126	4,553,463	5,932,663	130.29
(2) Investing activities:	(3,933,934)	(1,478,483)	(2,455,451)	(166.08)
(3) Financing activities:	(4,844,148)	(2,386,002)	(2,458,146)	(103.02)
Total	1,708,044	688,978	1,019,066	147.91

Cash flows in this period have increased YoY, mostly due to the increase in net profit before tax for the current period.

2. Plan for cash balance-ending shortage and liquidity analysis:

The Company's operating profit appears to be normal each year, and there is no likelihood for deficit in cash in the future.

3. Analysis of liquidity for next year

Cash balance-beginning	Annual net cash flow from operating activities	Annual cash outflow	Cash balance-ending (shortage)
8,173,805	9,083,000	7,453,000	9,803,805

(1) Operating activities: The normal operation is estimated to generate a cash inflow of NT\$9,083,000 thousand.

(2) Investing activities: In order to optimize manufacturing process and replace equipment routinely, the Company plans to purchase additional machine and equipment in 2022 to generate cash outflow.

(3) Financing activities: Repayments of bank loans and pays cash dividends will be granted and thereby generate cash outflow.

IV. Significant capitalized expenditure analysis

(I) Utilization of material capital expenditure and source of funds

None.

V. Long-term reinvestment policy, main reasons for gain or loss, improvement plan and the coming year investment plan

(I) Reinvestment policy: Based on the existing Company's scale, all of the Group's employees are required to do their jobs, develop business, solidify the foundation, work hard to carry out business, rise from little winnings to greatness, and exert the maximum economic effect.

(II) Main reasons for gain or loss, and improvement plan:

The net investment gain from investment in Mainland companies recognized in 2021 was NT\$904,488 thousand. It is mainly the finished goods of the invested company rising prices and increasing sales volume in 2021.

(III) The coming year investment plan: None.

VI. Risk Management:

1. Effect of interest rate, change in foreign exchange rate and inflation to the Company, and countermeasures:

1. Effect of interest rate risk:

The Company maintains a fair financial structure as a favorable counter for price negotiation and bargain with financial institutions, and keeping in touch with various banks in order to seek more favorable lending rates.

2. Effect of foreign exchange rate fluctuation risk:

Given that the foreign exchange rate risk generated from the sale or purchase valued based on non-functional currency may offset against each other, no material foreign exchange rate risk would be generated.

3. Effect of inflation: No material effect generated.

2. Policies to engage in high-risk and high-leverage investment, granting loan to others, making endorsements/guarantees and transactions of derivative instruments, the main reasons for profit or loss, and countermeasures:

The Company did not engage in any high-risk or high-leverage investment, or granting loan to others, but did engage in granting loan and making endorsements/guarantees to/for subsidiaries in Mainland China for the funding or turnover for establishment of factories, in 2021.

3. Projected R&D plans and R&D expenditure:

(1) The Company's product life is long and investment in equipment is large. Main production technologies are also matured upon improvement. Meanwhile, the Company is able to research and develop the items with such functions as energy-saving, energy-generation, pollution-reduction and maintenance of product quality.

(2) Continue to introduce the technology and equipment for TCO glass.

(3) Future expected R&D Spending: NT\$303,600 thousand.

4. Changes in Government Apparatus policies and legal environment domestically and overseas, and the effect on the Financial Status and operation of the Company, and Countermeasures N/A

5. The impacts and countermeasures of technological changes, including information security risks and industry changes, on the company's business: N/A

6. Effect of change in corporate identity to an enterprise's crisis management, and countermeasures: N/A

7. Anticipated benefit for merger and acquisition, potential risk and countermeasures: N/A

8. Anticipated benefit for expansion and potential risk, and countermeasures: Please see Page 311.

9. Risk encountered by centralization of purchases or sales, and countermeasures: N/A

10. Effect and risk of mass transfer or exchange of equity of directors, supervisors and shareholders who hold more than 10% of the Company's shares to the Company, and countermeasures: N/A

11. The effect of change in the management of the Company, possible risk and countermeasures: N/A

12. Litigations, non-litigations or administrative actions of the Company and the Company's directors, supervisors, presidents, responsible persons in fact, shareholders who hold more than 10% of the Company's shares and affiliates which became final or are still pending may result in major impacts on shareholders' equity or stock price of the Company are disclosed by the facts, value of object, commencing date of the action, concerned parties, and treatment thereof until the date the Annual Report was printed: N/A

13. Other significant risk and countermeasures:

Information security risk assessment

(1) The organizational duties and work division of Information Security

The company's information security department (originated as the Information Security handling group) enacted the policies of promoting and implementing of information security, risk management and others to supervising the information management performance, issues and trends related to information security.

Information Security Department implementing the strategies of information security, ensure the internal compliance of information security related standards, procedures, laws and regulations, revising the information security and information protection guidelines and policies, implementing the effectiveness of information security management measures.

Information Security Officer:In charge of promoting, organizing, approving and supervising the management matters of the company's information security.

Head of Information Security Department: In charge of the related information security policies, plans, research, discussion, establishment, evaluation on the technical specification of planning and supervising of the company's handling of information security crisis, investigation on the cause of crisis, determining the scope of impact, evaluate the losses, implementing the emergency response measure, handling crisis report, implementing on the solutions, and the operational matters of information security related meetings.

Personnel of the information security department: In charge of planning, supervising, collecting information of information security, enacting the safety level of the company's systems, establish of the measures of the information security, implementing information security supervision and other related information security maintenance and audit managerial matters.

The personnel of information security department and information technology department jointly in charge of the response handling, tests and drills of information security events, and to response emergency information security accidents or corrections on the information security measures, the company may commission information security professionals to provide information technical support and advisory service in accordance of practical operation needs.

(2) The management strategies and structure of the information security

The company followed the PDCA management cycle mechanism (Plan → Do → Check → Act) to review the applicability, protection measures and implementation results of the information security policies, and introduce suitable information technologies and equipment in timely manner to hoping to response to the related laws, regulation and information security protection requirements.

Planning: with the initiation on the risk protection on the information security, planning on the information security management system suitable for the business development requirement of the company to reduce the company's threats of information security and sustainable management.

Do: the company constructed multiple layers of information security protection, continuously enhancing the integration of information security protection and control mechanism to ensure the normal operation in the important operation procedures of business, production, purchase, finance, stock affairs, human resources, filing and others to maintain the confidentiality, completeness, availability of the company's essential assets.

Check: Implementing the evaluation, internal and external audit supervision, review and improve the shortcomings of information security and enhance the protection of information security.

Act: Actively monitoring the effectiveness of information security management to ensure the continuous effect of information security specification and with the regular educational training and demonstration on the information security attach events to increase the awareness on the information security protection of our employees.

(3) Summary of the Specific Management Practices (Handling in accordance of the Managerial Guide of Information Security)

Safety Management on the equipment of information security environment:

- (1) Choosing of appropriate and safe place to construct server room, place the important protection information security equipment to reduce the risks occurred from the environment (fire accident, flood, earthquake and etc.), regulating and recording personnel of entering the server room.
- (2) The energy supply installed with the requirement of equipment specification and the stable electricity sources, and regularly inspection. Important information security equipment equipped with standby power supply or using of uninterruptable power system.

Management on the security of network communication:

- (1) Authorized dedicated personnel to managing the network equipment and to invigilating the network conditions anytime.
- (2) To establish a security firewall and antivirus protection mechanism for external network to prevent possible vulnerabilities of network communications and enhance the detection of the behaviors from malicious software.
- (3) The network host shut down unnecessary service software and immediate update to the latest version.

Development of security management on the information systems:

- (1) Enhance the safety requirement of the self-developed information system or existing system, purchasing and implementing of authorized software.
- (2) Settings of user password and limited access to the applied system.
- (3) Carefully evaluating the possible potential safety risk from the commissioned information business in

advanced, signing of information safety agreement with the vendors, and including the safety management responsibilities in the terms and conditions in the agreement.

Management of Information Security

- (1) Implementing the backup regularly and enhance the recovery, restore mechanism for back in to normal operation efficiently when accident occurs.
- (2) The company disposes the equipment with the disposal procedures, before the disposal of storage equipment shall checked carefully to ensure the information of confidential and sensitive as well as the authorized software were removed.
- (3) Preventing internet users stealing network communication information by any instrumental equipment or software tools.

Educational Training and Disseminating of the information security

- (1) Holding of information security related educational training courses to employees regularly.
 - (2) Announcements for disseminating information security related messages and response measures to response to the risk circumstances and events of information security.
- (4) Risk and response measures of information security

The company has established the network and computer related information security protection measures, joined as the member of the Taiwan Computer Emergency Response Team/Coordination Center(TWCERT/CC) to enhance the transfer and receive of the information security information to jointly defense the information security horizontally, improving the overall information security protection capability, but still unable to ensure 100% protection against the illegal attacking to the company's internal network from any of the third parties, and causing the destroy to the company's activities of operational results, financial conditions, prospects, damaging of goodwill, benefits, interest and etc.

The malicious hackers may attempt to install computer viruses, destructive or ransomware to the company's network systems and may cause the following:

- (1) nterference of the company's operation, for example delayed or interruption on the production lines, shipment or others to the orders.
- (2) To gain the control of the company's computer system by blackmailing or extortion.
- (3) Spy on and stealing confidential information, for example personal information of clients or other stakeholders and others.

Other information security risks may further cause the company to pay compensations for the losses, burdening of costs and time, implementing makeup and improvement measures, carrying legal responsibilities of legal suit case or invigilating investigations.

Although the company may face the above-mentioned information security risks, the company will continuously be revising and evaluating on the information security regulations and procedures to ensure its appropriation and effectiveness, and to continuing the following information security protection related measures.

- (1) Enhanced the Network firewall and the control mechanism.
- (2) Enhanced endpoint antivirus mechanism.
- (3) Enhanced phishing email detection mechanism.
- (4) Introduced automatic information security maintaining operation platforms.
- (5) Information Security Evaluation from out-sourced third parties.

Reduce the losses of every information security risks may occurred as possible to maintain the normal functioning of the company to ensure the benefits and interests of the key stakeholders like clients, shareholders, vendors, employees and others.

- (5) The resources involved in the management of information security
- The company invested NT\$1,996,418 in 2021 to enhancing the equipment and measures of information, information security management, and to provide information security educational training and disseminating to 146 seeded employees from each department.
- (6) The company did not have any major capital security incidents in 2021.

VII. Other important notes: N/A

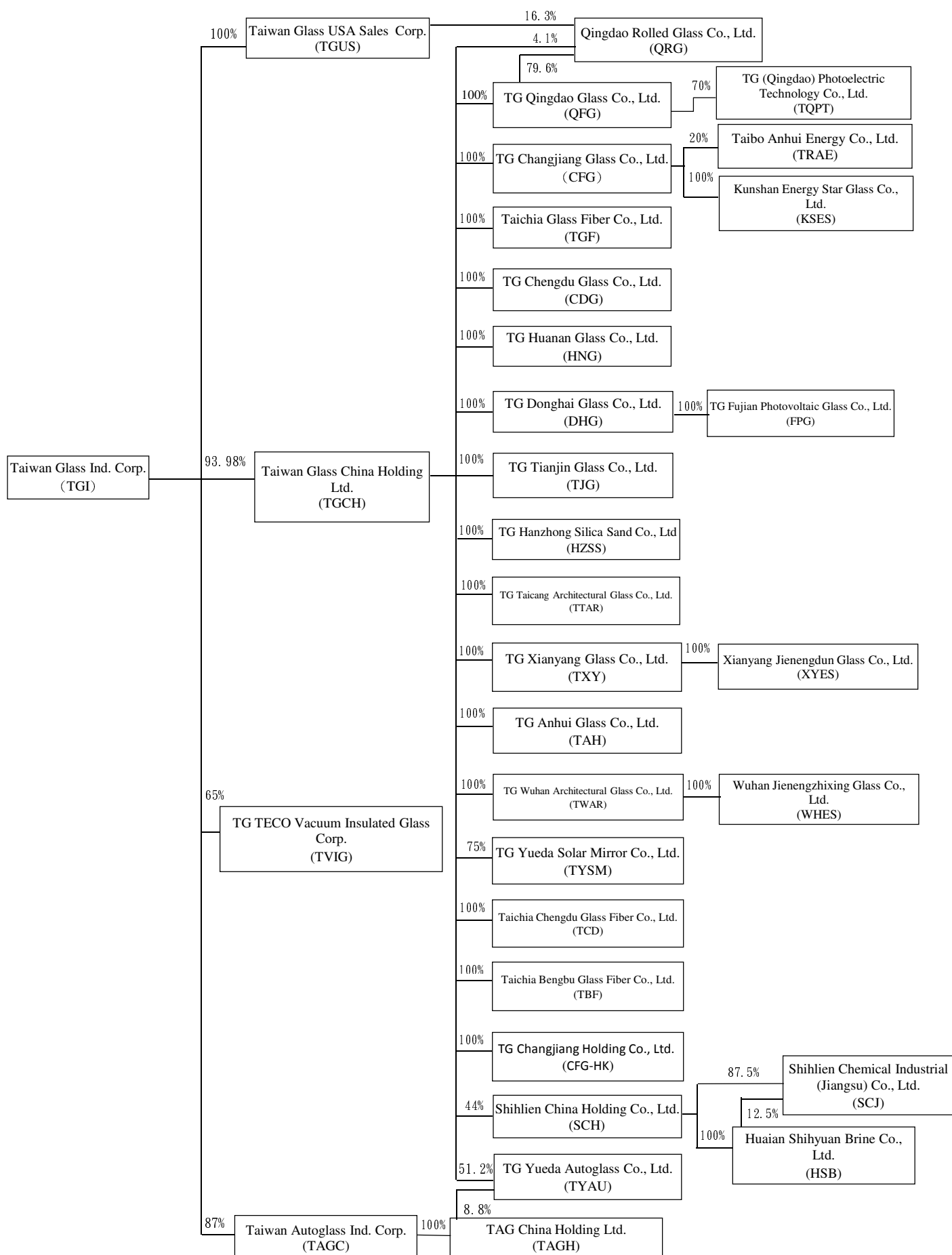
Eight. Special Notes

I. Affiliates

(I) Consolidated report on operation of affiliates:

1. Organizational Chart of Affiliates

2021-12-31



2 · Profile of Affiliated Companies

		Currency Unit: US\$ 000 : NT\$ 000 : RMB 000		
Company Name	Establish Date	Address	Issued capital stock until 2021-12-31	Main Business or Production
Taiwan Glass China Holding Ltd.	September 1, 1993	Clarendon House, 2 Church Street, Hamilton HM11, Bermuda	US\$ 1,300,000	Holding company investing in Mainland China
Qingdao Rolled Glass Co., Ltd.	May 27, 1993	NO.69 Hong Liu River Road Huangdao District, Qingdao, China	US\$ 29,293	Production of rolled glasses
TG Qingdao Glass Co., Ltd.	October 16, 1993	NO.69 Hong Liu River Road Huangdao District, Qingdao, China	US\$ 87,800	Production of flat glasses
TG Changjiang Glass Co., Ltd.	September 5, 1994	No. 1, Taibo Rd., Zhangpu Town, Kunshan City, Jiangsu, China	US\$ 94,000	Production of flat glasses and LOW-E glasses
TG Chengdu Glass Co., Ltd.	May 20, 2002	No. 501, Sec. 1, Huajin Ave., Chingpatijiang District, Chengdu, Sichang, China	US\$ 70,000	Production of flat glasses and LOW-E glasses
TG Huanan Glass Co., Ltd.	March 10, 2003	Taiying Ind. Park, Hongmei, Dongguan, Guangdong, China	US\$ 106,000	Production of flat glasses and LOW-E glasses
TG Donghai Glass Co., Ltd.	November 18, 2003	No.1, Huadong South Road, Hitech District, Nianshan Town, Donghai County, Jiangsu, China	US\$ 80,000	Production of flat glasses
TG Tianjin Glass Co., Ltd.	August 12, 2004	Tianyu Science Park, New Technology Industrial Park, Tianjin, China	US\$ 96,000	Production of flat glasses and LOW-E glasses
TG Fujian Photovoltaic Glass Co., Ltd.	November 25, 2006	TG Ind. District, Jiuzhen Town, Zhangpu County, Zhangzhou City, Fujian, China	RMB 550,000	Production of photovoltaic glass
TG Taicang Architectural Glass Co., Ltd.	April 22, 2010	No.9 Shenjiang Road, Gangkou Area, Taicang City, Jiangsu, China	US\$ 35,000	Production of LOW-E glasses
TG Xianyang Glass Co., Ltd.	April 29, 2010	Equipment Manufacturing Industrial Park, Xianyang, Shaanxi, China	US\$ 100,000	Production of flat glasses and LOW-E glasses
TG Anhui Glass Co., Ltd.	May 11, 2010	Kwei Ind. Park, Banqiao Town, Fengyang County, Anhui, China	US\$ 85,000	Production of flat glasses
TG Yueada Autoglass Co., Ltd.	May 12, 2010	No. 78, Nanhuan East Rd., Yancheng Economic Development Area, Yancheng, Jiangsu, China	US\$ 68,000	Production of auto glasses
TG Wulian Architectural Glass Co., Ltd.	December 2, 2010	NO.188, Tuanjie street, Changqing street office, Dongxihu district, Wulian, China	US\$ 73,805	Production of LOW-E glasses
TG Yueada Solar Mirror Co., Ltd.	January 7, 2011	No.88 Nanhuan Rd., Yancheng EDZ, Yancheng, Jiangsu, China	US\$ 65,000	Production of solar mirror glasses
Taichia Glass Fiber Co., Ltd.	June 19, 2001	No. 3, Taibo Rd., Zhangpu Town, Kunshan City, Jiangsu, China	US\$ 110,000	Production of fiberglass fabric
Taichia Chengdu Glass Fiber Co., Ltd.	August 8, 2011	NO.1000, Tongxin Road, Qingbatjiang Dis., Chengdu City, Sichuan, China	US\$ 98,000	Production of fiberglass fabric
Taichia Bengbu Glass Fiber Co., Ltd.	September 5, 2012	NO.1 Tai Bo Road, Longzhu District, Bengbu, Anhui, China	US\$ 60,000	Production of fiberglass fabric
TG Hanzhong Silica Sand Co., Ltd.	February 11, 2004	Xizhengyong Village, Longjiang Town, Hantai District, Hanzhong City, Shaanxi, China	US\$ 10,500	Mining of silica sand
Xianyang Jiengundun Glass Co., Ltd.	August 26, 2014	South of the middle section of Jincheng Road, Xicheng District, Xingping City, Xianyang, Shaanxi, China	RMB 100	Sale of LOW-E glasses
Wuhan Jiengzhixing Glass Co., Ltd.	August 27, 2014	NO.188, Tuanjie street, Changqing street office, Dongxihu district, Wulian, China	RMB 100	Sale of LOW-E glasses
Kunshan Energy Star Glass Co., Ltd.	November 12, 2014	No. 1, Taibo Rd., Zhangpu Town, Kunshan City, Jiangsu, China	RMB 100	Sale of LOW-E glasses
TG (Qingdao) Photoelectric Technology Co., Ltd.	August 24, 2017	NO.69 Hong Liu River Road Huangdao District, Qingdao, China	RMB 50,000	Production of ITO conductive glass
Taibo Anhui Energy Co., Ltd.	January 23, 2014	Silicon Industrial Park, Fengyang County, Chuzhou City, Anhui, China	RMB 25,000	Production of natural gas
TG Changjiang Holding Co., Ltd.	December 17, 2020	Room 1101, 11/F, China Insurance Group Building 141 Des Voeux Road Central, Hong Kong	US\$ 1	Holding company investing in Mainland China
Shihlien China Holding Co., Ltd.	August 12, 2008	Room 1101, 11/F, China Insurance Group Building 141 Des Voeux Road Central, Hong Kong	US\$ 555,013	Holding company investing in Mainland China
Shihlien Chemical Industrial Jiangsu Co., Ltd.	September 9, 2009	No. 8, Shilian Boulevard, New Salt Chemical Industrial Park, Huatan City, Jiangsu, China	US\$ 800,000	Production of soda ash, ammonium chloride and Glauber's salt
Huailian Shiyuan Brine Co., Ltd.	August 13, 2008	No. 8, Shilian Boulevard, New Salt Chemical Industrial Park, Huatan City, Jiangsu, China	US\$ 32,000	Production of brine
Taiwan Glass USA Sales Corp.	January 5, 1973	9450 Sw Commerce Circle, Wilsonville Oregon 97070, USA	US\$ 461	Selling of glasses
Taiwan Autoglass Ind. Corp.	May 20, 1988	11F, No. 261, Sec. 3, Nanking E. Rd., Taipei City	NT\$ 300,000	Production and selling of auto glasses
TG TECO Vacuum Insulated Glass Corp.	January 17, 2012	6F, No. 261, Sec. 3, Nanking E. Rd., Taipei City	NT\$ 6,709	Production and selling of vacuum glasses
TAG China Holding Ltd.	February 2, 2010	Clarendon House, 2 Church Street, Hamilton HM11, Bermuda	US\$ 6,000	Holding company investing in Mainland China

3. Entities presumed in parent-subsidiary relations and information on identical shareholders:
N/A

4. The industries housed in the same business location of the whole business group:

Except TG、TGF、TCD and TBF, which are electronics industries engaged in electronic fiberglass fabric and fiberglass reinforced and cell module assembly, the other entities are engaged in production of glass.

5. Division of labor among affiliates:

- (1) QRG, QFG, CFG, CDG, HNG, DHG, TJG, FPG, TTAR, TXY, TAH, TYAU, TWAR, TYSM, TGF, TCD, TBF and TQPT are the manufactories invested in Mainland China by the Company. QFG, CFG, CDG, HNG, DHG, TJG, TXY and TAH are engaged in production of float glass. FPG is engaged in production of photovoltaic glass. TTAR and TWAR are engaged in production of Low-E glass. TYAU is engaged in production of auto glass. QRG is engaged in production of rolled glass. TYSM is engaged in production of solar mirror. TGF、TCD and TBF are engaged in production of fiberglass fabric. TQPT is engaged in production of ITO conductive glass. The Company is engaged in production of said products, except ITO conductive glass、auto glass and solar mirror.
The Company and the Mainland China companies are independent business entities, and there is no division of labor among each one.
- (2) TGUS is the distributor of the Company and its affiliates in the U.S.A..
- (3) TAGC is the Company's down-stream supplier (processing and sale of auto glass).
- (4) TVIG is the joint venture invested by TG、TECO Electric & Machinery Co., Ltd. and Tong An Investment Co., Ltd. subordinated to TECO Group, engaged in vacuum energy-saving glass.
- (5) HZSS is engaged in supplying the silica sand to CDG, TXY and TCD.
- (6) SCJ is engaged in the production of sodium carbonate, and also the supplier of sodium carbonate to the subsidiaries engaged in production of glass in Mainland China.
- (7) HSB is engaged in the exploitation of brine, and also the supplier of sodium carbonate to SCJ.
- (8) TRAE is engaged in supplying the natural gas to TAH.
- (9) XYES is sale of LOW-E glasses by TXY.
- (10) WHES is sale of LOW-E glasses by TWAR.
- (11) KSES is sale of LOW-E glasses by CFG.

6. Information about directors, supervisors and general managers of affiliates

Unit: share; %

Name	Job title	Name or Representative	As of December 31, 2021	
			Shares held	
			Shares or contribution	%
Taiwan Glass China Holding Ltd.	Chairman	Taiwan Glass Ind. Corp. (Lin, P F)	1,221,748,651	93.98
	Vice Chairman	Taiwan Glass Ind. Corp. (Lin, P S)	As above	As above
	Director	Taiwan Glass Ind. Corp. (Lin, P C)	As above	As above
	Director	Taiwan Glass Ind. Corp. (Lin, C H)	As above	As above
	Director	Taiwan Glass Ind. Corp. (Lin, C Y)	As above	As above
	Director	Taiwan Glass Ind. Corp. (Lin, C M)	As above	As above
Qingdao Rolled Glass Co.,	Chairman	TG Qingdao Glass Co., Ltd. (Lin, P S)	US\$ 23,318,800	79.60
	Director	Taiwan Glass China Holding Ltd. (Lin, P F)	US\$ 1,200,000	4.10
	Director	Taiwan Glass USA Sales Corp. (Lin, P C)	US\$ 4,774,200	16.30
	Director	Taiwan Glass USA Sales Corp. (Lin, C H)	As above	As above
	Director	TG Qingdao Glass Co., Ltd. (Lin, C Y)	US\$ 23,318,800	79.60
	Supervisor	TG Qingdao Glass Co., Ltd. (Lin, C M)	As above	As above
	G. MGR	Sung, C H	-	-
TG Qingdao Glass Co., Ltd.	Chairman	Taiwan Glass China Holding Ltd. (Lin, P S)	US\$ 87,800,000	100.00
	Director	Taiwan Glass China Holding Ltd. (Lin, P F)	As above	As above
	Director	Taiwan Glass China Holding Ltd. (Lin, P C)	As above	As above
	Director	Taiwan Glass China Holding Ltd. (Lin, C H)	As above	As above
	Director	Taiwan Glass China Holding Ltd. (Lin, C Y)	As above	As above
	Supervisor	Taiwan Glass China Holding Ltd. (Lin, C M)	As above	As above
	G. MGR	Sung, C H	-	-
TG Changjiang Glass Co., Ltd.	Chairman	Taiwan Glass China Holding Ltd. (Lin, C H)	US\$ 94,000,000	100.00
	Director	Taiwan Glass China Holding Ltd. (Lin, P F)	As above	As above
	Director	Taiwan Glass China Holding Ltd. (Lin, P S)	As above	As above
	Director	Taiwan Glass China Holding Ltd. (Lin, P C)	As above	As above
	Director	Taiwan Glass China Holding Ltd. (Lin, C Y)	As above	As above
	Supervisor	Taiwan Glass China Holding Ltd. (Lin, C M)	As above	As above
	G. MGR	Wang, F B	-	-
TG Chengdu Glass Co., Ltd.	Chairman	Taiwan Glass China Holding Ltd. (Lin, C H)	US\$ 70,000,000	100.00
	Director	Taiwan Glass China Holding Ltd. (Lin, P F)	As above	As above
	Director	Taiwan Glass China Holding Ltd. (Lin, P S)	As above	As above
	Director	Taiwan Glass China Holding Ltd. (Lin, P C)	As above	As above
	Director	Taiwan Glass China Holding Ltd. (Lin, C Y)	As above	As above
	Supervisor	Taiwan Glass China Holding Ltd. (Lin, C M)	As above	As above
	G. MGR	Ji, W G · Li, G Y	-	-

Name	Job title	Name or Representative	As of December 31, 2021	
			Shares held	
			Shares or contribution	%
TG Huanan Glass Co., Ltd.	Chairman	Taiwan Glass China Holding Ltd. (Lin, P C)	US\$ 106,000,000 -	100.00 -
	Director	Taiwan Glass China Holding Ltd. (Lin, P F)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, P S)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, C H)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, C Y)	As above -	As above -
	Supervisor	Taiwan Glass China Holding Ltd. (Lin, C M)	As above -	As above -
	G. MGR	Lee, T M	-	-
TG Donghai Glass Co., Ltd.	Chairman	Taiwan Glass China Holding Ltd. (Lin, P S)	US\$ 80,000,000 -	100.00 -
	Director	Taiwan Glass China Holding Ltd. (Lin, P F)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, P C)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, C H)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, C Y)	As above -	As above -
	Supervisor	Taiwan Glass China Holding Ltd. (Lin, C M)	As above -	As above -
	G. MGR	Chen, Y C	-	-
TG Tianjin Glass Co., Ltd.	Chairman	Taiwan Glass China Holding Ltd. (Lin, P C)	US\$ 96,000,000 -	100.00 -
	Director	Taiwan Glass China Holding Ltd. (Lin, P F)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, P S)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, C H)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, C Y)	As above -	As above -
	Supervisor	Taiwan Glass China Holding Ltd. (Lin, C M)	As above -	As above -
	G. MGR	Lin, P C	-	-
TG Fujian Photovoltaic Glass Co., Ltd.	Chairman	TG Donghai Glass Co., Ltd. (Lin, P S)	RMB\$ 550,000,000 -	100.00 -
	Supervisor	TG Donghai Glass Co., Ltd. (Chen, Y C)	As above -	As above -
	G. MGR	Chen, K M	-	-
TG Taicang Architectural Glass Co., Ltd.	Chairman	Taiwan Glass China Holding Ltd. (Lin, C H)	US\$ 35,000,000 -	100.00 -
	Director	Taiwan Glass China Holding Ltd. (Lin, P F)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, P S)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, P C)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, C Y)	As above -	As above -
	Supervisor	Taiwan Glass China Holding Ltd. (Lin, C M)	As above -	As above -
	G. MGR	Ji, W G	-	-
TG Xianyang Glass Co., Ltd.	Chairman	Taiwan Glass China Holding Ltd. (Lin, C H)	US\$ 100,000,000 -	100.00 -
	Director	Taiwan Glass China Holding Ltd. (Lin, P F)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, P S)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, P C)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, C Y)	As above -	As above -
	Supervisor	Taiwan Glass China Holding Ltd. (Lin, C M)	As above -	As above -
	G. MGR	Chang, C F	-	-

Name	Job title	Name or Representative	As of December 31, 2021	
			Shares held	
			Shares or contribution	%
TG Anhui Glass Co., Ltd.	Chairman	Taiwan Glass China Holding Ltd. (Lin, C H)	US\$ 85,000,000 -	100.00 -
	Director	Taiwan Glass China Holding Ltd. (Lin, P F)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, P S)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, P C)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, C Y)	As above -	As above -
	Supervisor	Taiwan Glass China Holding Ltd. (Lin, C M)	As above -	As above -
	G. MGR	Chen, C H	-	-
TG Yueda Autoglass Co., Ltd.	Chairman	TAG China Holding Ltd. (Lin, C H)	US\$ 6,000,000 -	8.82 -
	Director	Taiwan Glass China Holding Ltd. (Lin, C Y)	US\$ 34,800,000 -	51.18 -
	Director	Taiwan Glass China Holding Ltd. (Lin, C M)	As above -	As above -
	Vice Chairman	Yueda Automobile Development Co., Ltd. (Sun, H J)	US\$ 27,200,000 -	40.00 -
	Director & President	Yueda Automobile Development Co., Ltd. (Wu, Y H)	As above -	As above -
	Supervisor	Taiwan Glass China Holding Ltd. (Lu, Z X)	US\$ 34,800,000 -	51.18 -
	Supervisor	Jiangsu Yueda Group Co., Ltd. (Wang, C)	US\$ 27,200,000 -	40.00 -
TG Wuhan Architectural Glass Co., Ltd.	Chairman	Taiwan Glass China Holding Ltd. (Lin, C H)	US\$ 73,804,812 -	100.00 -
	Director	Taiwan Glass China Holding Ltd. (Lin, P F)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, P S)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, P C)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, C Y)	As above -	As above -
	Supervisor	Taiwan Glass China Holding Ltd. (Lin, C M)	As above -	As above -
	G. MGR	Wei, H B	-	-
TG Yueda Solar Mirror Co., Ltd.	Chairman	Taiwan Glass China Holding Ltd. (Lin, C H)	US\$ 48,750,000 -	75.00 -
	Director	Taiwan Glass China Holding Ltd. (Lin, C Y)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, C M)	As above -	As above -
	Vice Chairman	Jiangsu Yueda Group Co., Ltd. (Chen, H)	US\$ 16,250,000 -	25.00 -
	Director	Jiangsu Yueda Group Co., Ltd. (Wu, Z L)	As above -	As above -
	Supervisor	Taiwan Glass China Holding Ltd. (Lu, Z X)	US\$ 48,750,000 -	75.00 -
	Supervisor	Jiangsu Yueda Group Co., Ltd. (Wu, Y H)	US\$ 16,250,000 -	25.00 -
G. MGR	Xue, S S	-	-	
Taichia Glass Fiber Co., Ltd.	Chairman	Taiwan Glass China Holding Ltd. (Lin, P F)	US\$ 110,000,000 -	100.00 -
	Director	Taiwan Glass China Holding Ltd. (Lin, P S)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, P C)	As above -	As above -
	Director	Taiwan Glass China Holding Ltd. (Lin, C H)	As above -	As above -
	Director & President	Taiwan Glass China Holding Ltd. (Lin, C Y)	As above -	As above -
	Supervisor	Taiwan Glass China Holding Ltd. (Lin, C M)	As above -	As above -

Name	Job title	Name or Representative	As of December 31, 2021	
			Shares held	
			Shares or contribution	%
Taichia Chengdu Glass Fiber Co., Ltd.	Chairman	Taiwan Glass China Holding Ltd. (Lin, P F)	US\$ 98,000,000	100.00
	Director	Taiwan Glass China Holding Ltd. (Lin, P S)	As above	As above
	Director	Taiwan Glass China Holding Ltd. (Lin, P C)	As above	As above
	Director	Taiwan Glass China Holding Ltd. (Lin, C H)	As above	As above
	Director & President	Taiwan Glass China Holding Ltd. (Lin, C Y)	As above	As above
	Supervisor	Taiwan Glass China Holding Ltd. (Lin, C M)	As above	As above
Taichia Bengbu Glass Fiber Co., Ltd.	Chairman	Taiwan Glass China Holding Ltd. (Lin, P F)	US\$ 60,000,000	100.00
	Director	Taiwan Glass China Holding Ltd. (Lin, P S)	As above	As above
	Director	Taiwan Glass China Holding Ltd. (Lin, P C)	As above	As above
	Director	Taiwan Glass China Holding Ltd. (Lin, C H)	As above	As above
	Director	Taiwan Glass China Holding Ltd. (Lin, C Y)	As above	As above
	Supervisor	Taiwan Glass China Holding Ltd. (Lin, C M)	As above	As above
	G. MGR	Siao, S C	-	-
TG Hanzhong Silica Sand Co., Ltd.	Chairman	Taiwan Glass China Holding Ltd. (Lin, C H)	US\$ 10,500,000	100.00
	Director	Taiwan Glass China Holding Ltd. (Lin, P F)	As above	As above
	Director	Taiwan Glass China Holding Ltd. (Lin, P S)	As above	As above
	Director	Taiwan Glass China Holding Ltd. (Lin, P C)	As above	As above
	Director	Taiwan Glass China Holding Ltd. (Lin, C Y)	As above	As above
	Supervisor	Taiwan Glass China Holding Ltd. (Lin, C M)	As above	As above
	G. MGR	Chang, C F	-	-
Xianyang Jienengdun Glass Co., Ltd.	Executive Director & President	TG Xianyang Glass Co., Ltd. (Lin, C H)	RMB\$ 100,000	100.00
	Supervisor	TG Xianyang Glass Co., Ltd. (Lin, C Y)	As above	As above
Wuhan Jienengzhixing Glass Co., Ltd.	Executive Director & President	TG Wuhan Architectural Glass Co., Ltd. (Lin, C H)	RMB\$ 100,000	100.00
	Supervisor	TG Wuhan Architectural Glass Co., Ltd. (Lin, C Y)	As above	As above
Kunshan Energy Star Glass Co., Ltd.	Executive Director & President	TG Changjiang Glass Co., Ltd. (Lin, C H)	RMB\$ 100,000	100.00
	Supervisor	TG Changjiang Glass Co., Ltd. (Lin, C Y)	As above	As above
TG (Qingdao) Photoelectric Technology Co., Ltd.	Chairman	TG Qingdao Glass Co., Ltd. (Lin, P S)	RMB\$ 35,000,000	70.00
	Supervisor	Shenzhen Taizhi Photoelectric Material Technology Co., Ltd. (Pan, C)	RMB\$ 15,000,000	30.00
	G. MGR	Sung, C H	-	-
Taibo Anhui Energy Co., Ltd.	Chairman	Tianjin Xinao Gas Development Co., Ltd (QIN, H)	RMB\$ 20,000,000	80.00
	Director	Tianjin Xinao Gas Development Co., Ltd (Zong, B)	As above	As above
	Director	TG Changjiang Glass Co., Ltd. (Chen, C H)	RMB\$ 5,000,000	20.00
	Supervisor	Tianjin Xinao Gas Development Co., Ltd (CAI, R)	RMB\$ 20,000,000	80.00
	Supervisor	TG Changjiang Glass Co., Ltd. (Lin, C H)	RMB\$ 5,000,000	20.00
	G. MGR	Cheng, Y H	-	-

Name	Job title	Name or Representative	As of December 31, 2021	
			Shares held	
			Shares or contribution	%
TG Changjiang Holding Co.,	Director	Taiwan Glass China Holding Ltd. (Lin, P F)	US\$ 1,000 -	100.00 -
Shihlien China Holding Co., Ltd.	Chairman	Lin, P S	US\$ 450,000	0.08
	Director	Taiwan Glass China Holding Ltd. (Lin, P F)	US\$ 244,159,742 -	43.99 -
	Director	Taiwan Glass China Holding Ltd. (Lin, C M)	As above -	As above -
	Director	Hsu, L L	-	-
	Director	Lin, C H	-	-
	Director	Chang, H C	-	-
	Director	Yi Chun Navigation (HK) Ltd.	US\$ 11,889,409	2.14
Shihlien Chemical Industrial Jiangsu Co., Ltd.	Director	Chen, T W	-	-
	Director	Chiang, F W	-	-
	Chairman	Shihlien China Holding Co., Ltd. (Lin, P S)	US\$ 700,000,000 -	87.50 -
	Director	Shihlien China Holding Co., Ltd. (Lin, P F)	As above -	As above -
Huain Shihyuan Brine Co., Ltd.	Director & President	Shihlien China Holding Co., Ltd. (Chiang Feng-Wen)	As above -	As above -
	Supervisor	Shihlien China Holding Co., Ltd. (Hsu, L L)	As above -	As above -
	Executive Director	Shihlien China Holding Co., Ltd. (Lin, P S)	US\$ 32,000,000 -	100.00 -
Taiwan Glass USA Sales Corp.	G. MGR	Shihlien China Holding Co., Ltd. (Chiang Feng-Wen)	As above -	As above -
	Supervisor	Shihlien China Holding Co., Ltd. (Lin, P F)	As above -	As above -
	Chairman & President	Taiwan Glass Ind. Corp. (Lin, P C)	4,612 -	100.00 -
Taiwan Autoglass Ind. Corp.	Director	Taiwan Glass Ind. Corp. (Lin, P F)	As above -	As above -
	Director	Taiwan Glass Ind. Corp. (Lin, P S)	As above -	As above -
	Chairman	Taiwan Glass Ind. Corp. (Lin, C H)	26,100,000 -	87.00 -
	Director	Taiwan Glass Ind. Corp. (Lin, C Y)	As above -	As above -
TG TECO Vacuum Insulated Glass Corp.	Director	PILKINGTON INT'L HOLDINGS B.V. (TATEMOTO KATSUNORI)	3,000,000 -	10.00 -
	Supervisor	Lim Ken Seng Kah Kih Co., Ltd. (Lin, C M)	900,000 -	3.00 -
	G. MGR	Lu, Z X	-	-
	Chairman & President	Taiwan Glass Ind. Corp. (Lin, P S)	436,084 -	65.00 -
	Vice Chairman	Tong An Investment Co., Ltd. (George Lien)	159,069 -	23.71 -
	Director	Taiwan Glass Ind. Corp. (Lin, P F)	436,084 -	65.00 -
	Director	Tong An Investment Co., Ltd. (Chang, C M)	159,069 -	23.71 -
Director	Taiwan Glass Ind. Corp. (Lin, C Y)	436,084 -	65.00 -	
TAG China Holding Ltd.	Supervisor	Lin, C M	-	-
	Supervisor	Lin, H M	-	-
	Chairman	Taiwan Autoglass Ind. Corp. (Lin, C H)	US\$ 6,000,000 -	100.00 -
TAG China Holding Ltd.	Vice Chairman	Taiwan Autoglass Ind. Corp. (Lin, C Y)	As above -	As above -
	Director	Taiwan Autoglass Ind. Corp. (Lin, C M)	As above -	As above -

7 - Operating profile of affiliated companies

Unit : NTD thousand
Data baseline date : Dec 31, 2021

Company name	Capital	Total assets	Total liabilities	Net worth	Operating revenues	Operating income	Income before income tax	EPS(NT\$)
Taiwan Glass China Holding Ltd.	40,523,832	75,523,997	20,287,093	55,236,904	42,744,721	11,372,646	12,441,887	9.57
Qingdao Rolled Glass Co., Ltd.	884,634	252,781	203,586	49,195	0	-37,197	-28,063	
TG Qingdao Glass Co., Ltd.	2,424,600	2,961,269	1,378,824	1,582,445	2,306,193	295,915	239,745	
TG Changjiang Glass Co., Ltd.	2,841,150	6,428,694	1,860,364	4,568,330	4,581,965	1,127,565	1,061,842	
TG Chengdu Glass Co., Ltd.	2,115,750	11,996,380	2,026,144	9,970,236	5,763,357	2,141,205	2,077,340	
TG Huanan Glass Co., Ltd.	3,205,353	5,281,826	897,404	4,384,422	3,912,810	838,201	774,363	
TG Donghai Glass Co., Ltd.	2,419,170	7,773,478	2,306,343	5,467,135	2,012,471	468,827	60,406	
TG Tianjin Glass Co., Ltd.	2,930,332	2,790,619	1,819,228	971,391	2,459,858	299,237	302,482	
TG Taicang Architectural Glass Co., Ltd.	1,047,228	2,247,579	1,279,636	967,943	1,966,618	-5,928	44,285	
TG Xianyang Glass Co., Ltd.	3,007,819	6,286,403	1,490,818	4,795,585	4,419,325	1,729,250	1,502,962	
TG Anhui Glass Co., Ltd.	2,590,195	4,377,015	911,431	3,465,584	3,730,505	1,163,184	1,065,399	
TG Yucda Autoglass Co., Ltd.	2,128,671	2,015,521	1,591,829	423,692	560,766	-100,786	-142,224	
TG Wuhan Architectural Glass Co., Ltd.	2,134,961	2,677,846	1,279,871	1,397,975	1,381,811	-54,859	-35,608	
TG Yucda Solar Mirror Co., Ltd.	1,972,768	600,833	5,921	594,912	27,381	48,150	205,048	
Taichia Glass Fiber Co., Ltd.	3,324,750	7,812,004	2,010,925	5,801,079	4,428,532	1,215,937	1,185,209	
Taichia Chengdu Glass Fiber Co., Ltd.	2,830,765	5,476,448	2,180,174	3,296,274	2,712,165	978,155	807,523	
Taichia Bengbu Glass Fiber Co., Ltd.	1,807,246	6,375,937	4,682,561	1,693,376	2,754,603	1,168,689	1,096,137	
TG Hanzhong Silica Sand Co., Ltd.	317,363	194,293	131,995	62,298	2,783	-26,731	-24,198	
TG Fujian Photovoltaic Glass Co., Ltd.	2,583,743	4,091,011	2,482,129	1,608,882	2,473,881	91,869	-47,228	
Xianyang Jicongdun Glass Co., Ltd.	464	1,235	815	420	4,930	-12	-6	
Wuhan Jicongzhixing Glass Co., Ltd.	484	1,615	1,217	398	0	-5	-5	
Kunshan Energy Star Glass Co., Ltd.	464	2,149	1,233	916	306	304	207	
TG (Qingdao) Photoelectric Technology Co., Ltd.	221,264	811,646	525,902	285,744	152,235	18,423	37,573	
Taibo Anhui Energy Co., Ltd.	123,227	68,687	4,678	64,009	75,017	860	648	
TG Changjiang Holding Co., Ltd.	28	28	0	28	0	0	-1	
Shihlien China Holding Co., Ltd.	15,362,755	25,950,269	13,382,540	12,567,729	13,220,827	2,147,837	2,159,705	0.50
Shihlien Chemical Industrial Jiangsu Co., Ltd.	22,457,506	27,337,497	5,654,240	21,683,257	13,296,351	2,156,945	2,238,714	
Huaitan Shihyuan Brine Co., Ltd.	915,525	3,523,276	2,581,689	941,577	429,875	109,837	458,198	
Taiwan Glass USA Sales Corp.	17,676	389,457	45,254	344,203	666,766	4,393	-23,790	-5,158.37
Taiwan Autoglass Ind. Corp.	300,000	374,253	236,049	138,204	592,751	-10,274	-26,346	-0.88
TG TECO Vacuum Insulated Glass Corp.	6,709	20,612	4,302	16,310	0	-4,502	9,621	14.34
TAG China Holding Ltd.	188,571	37,370	0	37,370	0	0	-12,544	-2.09

Note : On December 31, 2021, the exchange rates were averaged 1US\$=NT\$27.68=RMB6.4512, ending 1US\$=NT\$27.68=RMB6.3757 *

II. Status of securities in private placement in the past year and up to the publication of this Annual Report: N/A

III. Status of TGI common stocks acquired, disposed of, and held by subsidiaries in the past year and up to the publication of this Annual Report: N/A

IV. Other Special Notes: N/A

Nine. Significant issues which might affect stockholders' equity or securities' price pursuant to Item 2, Paragraph 3, Article 36 of the Securities and Exchange Act in the past year and up to the publication of this Annual Report: N/A