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**TAIWAN GLASS INDUSTRIAL CORPORATION  
AND SUBSIDIARIES  
CONSOLIDATED FINANCIAL STATEMENTS  
WITH INDEPENDENT AUDITORS' REPORT  
FOR THE YEARS ENDED  
DECEMBER 31, 2022 AND 2021**

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*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, 2022 and 2021, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, 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, 2022 and 2021, and their consolidated financial performance and cash flows for the years ended December 31, 2022 and 2021, 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 Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *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 2022 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.

### Impairment Valuation of Non-financial assets

As of December 31, 2022, the Company and its subsidiaries' property, plant and equipment amounted to NT\$42,343,801 thousand, which accounted for 46% of its total assets, which is relatively material for the consolidated financial statements. Due to the market and economic outlook fluctuations in recent years, some operating units operated in losses which indicated that assets may be impaired. Therefore, the management performed impairment test on related cash-generating units and value in use or net fair value were adopted for the recoverable amounts of different cash generating units. As the estimation of the recoverable amount of the related cash-generating unit requires significant management judgment, we determined this a key audit matter.

Our audit procedures included, but not limited to, analyzing the rationality of recoverable amounts used by management, obtaining underlying data of the recoverable amount provided by management (including cash flow forecast, growth rate, real estate and equipment valuation report) and related assumptions and discussing with management; assessing the appraiser's professional competency, experience and reputation in the related field; using the work of internal expert to assist us in considering the discount rate used by management and reviewing the appraiser's valuation and its estimation process to assess whether the reasonable value in the current real estate market were evaluated based on reasonable and supported assumptions; verifying that the source of the assessment report is relevant and reliable to account for the recoverable amounts for impairment assessment used by management.

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

### Valuation of Inventories

As of December 31, 2022, the Company and its subsidiaries net inventories amounted to NT\$13,555,414 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 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\$43,859,066 thousand for the year ended December 31, 2022. 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, 2022 and 2021.

## **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 the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 2022 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

Huang, Chien-Che

Ernst & Young, Taiwan

March 6, 2023

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 Standards on Auditing of 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, 2022 and 2021  
(Expressed in Thousands of New Taiwan Dollars)

ASSETS	NOTE	As of December 31,				LIABILITIES AND EQUITY	NOTE	As of December 31,					
		2022	%	2021	%			2022		2021			
<b>Current assets</b>						<b>Current liabilities</b>							
Cash and cash equivalents	4, 6(1)	\$8,374,101	9	\$8,173,805	8	Short-term loans	6(15), 7, 8	\$4,225,885	5	\$2,529,627	3		
Current Financial assets at fair value through profit or loss	4, 6(2)	3,483,459	4	7,109,379	7	Short-term bills payable	6(16)	4,087,800	4	3,090,314	3		
Current Financial assets at amortized cost	4, 6(3)	-	-	575,414	1	Current contract liabilities	4, 6(22)	1,109,130	1	1,126,405	1		
Current contract assets	4, 6(22), 6(23)	117,767	-	201,217	-	Notes payable	7	1,158,188	1	874,654	1		
Notes receivable, net	4, 6(4), 6(15), 6(23), 7, 8	7,409,421	8	11,339,577	11	Accounts payable		6,995,444	8	7,330,144	8		
Accounts receivable, net	4, 6(5), 6(23), 7, 12(11)	4,493,995	5	5,523,348	6	Accounts payable to related parties	7	1,517,252	2	1,205,676	1		
Other receivables, net	4, 6(6), 6(23), 7	353,998	-	187,554	-	Other payables	6(17)	2,797,641	3	3,774,555	4		
Current tax assets	4	60,270	-	13,576	-	Other payables to related parties	6(17), 7	782,520	1	393,097	-		
Inventories, net	4, 6(7)	13,555,414	15	10,297,779	10	Current income tax liabilities	4	273,159	-	438,007	-		
Prepayments	6(8), 7	1,156,686	1	1,236,240	2	Current lease liabilities	4, 6(25), 7	29,089	-	50,950	-		
Non-current assets or disposal groups classified as held for sale, net	4, 6(9), 6(31)	-	-	11,862	-	Current portion of long-term loans	6(18), 7	8,188,327	9	6,103,826	6		
Other current financial assets	8	782,038	1	985,447	1	Other current liabilities, others	7	120,793	-	57,977	-		
Other current assets, others		94,696	-	2,639	-	<b>Total current liabilities</b>		31,285,228	34	26,975,232	27		
<b>Total current assets</b>		39,881,845	43	45,657,837	46	<b>Non-current liabilities</b>							
<b>Non-current assets</b>						Long-term loans	6(18), 7	8,070,172	9	12,581,798	13		
Non-current financial assets at fair value through other comprehensive income	4, 6(10)	326,033	-	431,830	-	Deferred tax liabilities	4, 6(29)	758,756	1	754,618	1		
Investments accounted for using the equity method	4, 6(11)	6,639,524	7	5,482,791	6	Non-current lease liabilities	4, 6(25), 7	44,245	-	63,439	-		
Property, plant and equipment	4, 6(12), 7, 8	42,343,801	46	43,948,199	45	Long-term deferred revenue	4, 6(19)	1,061,475	1	1,062,698	1		
Right-of-use assets	4, 6(25), 7	2,497,446	3	2,704,809	3	Accrued pension liabilities	4, 6(20)	1,025	-	7,039	-		
Intangible assets	4, 6(13)	34,657	-	35,347	-	Deposits-in	7	148,066	-	236,010	-		
Deferred tax assets	4, 6(29)	404,428	-	464,492	-	<b>Total non-current liabilities</b>		10,083,739	11	14,705,602	15		
Refundable deposits	7	242,154	-	194,303	-	<b>Total liabilities</b>		41,368,967	45	41,680,834	42		
Other net defined benefit assets	4, 6(20)	449,436	1	318,528	-	<b>Capital</b>	6(21)						
Other non-current assets	4, 6(14), 6(23)	210,694	-	217,193	-	Common stock		29,080,608	31	29,080,608	30		
<b>Total non-current assets</b>		53,148,173	57	53,797,492	54	<b>Additional paid-in capital</b>	4, 6(21)	1,925,218	2	1,925,218	2		
						<b>Retained earnings</b>	6(21)						
						Legal reserve		7,383,663	8	6,207,565	6		
						Special reserve		5,102,550	5	5,102,550	5		
						Unappropriated retained earnings		7,965,324	9	15,249,757	15		
						<b>Total retained earnings</b>		20,451,537	22	26,559,872	26		
						<b>Other components of equity</b>							
						Exchange differences on translation of foreign operations	4	(2,967,266)	(3)	(3,575,460)	(4)		
						Unrealized gains and losses on financial assets at fair value through other comprehensive income		(51,923)	-	53,874	-		
						<b>Total other components of equity</b>		(3,019,189)	(3)	(3,521,586)	(4)		
						<b>Total equity attributable to stockholders of the parent</b>		48,438,174	52	54,044,112	54		
						<b>Non-controlling interests</b>	6(21)	3,222,877	3	3,730,383	4		
						<b>Total equity</b>		51,661,051	55	57,774,495	58		
<b>Total assets</b>		\$93,030,018	100	\$99,455,329	100	<b>Total liabilities and equity</b>		\$93,030,018	100	\$99,455,329	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, 2022 and 2021  
(Expressed in Thousands of New Taiwan Dollars Except Earnings Per Share Information)

	Note	For the years ended December 31,			
		2022		2021	
		Amount	%	Amount	%
<b>Operating revenues</b>	4, 6(22), 7	\$43,859,066	100	\$53,591,856	100
<b>Operating costs</b>	6(7), 6(13), 6(20), 6(25), 6(26), 7	(39,390,738)	(90)	(36,327,707)	(68)
<b>Gross profit</b>		4,468,328	10	17,264,149	32
<b>Operating expenses</b>	6(13), 6(20), 6(23), 6(25), 6(26), 7				
Selling and marketing expenses		(2,888,004)	(7)	(3,211,503)	(6)
General and administrative expenses		(1,406,649)	(3)	(1,515,990)	(3)
Research and development expenses		(1,030,615)	(2)	(1,028,050)	(2)
Expected credit losses and gains		(49,818)	-	(36,262)	-
Subtotal		(5,375,086)	(12)	(5,791,805)	(11)
<b>Net amount of other revenues and gains and expenses and losses</b>	6(24), 7	148,034	-	(10,401)	-
<b>Operating (loss) income</b>		(758,724)	(2)	11,461,943	21
<b>Non-operating income and expenses</b>	6(11), 6(23), 6(27), 6(31), 7				
Interest income		73,139	-	64,059	-
Other income		825,377	2	701,206	1
Other gains and losses		(369,495)	(1)	1,017,294	2
Finance costs		(538,552)	(1)	(495,047)	(1)
Share of income of associates and joint ventures		1,387,013	3	904,488	2
Expected credit losses and gains		(17,552)	-	12,558	-
Subtotal		1,359,930	3	2,204,558	4
<b>Income from continuing operations before income tax</b>		601,206	1	13,666,501	25
<b>Income tax expense</b>	4, 6(29)	(1,302,864)	(3)	(1,667,091)	(3)
<b>Net (loss) profit from continuing operations</b>		(701,658)	(2)	11,999,410	22
<b>(Loss) profit from discontinued operations</b>	4, 6(9)	(121,216)	-	231,829	-
<b>(Loss) profit</b>		(822,874)	(2)	12,231,239	22
<b>Other comprehensive income</b>	4, 6(11), 6(20), 6(28)				
<b>Other comprehensive income that will not be reclassified subsequently:</b>					
Remeasurement of defined benefit obligation		(118,825)	-	356,291	1
Unrealized (losses) gains on equity instruments investment at fair value through other comprehensive income		(105,797)	-	179,705	-
Income tax related to components of other comprehensive income that will not be reclassified subsequently		23,765	-	(71,258)	-
<b>Other comprehensive income that will be reclassified subsequently:</b>					
Exchange differences on translation of foreign operations		876,862	2	(229,509)	-
Share of other comprehensive income of associates and joint ventures		(230,280)	(1)	(38,139)	-
Income tax related to components of other comprehensive income that will be reclassified subsequently		-	-	-	-
<b>Total other comprehensive income, net of tax</b>		445,725	1	197,090	1
<b>Total comprehensive income</b>		\$(377,149)	(1)	\$12,428,329	23
Net income attributable to :					
Stockholders of the parent					
(Loss) profit from continuing operations		\$(594,781)	(2)	\$11,302,035	21
(Loss) profit from discontinued operations		(125,795)	-	174,643	-
Net (loss) income attributable to Stockholders of the parent		(720,576)	(2)	11,476,678	21
Non-controlling interests					
(Loss) profit from continuing operations		(106,877)	-	697,375	1
Profit from discontinued operations		4,579	-	57,186	-
Net (loss) income attributable to Non-controlling interests		(102,298)	-	754,561	1
		\$(822,874)	(2)	\$12,231,239	22
Comprehensive income attributable to:					
Stockholders of the parent		\$(313,267)	(1)	\$11,690,579	22
Non-controlling interests		(63,882)	-	737,750	1
		\$(377,149)	(1)	\$12,428,329	23
<b>Earnings per share (NT\$)</b>	6(30)				
Earnings per share-basic					
(Loss) profit from continuing operations		\$(0.21)		\$3.89	
(Loss) profit from discontinued operations		(0.04)		0.06	
Earnings per share-basic		\$(0.25)		\$3.95	
Diluted earning per share					
Profit from continuing operations				\$3.88	
Profit from discontinued operations				\$0.06	
Earnings per share-diluted				\$3.94	

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, 2022 and 2021

(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 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
Balance as of January 1, 2022	\$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
Appropriations and distributions of 2021 earnings:										
Legal reserve			1,176,098		(1,176,098)			-		-
Cash dividends					(5,292,671)			(5,292,671)		(5,292,671)
Net loss in 2022					(720,576)			(720,576)	(102,298)	(822,874)
Other comprehensive income, net of tax in 2022					(95,088)	608,194	(105,797)	407,309	38,416	445,725
Total comprehensive income	-	-	-	-	(815,664)	608,194	(105,797)	(313,267)	(63,882)	(377,149)
Changes in ownership interests in subsidiaries									(5,306)	(5,306)
Changes in non-controlling interests									(438,318)	(438,318)
Balance as of December 31, 2022	\$29,080,608	\$1,925,218	\$7,383,663	\$5,102,550	\$7,965,324	\$(2,967,266)	\$(51,923)	\$48,438,174	\$3,222,877	\$51,661,051

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, 2022 and 2021  
(Expressed in Thousands of New Taiwan Dollars)

	For the years ended December 31,	
	2022	2021
Cash flows from operating activities:		
Income before income tax	\$601,206	\$13,666,501
(Loss) gain from discontinued operations before tax	(121,216)	264,596
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation (including investment property)	5,000,301	4,976,370
Amortization	2,602	3,623
Expected credit losses	51,134	376
(Gains) on financial liabilities at fair value through profit	(237,927)	(130,001)
Interest expenses	539,831	497,089
Interest income	(74,403)	(65,991)
Dividend income	(23,001)	(12,908)
Share of profit or loss of associates and joint ventures accounted for using equity method	(1,387,013)	(904,488)
(Gains) losses on disposal of property, plant and equipment	(146,233)	19,298
(Gains) on disposal of other assets	-	(30)
(Gains) on disposal of investments accounted for using equity method	(208,937)	(1,279,159)
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	3,996,573	(5,104,954)
Contract assets	91,732	68,049
Notes receivable	2,841,169	(21,783)
Accounts receivable	591,884	(988,131)
Other receivables	(260,430)	14,698
Inventories	(3,667,610)	(2,139,431)
Prepayments	62,134	185,802
Other current assets	(92,057)	4,022
Current other financial assets	203,409	(784,165)
Other operating assets	(12,866)	413
Contract liabilities	3,254	1,122,514
Notes payable	283,534	496,773
Accounts payable	1,041,813	1,393,774
Other payable	(367,508)	784,584
Other current liabilities	74,678	578,094
Net accrued pension liability	(255,682)	(104,845)
Long-term deferred revenue	47,408	(116,735)
Cash inflow generated from operations	8,577,779	12,409,747
Interests received	74,403	65,991
Dividends received	23,001	12,908
Interests paid	(538,647)	(514,555)
Income tax paid	(1,426,439)	(1,487,965)
Net cash flows provided by operating activities	6,710,097	10,486,126
Cash flows from investing activities:		
Acquisition of financial assets at amortized cost	-	(410,367)
Disposal of financial assets at amortized cost	575,414	-
Disposal of subsidiaries	1,698,814	1,425,681
Acquisition of property, plant and equipment, excluding capitalized borrowing costs	(4,327,428)	(3,043,048)
Proceeds from disposal of property, plant and equipment	212,139	102,103
Decrease in receipts in advance due to disposal of assets	-	(857,841)
Increase in refundable deposits	(47,908)	(13,033)
Acquisition of intangible assets	(2,062)	(1,038,031)
Acquisition of right-of-use assets	-	(86,843)
Decrease in other non-current assets	-	462
Interest paid for constructing plant	(14,889)	(13,017)
Net cash flows (used in) investing activities	(1,905,920)	(3,933,934)
Cash flows from financing activities:		
Increase in short-term loans	7,650,160	8,911,702
Decrease in short-term loans	(5,761,744)	(13,608,704)
Increase in short-term bills payable	17,400,000	16,700,000
Decrease in short-term bills payable	(16,400,000)	(16,800,000)
Proceeds from long-term loans	3,268,638	5,510,298
Repayments of long-term loans	(5,996,442)	(4,159,695)
Increase in deposits-in	-	19,450
Decrease in deposits-in	(78,379)	-
Increase in other payables to related parties	48,782	86,812
Decrease in other payable to related parties	(22,174)	-
Payments of lease liabilities	(52,761)	(49,862)
Cash dividends paid	(4,782,942)	(1,454,149)
Changes in non-controlling interests	(438,318)	-
Net cash flows (used in) financing activities	(5,165,180)	(4,844,148)
Effects of exchange rate changes on cash and cash equivalents	561,299	(242,830)
Net increase in cash and cash equivalents	200,296	1,465,214
Cash and cash equivalents at the beginning of the year	8,173,805	6,708,591
Cash and cash equivalents at the end of the year	8,374,101	8,173,805

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, 2022 and 2021

(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, 2022 and 2021 were authorized for issue by the Board of Directors on March 6, 2023.

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, 2022. 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 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	Disclosure Initiative - Accounting Policies – Amendments to IAS 1	1 January 2023
b	Definition of Accounting Estimates – Amendments to IAS 8	1 January 2023
c	Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	1 January 2023

(a) 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.

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

The amendments introduce the definition of accounting estimates and include 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.

(c) 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 were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2023. 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 2024
d	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	1 January 2024
e	Non-current Liabilities with Covenants – Amendments to IAS 1	1 January 2024

(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) Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

The amendments add seller-lessees additional requirements for the sale and leaseback transactions in IFRS 16, thereby supporting the consistent application of the standard.

(e) Non-current Liabilities with Covenants – Amendments to IAS 1

The amendments improved the information companies provide about long-term debt with covenants. The amendments specify that covenants to be complied within twelve months after the reporting period do not affect the classification of debt as current or non-current at the end of the reporting period.

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, and c, 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, 2022 and 2021 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 (%)		Note
			December 31, 2022	December 31, 2021	
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%	Note 1
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%	
"	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 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%	
"	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%	



Investor	Subsidiary	Main businesses	Percentage of ownership (%)		Note
			December 31, 2022	December 31, 2021	
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)	Manufacturing of photovoltaic glass and cell module assembly	-	100.00%	Note 2
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: TG Teco Vacuum Insulated Glass Corp. has completed the liquidation in 2022. Please refer to Note 6.(31) for more details.

Note2: TG Fujian Photovoltaic Glass Co., Ltd. was disposed of by TG Donghai Glass Co., Ltd. on October 13, 2022. Accordingly, it was excluded from the consolidated financial statements on the date.

#### (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*. In determining the value in use of the investment, the Group estimates:

- 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.

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.

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 have a right to an amount of consideration that is unconditional, these contracts 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.(11) 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,	
	2022	2021
Cash on hand	\$1,668	\$1,562
Checking and savings accounts	7,724,774	7,604,437
Time deposits	629,637	523,787
Equivalent cash, including investments in bonds with resale agreements	18,022	44,019
Total	<u>\$8,374,101</u>	<u>\$8,173,805</u>

### (2) Financial assets at fair value through profit or loss

	As of December 31,	
	2022	2021
Financial assets mandatorily measured at fair value through profit or loss:		
Structured deposit	<u>\$3,483,459</u>	<u>\$7,109,379</u>

	As of December 31,	
	2022	2021
Current	\$3,483,459	\$7,109,379
Non-current	-	-
Total	<u>\$3,483,459</u>	<u>\$7,109,379</u>

Financial assets at fair value through profit or loss were not pledged.

### (3) Financial assets measured at amortized cost

	As of December 31,	
	2022	2021
Time deposit	<u>\$-</u>	<u>\$575,414</u>

	As of December 31,	
	2022	2021
Current	\$-	\$575,414
Non-current	-	-
Total	<u>\$-</u>	<u>\$575,414</u>

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,	
	2022	2021
Notes receivable arising from operating activities	\$7,396,229	\$11,333,141
Less: loss allowance	(58,806)	(95,318)
Subtotal	7,337,423	11,237,823
Notes receivable from related parties	71,998	101,754
Less: loss allowance	-	-
Subtotal	71,998	101,754
Total	\$7,409,421	\$11,339,577

As of December 31, 2022 and 2021, the Group's discounted note receivable amounted to NT\$ 41,850 thousand and NT\$644,242 thousand, respectively. Please refer to Note 6. (15) for more details on short-term loans.

The Group assesses impairments according to IFRS 9 to assess the impairment. Please refer to Note 6. (23) 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,	
	2022	2021
Accounts receivable	\$4,645,606	\$5,701,263
Less: loss allowance	(299,004)	(246,731)
Subtotal	4,346,602	5,454,532
Accounts receivable from related parties	147,393	68,816
Less: loss allowance	-	-
Subtotal	147,393	68,816
Total	\$4,493,995	\$5,523,348

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. (23) for more details on loss allowance of accounts receivable for the years ended December 31, 2022 and 2021. Please refer to Note 12 for more details on credit risk management.

(6) Other receivables, net

	As of December 31,	
	2022	2021
Other receivables	\$392,438	\$208,227
Less: loss allowance	(38,440)	(20,673)
Total	<u>\$353,998</u>	<u>\$187,554</u>

Please refer to Note 6. (23) for more details on loss allowance of trade receivables for the years ended December 31, 2022 and 2021. Please refer to Note 12 for more details on credit risk management.

(7) Inventories, net

	As of December 31,	
	2022	2021
Raw materials	\$3,423,028	\$3,382,983
Supplies	1,140,203	670,209
Work in progress	888,619	759,149
Finished goods	8,098,870	5,473,193
Commodities	4,694	12,245
Total	<u>\$13,555,414</u>	<u>\$10,297,779</u>

The cost of inventories recognized in expenses amounted to NT\$39,390,738 thousand and NT\$36,327,707 thousand for the years ended December 31, 2022 and 2021, respectively, including:

	For the years ended December 31,	
	2022	2021
Loss (gain) for market price decline of inventories	\$1,056,145	\$(132,863)
Loss on work stoppage	369,561	273,415
Revenue from sale of scraps	(290,064)	(263,499)
Additions (less) to operating costs	<u>\$1,135,642</u>	<u>\$(122,947)</u>

As of December 31, 2021, the Company booked gain from inventory price recovery as a result of the price of the product rebounded.

No inventories were pledged.

(8) Prepayments

	As of December 31,	
	2022	2021
Prepaid expense	\$461,945	\$325,620
Prepayment for purchases	549,489	411,608
Overpaid sales tax	61,379	412,030
Other	83,873	86,982
Total	<u>\$1,156,686</u>	<u>\$1,236,240</u>

(9) Disposal groups held for sale and discontinued operations

- A. On September 14, 2022, TG Donghai Glass Co., Ltd., a subsidiary of the Group, signed an equity transfer agreement with Luoyang Glass Co., Ltd. to sell all the shares held by TG Fujian Photovoltaic Glass Co., Ltd., a subsidiary, with a total transaction amount of CNY421,963 thousand, and the final price of the equity transfer was determined to be CNY390,388 thousand after adjusting the profit and loss during the transition period described in the equity transfer agreement. A reasonableness opinion issued by an accountant has been obtained. As of December 31, 2022, the Group had received second instalments of CNY337,570 thousand in accordance with the contract, and the remaining balance of the final price of the equity transfer in the amount of CNY 52,818 thousand was transferred as security deposit of the equity transfer agreement. There is no contingent liability as described in the equity transfer agreement within one year from the settlement basis date, or the Group has resolved and borne all expenses or losses despite such occurrences, and there is no default by the Group within one year from the settlement basis date, or the Group has settled and borne all costs or losses despite such occurrences, and such deposit is paid within 15 working days after the above conditions are met. The above-mentioned transaction has completed the transfer of equity (please refer to Note 6.(31) for more details) and the industrial and commercial registration of the change of company name on October 13, 2022, and met the definition of a discontinued operation unit.
- B. 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 NT\$108,000 thousand. The related assets have been reclassified from investment property to non-current assets held for sale (or disposal group), net, in the amount of NT\$11,862 thousand as of December 31, 2021; the price has been fully collected and completed the transfer of right on June 30, 2022.
- C. 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.
- D. Details of the disposal groups held for sale As of December 31, 2022 and 2021 are as follows:

	As of December 31,	
	2022	2021
Investment property	\$-	\$11,862
Less: Accumulated impairment	-	-
Total	<u>\$-</u>	<u>\$11,862</u>

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 thousand for the year ended December 31, 2021.



E. Information of gain and loss from discontinued operation units is as follows:

	For the years ended December 31,	
	2022	2021
Operating revenue	\$2,042,549	\$2,501,262
Operating costs	(2,067,258)	(2,062,935)
Operating gross profit	(24,709)	438,327
Operating expenses		
Operating expenses	(105,787)	(128,953)
Administrative expenses	(43,164)	(97,736)
Research and development expense	-	(102,231)
Expected credit impairment loss	16,236	23,328
Total operating expenses	(132,715)	(305,592)
Net other income and expenses	(1,801)	(8,867)
Operating (loss) income	(159,225)	123,868
Non-operating revenue and expenses		
Interest revenue	1,264	1,932
Other revenue	34,014	186,067
Other gain and loss	4,010	(45,229)
Financial costs	(1,279)	(2,042)
Total non-operating revenue and expenses	38,009	140,728
(Loss) gain from discontinued operations before tax	(121,216)	264,596
Tax benefit (expense)	-	(32,767)
(Loss) gain from discontinued operation	(121,216)	231,829
Other comprehensive income	15,678	(5,141)
Total comprehensive income	\$(105,538)	\$226,688

F. Cash flows of discontinued operation units are as follows:

	For the years ended December 31,	
	2022	2021
Cash flows from operating activities	\$502,194	\$912,200
Cash flows from investing activities	(49,947)	(1,026,935)
Cash flows from financing activities	(306,795)	26,731
Effects of exchange rate changes on cash and cash equivalents	(25,059)	(3,856)
Net increase (decrease) in cash and cash equivalents	\$120,393	\$(91,860)

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

	As of December 31,	
	2022	2021
Equity instrument investments measured at fair value through other comprehensive income – non-current:		
Listed companies stocks	\$273,194	\$379,433
Unlisted companies stocks	52,839	52,397
Total	<u>\$326,033</u>	<u>\$431,830</u>

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

(11) Investments accounted for using the equity method

The following table lists the investments in the associate of the Group:

Investees	As of December 31,			
	2022		2021	
	Carrying amount	Percentage of Ownership	Carrying amount	Percentage of Ownership
Investments in associates:				
Shihlien China Holding Co., Ltd.	\$6,624,798	43.99%	\$5,469,989	43.99%
Taibo Anhui Energy Co., Ltd.	14,726	20.00%	12,802	20.00%
Totals	<u>\$6,639,524</u>		<u>\$5,482,791</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,	
	2022	2021
Current assets	\$7,414,823	\$5,395,366
Non-current assets	20,550,669	20,554,903
Current liabilities	(8,511,190)	(10,038,682)
Non-current liabilities	(4,270,604)	(3,343,858)
Equity	15,183,698	12,567,729
the Group's ownership percentage	43.99%	43.99%
Subtotal	6,679,309	5,528,544
Eliminations from intercompany transactions	(54,511)	(58,555)
Carrying amount of the investment	<u>\$6,624,798</u>	<u>\$5,469,989</u>

	As of December 31,	
	2022	2021
Operating revenue	\$18,218,996	\$13,220,827
Net income from continuing operations	3,139,883	2,159,705
Total other comprehensive income, net of tax	(523,914)	(86,545)
Total comprehensive income	2,615,969	2,073,160

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\$14,726 thousand and NT\$12,802 thousand for the years ended December 31, 2022 and 2021, respectively. The aggregate financial information based on the Group's share of TRAE is as follows:

	As of December 31,	
	2022	2021
Net income from continuing operations	\$1,734	\$130
Total other comprehensive income, net of tax	190	(68)
Total comprehensive income	1,924	62

The associates had no contingent liabilities or capital commitments as of December 31, 2022 and 2021, and were not pledged.

(12) 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, 2022	\$3,805,139	\$28,984,736	\$78,880,314	\$941,341	\$22,079	\$2,835,571	\$1,951,369	\$117,420,549
Additions	-	51,963	752,181	8,033	-	134,206	2,457,007	3,403,390
Disposals	-	(8,952)	(779,696)	(28,721)	-	(128,700)	-	(946,069)
Transfers	-	95,197	2,860,106	7,077	1,452	23,452	(2,987,284)	-
Exchange effect	995	317,856	841,545	10,832	-	37,087	6,138	1,214,453
Other changes	-	(1,092,688)	(4,504,891)	(50,625)	-	(205,265)	1,433,619	(4,419,850)
As of December 31, 2022	<u>\$3,806,134</u>	<u>\$28,348,112</u>	<u>\$78,049,559</u>	<u>\$887,937</u>	<u>\$23,531</u>	<u>\$2,696,351</u>	<u>\$2,860,849</u>	<u>\$116,672,473</u>
As of January 1, 2022	\$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>
Depreciation and Impairment:								
As of January 1, 2022	\$-	\$16,986,271	\$53,615,023	\$648,529	\$3,708	\$2,218,819	\$-	\$73,472,350
Depreciation	-	1,125,868	3,561,851	31,652	5,302	152,988	-	4,877,661
Impairment	-	(7,789)	(724,155)	(26,118)	-	(122,101)	-	(880,163)
Disposals	-	-	-	-	-	-	-	-
Exchange effect	-	161,342	556,676	6,632	-	28,602	-	753,252
Other changes	-	(544,567)	(3,103,704)	(48,093)	-	(198,064)	-	(3,894,428)
As of December 31, 2022	<u>\$-</u>	<u>\$17,721,125</u>	<u>\$53,905,691</u>	<u>\$612,602</u>	<u>\$9,010</u>	<u>\$2,080,244</u>	<u>\$-</u>	<u>\$74,328,672</u>
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>
Net carrying amount as at:								
December 31, 2022	<u>\$3,806,134</u>	<u>\$10,626,987</u>	<u>\$24,143,868</u>	<u>\$275,335</u>	<u>\$14,521</u>	<u>\$616,107</u>	<u>\$2,860,849</u>	<u>\$42,343,801</u>
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>

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

Item	As of December 31,	
	2022	2021
Construction in progress	\$14,889	\$13,017
Capitalization rate of borrowing costs	1.28%~2.1%	1.29%~1.58%

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.

(13) Intangible assets

	Mining rights	Other intangible assets	Total
Cost:			
As of January 1, 2022	\$45,226	\$34,354	\$79,580
Addition-acquired separately	-	2,062	2,062
Exchange effect	708	162	870
Other changes	-	(2,508)	(2,508)
As of December 31, 2022	<u>\$45,934</u>	<u>\$34,070</u>	<u>\$80,004</u>
As of January 1, 2021	\$45,468	\$48,194	\$93,662
Addition-acquired separately	1,035,817	2,214	1,038,031
Exchange effect	(243)	(54)	(297)
Other changes	(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>
Amortization and impairment:			
As of January 1, 2022	\$15,674	\$28,559	\$44,233
Amortization	85	2,517	2,602
Exchange effect	245	111	356
Other changes	-	(1,844)	(1,844)
As of December 31, 2022	<u>\$16,004</u>	<u>\$29,343</u>	<u>\$45,347</u>
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>
Net carrying amount as at:			
December 31, 2022	<u>\$29,930</u>	<u>\$4,727</u>	<u>\$34,657</u>
December 31, 2021	<u>\$29,552</u>	<u>\$5,795</u>	<u>\$35,347</u>

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

	As of December 31,	
	2022	2021
Operating costs	\$201	\$169
General and administrative expenses	2,273	3,150
Total	<u>\$2,474</u>	<u>\$3,319</u>

(14) Other non-current assets

	As of December 31,	
	2022	2021
Investment property	\$5,978	\$5,978
Advance payments in equipment	177,583	196,948
Overdue receivables	772,210	772,210
Less: loss allowance	(772,210)	(772,210)
Overdue receivables, net	-	-
Others	27,133	14,267
Net	\$210,694	\$217,193

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.(9) for more details.

C. Please refer to Note 6.(23) for more details on loss allowance of trade receivables for the years ended December 31, 2022 and 2021. 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\$116,682 thousand and NT\$106,230 thousand, as of December 31, 2022 and 2021 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,	
	2022	2021
Income capitalization rate	1.71%~2.38%	1.22%~2.79%

(15) Short-term loans

Details of short-term loans as of December 31, 2022 and 2021 are as follows:

	As of December 31,	
	2022	2021
Discounted note receivable	\$41,850	\$644,242
Unsecured bank loans	2,750,772	1,160,489
Secured bank loans	1,433,263	724,896
Total	\$4,225,885	\$2,529,627
Discount rates	1.85%~1.90%	0.57%~2.83%
Unsecured interest rates	1.59%~3.78%	0.78%~4.00%
Secured interest rates	2.08%~6.25%	1.40%~6.09%

A. The Group's unused short-term lines of credits amounted to NT\$2,275,521 thousand and NT\$5,140,044 thousand as of December 31, 2022 and 2021 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.

(16) Short-term bills payable

	As of December 31,	
	2022	2021
Short-term bills payable	\$4,100,000	\$3,100,000
Less: unamortized discount	(12,200)	(9,686)
Net	\$4,087,800	\$3,090,314
Interest rates	2.138%~2.338%	1.350%~1.488%

(17) Other payables and other payables – related parties

	As of December 31,	
	2022	2021
Payables on equipment	\$729,259	\$1,468,927
Dividend payable	532,818	23,089
Provisions	127,390	116,493
Other accrued expenses payable	606,098	1,161,265
Others	802,076	1,004,781
Subtotal	2,797,641	3,774,555
Other payables – related parties	782,520	393,097
Total	\$3,580,161	\$4,167,652

(18) Long-term loans

Details of long-term loans as of December 31, 2022 and 2021 are as follows:

Lenders	Terms	Credit Type	Interest Rate	As of December 31,		Redemption
				2022	2021	
Chang-Hwa Bank	2021.09.30- 2024.09.30	Credit loan	Floating interest rate	\$500,000	\$500,000	Repayable semiannually every 6 months from March 30, 2023.
Hua-Nan Bank	2015.12.23- 2022.12.29	"	"	-	600,000	Repayable semiannually every 6 months from June 23, 2018.
Hua-Nan Bank	2020.06.23- 2025.06.23	"	"	750,000	1,050,000	Repayable semiannually every 6 months from December 23, 2020.

Lenders	Terms	Credit Type	Interest Rate	As of December 31,		Redemption
				2022	2021	
Hua-Nan Bank	2021.05.27-2023.05.27	Credit loan	Floating interest rate	\$1,000,000	\$1,000,000	Principal repaid at maturity
Hua-Nan Bank	2021.12.27-2023.12.27	"	"	1,000,000	1,000,000	Principal repaid at maturity
King's Town Bank	2020.06.29-2027.12.28	"	"	1,300,000	1,560,000	Repayable semiannually from December 29, 2020.
O-Bank	2019.11.15-2022.11.15	"	"	-	1,000,000	Principal repaid at maturity
O-Bank	2022.12.19-2025.12.19	"	"	1,000,000	-	Principal repaid at maturity
Union Bank of Taiwan	2020.09.07-2022.03.07	"	"	-	600,000	Principal repaid at maturity
Union Bank of Taiwan	2022.06.22-2023.12.22	"	"	600,000	-	Principal repaid at maturity
Far Eastern International Bank	2021.12.06-2023.12.06	"	"	800,000	800,000	Principal repaid at maturity
Bank of Kaohsiung	2021.12.22-2023.12.22	"	"	300,000	300,000	Principal repaid at maturity
Mega Bank	2021.12.17-2024.12.17	"	"	600,000	600,000	Principal repaid at maturity
KGI Bank	2021.11.04-2023.11.04	"	"	300,000	300,000	Principal repaid at maturity
KGI Bank	2021.12.06-2024.12.06	"	"	250,000	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.
JihSun Bank	2020.11.19-2022.11.19	"	"	-	500,000	Principal repaid at maturity
Taiwan Cooperative Bank	2020.07.24-2023.07.24	"	"	-	500,000	Repayable monthly from August 24, 2022.
Taiwan Cooperative Bank	2022.08.23-2025.08.23	"	"	700,000	-	Repayable monthly from August 23, 2024.
Bank of China	2022.02.01-2024.01.31	"	"	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	2021.09.16-2023.09.16	"	"	700,000	700,000	Principal repaid at maturity
Shin Kong Commercial Bank	2021.09.28-2023.09.22	"	"	300,000	300,000	Principal repaid at maturity
The Export-Import Bank of the Republic of China	2018.08.01-2023.08.01	"	"	133,333	266,667	Repayable semiannually every 6 months from August 1, 2019.
Shanghai Commercial & Savings Bank	2021.09.06-2024.09.05	"	"	-	300,000	Principal repaid at maturity
Shanghai Commercial & Savings Bank	2022.07.21-2025.07.21	"	"	400,000	-	Principal repaid at maturity



Lenders	Terms	Credit Type	Interest Rate	As of December 31,		Redemption
				2022	2021	
Taiwan Business Bank	2018.10.18-2025.10.18	Credit loan	Floating interest rate	\$545,455	\$727,273	Repayable semiannually every 6 months from October 18, 2020.
Agricultural Bank of Taiwan	2021.11.15-2024.11.15	"	"	500,000	500,000	Repayable monthly from December 15, 2023.
Mizuho Bank	2021.11.10-2023.11.10	"	"	970,000	970,000	Principal repaid at maturity
Bank SinoPac	2022.02.17-2024.02.17	"	"	500,000	-	Principal repaid at maturity
Bank SinoPac	2022.03.17-2024.02.17	"	"	600,000	-	Principal repaid at maturity
Bank of Panhsin	2022.04.25-2024.04.25	"	"	200,000	-	Principal repaid at maturity
First Commercial Bank	202207.25-2024.07.25	"	"	300,000	-	Principal repaid at maturity
Cathay United Bank	2018.11.20-2023.11.20	guaranteed loan	"	219,357	395,429	7 equal installments of principal and interest made every 6 months from November 20, 2020
Mega Bank	2018.01.22-2023.01.16	"	"	87,743	711,771	7 installments of principal and interest made every 6 months from January 22, 2020
Shanghai Commercial & Savings Bank	2018.12.20-2022.07.24	"	"	-	138,400	Principal repaid US\$ 10 million on December 19, 2021 and US\$ 5 million on July 24, 2021
Shanghai Commercial & Savings Bank	2021.12.20-2024.12.19	"	"	307,100	276,800	Principal repaid at maturity
Far Eastern International Bank	2020.12.24-2022.12.24	"	"	-	415,200	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	Principal repaid at maturity
O-Bank	2021.06.10-2024.06.10	"	"	-	553,600	Principal shall be paid in 5 installments starting from June 10, 2022 with the first two installments of USD\$3 million each, the third and fourth installments of USD\$4 million each, and the fifth installment of USD\$6 million each.
Rural Commercial Bank	2021.12.23-2023.12.21	"	"	62,834	65,122	The principal will be repaid in equal semi-annual installments of CNY375 thousand from the date of borrowing and CNY13,875 thousand on the maturity date.

Lenders	Terms	Credit Type	Interest Rate	As of December 31,		Redemption
				2022	2021	
Rural Commercial Bank	2021.12.24- 2023.12.22	guaranteed loan	Floating interest rate	\$62,835	\$65,122	The principal will be repaid in equal semi-annual installments of CNY375 thousand from the date of borrowing and CNY13,875 thousand on the maturity date.
Rural Commercial Bank	2022.02.24- 2024.02.23	"	"	64,488	-	The principal will be repaid in equal semi-annual installments of CNY375 thousand from the date of borrowing and CNY13,875 thousand on the maturity date.
Rural Commercial Bank	2022.04.14- 2024.04.13	"	"	42,992	-	The principal will be repaid in equal semi-annual installments of CNY250 thousand from the date of borrowing and CNY9,250 thousand on the maturity date.
Rural Commercial Bank	2022.04.29- 2024.04.28	"	"	85,984	-	The principal will be repaid in equal semi-annual installments of CNY500 thousand from the date of borrowing and CNY18,500 thousand on the maturity date.
Rural Commercial Bank	2022.07.08- 2024.07.07	"	"	97,008	-	The principal will be repaid in equal semi-annual installments of CNY550 thousand from the date of borrowing and CNY20,350 thousand on the maturity date.
Rural Commercial Bank	2022.12.30- 2024.12.29	"	"	79,370	-	The principal will be repaid in equal semi-annual installments of CNY450 thousand from the date of borrowing and CNY16,650 thousand on the maturity date.
Subtotal				16,258,499	18,685,624	
Less: current portion of long-term loans				(8,188,327)	(6,103,826)	
Total				\$8,070,172	\$12,581,798	

Note 1: As of December 31, 2022 and 2021, 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.

(19) Long-term deferred revenue

Government grant

	As of December 31,	
	2022	2021
Beginning balance	\$1,062,698	\$1,185,796
Received during the period	148,986	157,735
Released to the statement of comprehensive income	(101,578)	(274,470)
Exchange effect	16,364	(6,363)
Others	(64,995)	-
Ending balance	<u>\$1,061,475</u>	<u>\$1,062,698</u>
	As of December 31,	
	2022	2021
Non-current deferred revenue - government grants related to assets	<u>\$1,061,475</u>	<u>\$1,062,698</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.

(20) 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, 2022 and 2021 were NT\$371,457 thousand and NT\$335,247 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\$274,118 thousand to its defined benefit plan during the 12 months beginning after December 31, 2022.

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,	
	2022	2021
Investments with quoted prices in an active market		
Equity instruments-domestic	87%	95%
Debt instruments-domestic	13%	5%
Others	0%	0%

The durations of the defined benefits plan obligation as of December 31, 2022 and 2021 are 2 and 3 years, respectively.

Pension costs recognized in profit or loss for the years ended December 31, 2022 and 2021 are as follows:

	As of December 31,	
	2022	2021
Current period service costs	\$21,982	\$25,613
Interest income or expense	(2,148)	516
Past service cost	-	-
Payments from the plan	-	-
Total	<u>\$19,834</u>	<u>\$26,129</u>

#### Parent Company

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

	As of		
	December 31, 2022	December 31, 2021	January 1, 2021
Defined benefit obligation at January 1,	\$1,537,506	\$1,589,968	\$1,824,082
Plan assets at fair value	<u>(1,986,942)</u>	<u>(1,908,496)</u>	<u>(1,696,972)</u>
Other non-current liabilities - Accrued pension liabilities recognized on the consolidated balance sheets	<u>\$(449,436)</u>	<u>\$(318,528)</u>	<u>\$127,110</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, 2021	\$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)
Current period service costs	21,616	-	21,616
Net interest expense (income)	10,971	13,169	(2,198)
Subtotal	1,622,555	1,921,665	(299,110)
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	13	-	13
Actuarial gains and losses arising from changes in financial assumptions	(5,625)	-	(5,625)
Experience adjustments	40,128	-	40,128
Return on plan assets	-	(84,586)	84,586
Subtotal	34,516	(84,586)	119,102
Payments from the plan	(119,565)	(119,565)	-
Contributions by employer	-	269,428	(269,428)
Effect of changes in foreign exchange rates	-	-	-
As of December 31, 2022	\$1,537,506	\$1,986,942	\$(449,436)

## Domestic Subsidiary

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

	As of		
	December 31, 2022	December 31, 2021	January 1, 2021
Defined benefit obligation at January 1,	\$14,089	\$27,611	\$60,340
Plan assets at fair value	(13,064)	(20,572)	(37,802)
Other non-current liabilities - Accrued pension liabilities recognized on the consolidated balance sheets	\$1,025	\$7,039	\$22,538

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, 2021	\$60,340	\$37,802	\$22,538
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
Current period service costs	366	-	366
Net interest expense (income)	194	144	50
Subtotal	28,171	20,716	7,455
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in demographic assumptions	22	-	22
Actuarial gains and losses arising from changes in financial assumptions	(376)	-	(376)
Experience adjustments	2,246	-	2,246
Return on plan assets	-	2,169	(2,169)
Subtotal	1,892	2,169	(277)
Payments from the plan	(15,974)	(15,974)	-
Contributions by employer	-	6,153	(6,153)
Effect of changes in foreign exchange rates	-	-	-
As of December 31, 2022	\$14,089	\$13,064	\$1,025

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

	As of December 31,	
	2022	2021
Discount rate	1.10%~1.19%	0.69%~0.70%
Expected rate of salary increases	1.00%	1.00%

A sensitivity analysis for significant assumption:

	Effect on the defined benefit obligation			
	2022		2021	
	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%	\$-	\$4,005	\$-	\$11,878
Discount rate decrease by 0.5%	20,957	-	111,659	-
Future salary increase by 0.5%	20,585	-	110,705	-
Future salary decrease by 0.5%	-	4,028	-	11,895

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.

## (21) Equities

### A. Common stock

The Company's authorized capital were both NT\$30,000,000 thousand as of December 31, 2022 and 2021. The Company's issued capital were both NT\$29,080,608 thousand as of December 31, 2022 and 2021, each at a par value of NT\$10. The Company has issued both 2,908,061 thousand common shares as of December 31, 2022 and 2021. Each share has one voting right and a right to receive dividends.



## B. Capital surplus

	As of December 31,	
	2022	2021
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, 2022 and 2021. The Company did not reverse special reserve to retained earnings for using, disposing of or reclassifying relevant assets in 2022 and 2021.

Details of the 2022 and 2021 earnings distribution and dividends per share as approved by Board of Directors’ meeting on March 6, 2023 and by the stockholders’ meeting on June 9, 2022, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NT\$)	
	2022	2021	2022	2021
Legal reserve	\$-	\$1,176,098	\$-	\$-
Common stock-cash dividend	-	5,292,671	-	1.82

Please refer to Note 6. (26) for further details on employees' compensation and remuneration to directors.

The China subsidiary of the Group passed the earnings distribution proposal in the third quarter of 2022, and after deducting income tax, it is expected that NT\$7,714,059 thousand (CNY 1,739,125 thousand) will be remitted to Taiwan Glass China Holdings Co., Ltd. in the third region, which has been fully remitted as of December 31, 2022.

#### D. Non-controlling interests

	As of December 31,	
	2022	2021
Beginning balance	\$3,730,383	\$2,992,633
Net (losses) gains attributable to non-controlling interests	(102,298)	754,561
Other comprehensive income, attributable to non-controlling interests, net of tax:		
Exchange differences resulting from translating the financial statements of foreign operations	52,250	(15,251)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(13,863)	(2,296)
Actuarial gains on defined benefit	29	736
Capital decreased by cash	(438,318)	-
Proceeds from disposal of subsidiaries	(5,306)	-
Ending balance	<u>\$3,222,877</u>	<u>\$3,730,383</u>

#### (22) Operating revenues

	As of December 31,	
	2022	2021
Sale of goods	<u>\$43,859,066</u>	<u>\$53,591,856</u>

Analysis of revenue from contracts with customers during the years ended December 31, 2022 and 2021 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, 2022	December 31, 2021	January 1, 2021
Sales of goods	\$118,159	\$211,279	\$279,328
Less: loss allowance	(392)	(10,062)	(13,957)
Net	<u>\$117,767</u>	<u>\$201,217</u>	<u>\$265,371</u>

Please refer to Note 6.(23) for more details on the impairment impact.

The significant changes in the Group's balances of contract assets during the years ended December 31, 2022 and 2021 are as follows:

	As of December 31,	
	2022	2021
The opening balance transferred to trade receivables	\$211,279	\$279,328
Acquisition	118,159	211,279
Impairment	(392)	(10,062)

b. Contract liabilities - current

	December 31, 2022	December 31, 2021	January 1, 2021
Sales of goods	<u>\$1,109,130</u>	<u>\$1,126,405</u>	<u>\$1,039,795</u>

The significant changes in the Group's balances of contract liabilities for the years ended December 31, 2022 and 2021 are as follows:

	As of December 31,	
	2022	2021
The opening balance transferred to revenue	\$1,126,405	\$1,039,795
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	1,109,130	1,126,405

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

(23) Expected credit losses/ (gains)

	As of December 31,	
	2022	2021
Operating expenses – Expected credit losses/(gains)		
Contract assets	\$(8,495)	\$(3,819)
Notes receivables	(38,223)	(33,391)
Trade receivables	96,536	73,472
Total	<u>\$49,818</u>	<u>\$36,262</u>

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, 2022 and 2021 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,	
	2022	2021
Total carrying amount	\$118,159	\$211,279
Expected credit loss rates	0%~10%	0%~100%
Loss allowance	(392)	(10,062)
Total	<u>\$117,767</u>	<u>\$201,217</u>

(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, 2022

Group 1	Overdue				Total
	Not yet due	31-90 days	91-360 days	>=361 days	
Total carrying amount	\$-	\$-	\$-	\$1,148,145	\$1,148,145
Loss ratio	0%	0%	0%	98.77%	
Lifetime expected credit losses	-	-	-	(1,134,036)	(1,134,036)
Subtotal	-	-	-	14,109	14,109

Group 2	Overdue				Total
	Not yet due	31-90 days	91-360 days	>=361 days	
Total carrying amount	\$3,525,661	\$634,065	\$221,300	\$-	\$4,381,026
Loss ratio	0.17%	1%	10%	0%	
Lifetime expected credit losses	(5,953)	(6,341)	(22,130)	-	(34,424)
Subtotal	3,519,708	627,724	199,170	-	4,346,602

Group 3	Overdue				Total
	Not yet due	31-90 days	91-360 days	>=361 days	
Total carrying amount	\$7,896,703	\$-	\$-	\$-	\$7,896,703
Loss ratio	0%	0%	0%	0%	
Lifetime expected credit losses	-	-	-	-	-
Subtotal	7,896,703	-	-	-	7,896,703
Carrying amount					<u>\$12,257,414</u>

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>

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 2022 and 2021 was as follows:

	Contract assets	Note receivables	Accounts receivable	Other receivables	Overdue receivables
As of January 1, 2022	\$10,062	\$95,318	\$246,731	\$20,673	\$772,210
Addition/(reversal) for the current period	(8,495)	(38,223)	96,536	17,552	-
Write off	(1,389)	-	-	(8)	-
Reclass	-	-	(48,057)	-	-
Foreign exchange effects	214	1,711	3,794	223	-
As of December 31, 2022	<u>\$392</u>	<u>\$58,806</u>	<u>\$299,004</u>	<u>\$38,440</u>	<u>\$772,210</u>
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	<u>\$10,062</u>	<u>\$95,318</u>	<u>\$246,731</u>	<u>\$20,673</u>	<u>\$772,210</u>

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

	<u>For the years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Gain (loss) on disposal of property, plant, and equipment	\$148,034	\$(10,431)
Gain on disposal of right-of-use asset	-	30
Total	<u>\$148,034</u>	<u>\$(10,401)</u>

(25) 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:

1. Amounts recognized in the balance sheet

i. Right-of-use assets

The carrying amount of right-of-use assets

	As of December 31,	
	2022	2021
Land	\$2,414,065	\$2,605,530
Buildings	53,793	68,648
Transportation equipment	5,437	-
Other equipment	24,151	30,631
Total	<u>\$2,497,446</u>	<u>\$2,704,809</u>

During the years ended December 31, 2022 and 2021, the Group's additions to right-of-use assets amounting to NT\$11,237 and NT\$124,872 thousand, respectively.

ii. Lease liabilities

	As of December 31,	
	2022	2021
Current	\$29,089	\$50,950
Non-current	44,245	63,439
Lease liabilities	<u>\$73,334</u>	<u>\$114,389</u>

Please refer to Note 6. (27)(d) for the interest on lease liabilities recognized during the years ended December 31, 2022 and refer to Note 12. (5) Liquidity Risk Management for the maturity analysis for lease liabilities As of December 31, 2022.



2. Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the year ended December 31,	
	2022	2021
Land	\$94,964	\$121,247
Buildings	17,086	15,760
Transportation equipment	391	-
Other equipment	10,199	9,451
Total	<u>\$122,640</u>	<u>\$146,458</u>

3. Income and costs relating to leasing activities

	For the year ended December 31,	
	2022	2021
The expenses relating to short-term leases	\$4,714	\$6,519
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	6,873	5,103

4. Cash outflow relating to leasing activities

During the year ended December 31, 2022 and 2021, the Group's total cash outflows for leases amounting to NT\$65,584 thousand and NT\$150,093 thousand, respectively.

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

	For the year ended December 31,					
	2022			2021		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries	\$4,697,151	\$1,376,473	\$6,073,624	\$5,044,958	\$1,550,697	\$6,595,655
Labor and health insurance	377,744	75,292	453,036	367,219	62,933	430,152
Pension	286,242	105,049	391,291	266,973	94,403	361,376
Other employee benefits expense	144,016	42,504	186,520	142,058	36,894	178,952
Depreciation(Note)	4,343,961	401,846	4,745,807	4,276,951	345,953	4,622,904
Amortization(Note)	201	2,273	2,474	169	3,150	3,319

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 separately estimate 1.5% of profit for employees' compensation and directors' remuneration. Accordingly, the Company did not estimate the amounts of the employees' compensation and remuneration to directors for the year ended December 31, 2022. The employees' compensation and remuneration to directors for the year ended December 31, 2021 amounted to both NT\$178,628 thousand, recognized as salaries expense.

A resolution was approved at the board meeting held on March 6, 2023 not to distribute employees' compensation and remuneration to directors for the year ended December 31, 2022.

The actual amount of employees' compensation and remuneration to directors for the year ended December 31, 2022 was \$178,628 thousand, which did not differ from the amount recorded as expenses in the financial statements for the year ended December 31, 2021.

(27) Non-operating income and expenses

A. Interest income

	As of December 31,	
	2022	2021
Bank deposit interest	\$70,987	\$62,287
Financial assets measured at amortized cost	2,152	1,772
Total	<u>\$73,139</u>	<u>\$64,059</u>

B. Other income

	As of December 31,	
	2022	2021
Rental income	\$107,120	\$98,569
Dividend income	23,001	12,908
Others	695,256	589,729
Total	<u>\$825,377</u>	<u>\$701,206</u>

C. Other gains and losses

	As of December 31,	
	2022	2021
Gain on financial assets at fair value through profit	\$231,395	\$125,143
Foreign exchange (loss) gain	(247,341)	55,438
Gain on disposal of investment(Note1)	208,937	1,279,159
Miscellaneous disbursement	(562,486)	(442,446)
Total	<u>\$(369,495)</u>	<u>\$1,017,294</u>

Note1 : The Group recognized gain from disposal of related party investment. Please refer Note 6. (31).

D. Finance costs

	As of December 31,	
	2022	2021
Interest on borrowings from bank	\$524,134	\$484,149
Interest on borrowings from intercompany	10,300	6,228
Interest on lease liabilities	1,236	1,766
Interest on factoring of accounts receivable	2,882	2,904
Total	<u>\$538,552</u>	<u>\$495,047</u>

E. Expected credit (gains) losses

	As of December 31,	
	2022	2021
Other receivables	<u>\$(17,552)</u>	<u>\$12,558</u>

(28)Components of other comprehensive income

For the year ended December 31, 2022

	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	\$(118,825)	\$-	\$(118,825)	\$23,765	\$(95,060)
Unrealized gains from investments in equity instruments measured at fair value through other comprehensive income	(105,797)	-	(105,797)	-	(105,797)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	876,862	-	876,862	-	876,862
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(230,280)	-	(230,280)	-	(230,280)
Total	<u>\$421,960</u>	<u>\$-</u>	<u>\$421,960</u>	<u>\$23,765</u>	<u>\$445,725</u>

As of 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)
<b>Total</b>	<b>\$268,348</b>	<b>\$-</b>	<b>\$268,348</b>	<b>\$(71,258)</b>	<b>\$197,090</b>

(29) 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,	
	2022	2021
Current income tax expense:		
Current income tax charge	\$1,152,856	\$1,640,592
Adjustments in respect of current income tax of prior periods	64,175	23,745
Deferred tax expense (benefit):		
Deferred tax expense (benefit) relating to origination and reversal of temporary differences	85,833	2,754
<b>Total income tax expense</b>	<b>\$1,302,864</b>	<b>\$1,667,091</b>

Income tax relating to components of other comprehensive income

	As of December 31,	
	2022	2021
Deferred tax expense:		
Remeasurement of defined benefit plans	\$23,765	\$(71,258)

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

	As of December 31,	
	2022	2021
Accounting profit before tax from continuing operations	\$601,206	\$13,666,501
Tax at the domestic rates applicable to profits in the country concerned	\$160,139	\$4,348,039
Net investment income accounted for using the equity method	103,808	(2,363,298)
Tax effect of revenues exempt from taxation	(17,693)	(2,485)
Tax effect of expenses not deductible for tax purposes	11,401	75,323
Tax effect of income tax deduction	(47,385)	(124,178)
Tax on undistributed earnings	238,649	33,545
Non-deductible offshore tax	690,331	4,308
Tax effect of other deferred tax assets/liabilities	100,503	(463,822)
Adjustments in respect of current income tax of prior periods	64,175	23,745
Deferred tax expense (income) relating to changes in tax rate or the imposition of new taxes	(1,064)	135,914
Total income tax expense recognized in profit or loss	\$1,302,864	\$1,667,091

Deferred tax assets (liabilities) relate to the following:

As of December 31, 2022

	Beginning balance as of		Recognized in other		Ending balance as of
	January 1, 2022	Recognized in profit or loss	comprehensive income	Exchange differences	
Temporary differences					
Depreciation difference for tax purpose	\$(466,203)	\$42,739	\$-	\$(6,529)	\$(429,993)
Unrealized allowance for receivables	45,787	(10,126)	-	775	36,436
Net defined benefit asset - noncurrent	(63,706)	(50,002)	23,821	-	(89,887)
Net defined benefit liability - noncurrent	1,409	(1,148)	(56)	-	205
Unused tax losses	50,909	(52,002)	-	1,093	-
Unrealized loss due to market price decline of inventories	302,076	13,292	-	2,003	317,371
Unrealized intragroup profits and losses	9,794	(4,445)	-	-	5,349
Capitalization of interest	849	(528)	-	-	321
Provisions of employee benefit obligations	21,551	740	-	-	22,291
Unrealized loss on foreign exchange	18	(18)	-	-	-
Unrealized gain on foreign exchange	(20,415)	(14,316)	-	-	(34,731)
Government grants	14,740	(8,893)	-	282	6,129
Amortization of government grants	14,721	(1,951)	-	241	13,011
Others	2,489	825	-	1	3,315
Land value increment tax	(204,145)	-	-	-	(204,145)
Deferred tax income/ (expense)		\$(85,833)	\$23,765	\$(2,134)	
Net deferred tax assets/(liabilities)	\$(290,126)				\$(354,328)
Reflected in balance sheet as follows:					
Deferred tax assets	\$464,492				\$404,428
Deferred tax liabilities	\$(754,618)				\$(758,756)

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
Net defined benefit asset - noncurrent	25,422	(19,285)	(69,843)	-	(63,706)
Net defined benefit liability - noncurrent	4,508	(1,684)	(1,415)	-	1,409
Unused tax losses	-	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)		<u>\$(2,754)</u>	<u>\$(71,258)</u>	<u>\$1,126</u>	
Net deferred tax assets/(liabilities)	<u>\$(217,240)</u>				<u>\$(290,126)</u>
Reflected in balance sheet as follows:					
Deferred tax assets	<u>\$343,494</u>				<u>\$464,492</u>
Deferred tax liabilities	<u>\$(560,734)</u>				<u>\$(754,618)</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,		
		2022	2021	Expiration year
2014	\$932,203	\$-	\$177,298	2024
2015	1,461,803	-	184,572	2025
2016	1,188,205	56,544	157,670	2026
2017	469,223	-	419,737	2022
2017	392,986	146,870	276,874	2027
2018	539,652	519,785	439,538	2023
2018	490,061	212,077	283,660	2028
2019	573,067	456,202	539,599	2024
2019	2,064,031	961,876	1,294,715	2029
2020	558,663	558,663	497,861	2025
2020	1,328,150	1,127,877	1,359,717	2030
2021	189,134	189,134	52,229	2026
2021	733,393	733,393	820,585	2031
2022	1,805,177	1,805,177	-	2027
2022	1,025,835	1,025,835	-	2032
Total		<u>\$7,793,433</u>	<u>\$6,504,055</u>	

### Unrecognized deferred tax assets

As of December 31, 2022 and 2021, deferred tax assets that have not been recognized as they may not be used to offset taxable profits amounted to NT\$1,945,867 thousand and NT\$1,811,445 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, 2022 and 2021, the taxable temporary differences associated with investment in subsidiaries, for which deferred tax liability has not been recognized, aggregated to NT\$16,711,803 thousand and NT\$17,176,372 thousand, respectively.

### The assessment of income tax returns

As of December 31, 2022, 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 2020
TAG	Assessed and approved up to 2020
TGCH	Not required
TAGH	Not required
Subsidiaries in Mainland China	Assessed and approved up to 2021

### (30) 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>2022</u>	<u>2021</u>
Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands):		
(Losses)gains from continuing operations	\$(594,781)	\$11,302,035
(Losses)gains from discontinued operations	(125,795)	174,643
Profit	<u>\$(720,576)</u>	<u>\$11,476,678</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 (loss) per share from continuing operations	\$(0.21)	\$3.89
Basic earnings (loss) per share from discontinued operations	(0.04)	0.06
Basic earnings (loss) per share (NT\$)	<u>\$(0.25)</u>	<u>\$3.95</u>

	<u>For the years ended December 31,</u>	
	<u>2022(Note)</u>	<u>2021</u>
Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands):		
Gain from continuing operations		\$11,302,035
Gain from discontinued operations		174,643
Profit		<u>\$11,476,678</u>
		<u>2,908,061</u>
Weighted average number of ordinary shares outstanding after dilution (in thousands)		
Employees' compensation		7,060
Weighted average number of ordinary shares outstanding after dilution (in thousands)		<u>2,915,121</u>
Basic earnings per share from continuing operations		\$3.88
Basic earnings per share from discontinued operations		0.06
Diluted earnings per share (NT\$)		<u>\$3.94</u>

Note : There were not potential ordinary shares as of year ended December 31, 2022, hence not necessary to calculate diluted earnings per share.

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.

### (31) Changes in parent's interest in subsidiaries

#### Losing control of a subsidiary

(A) The Company disposed of 100% of the shares of TG Fujian Photovoltaic Glass Co., Ltd on October 13, 2022, thereby losing control over the company for a disposal price of CNY390,388 thousand (NT\$1,745,800 thousand) which was adjusted based on the profit and loss during the transition period described in the share transfer agreement.

Details on book value of assets and liabilities of TG Fujian Photovoltaic Glass Co., Ltd as of September 30, 2022 are as follows:

	<u>Book value</u>
Cash and cash equivalents	\$43,680
Receivables	1,555,093
Inventories	409,691
Prepaid expenses	9,909
Property, plant and equipment	1,636,832
Right-of-use assets	135,859
Other intangible assets	664
Refundable deposits	57
Short-term loans	(205,861)
Contract liabilities	(16,029)
Payables	(1,970,349)
Payables – related parties	(8,135)
Long-term deferred revenue	(64,995)
Deposits-in	(9,565)
Net identifiable net assets	<u>\$1,516,851</u>



Selling price	\$1,745,800
Less: Identifiable net assets	(1,516,851)
Less: Cost of sale	(944)
Reclassified to profit or(loss) – Effects of exchange rate change	<u>(19,068)</u>
Gain (loss) on disposal	<u><u>\$208,937</u></u>

- (B) TG TECO VACUUM INSULATED GLASS CORP. in which the Group holds 65% of equity, was dissolved in 2022. The Group lost control of TVIG.

Details on book value of assets and liabilities of TG TECO VACUUM INSULATED GLASS CORP. (TVIG) as of June 30, 2022 are as follows:

	<u>Book value</u>
Cash and cash equivalents	\$10,075
Inventories	284
Prepaid expenses	7,511
Contract assets	(4,500)
Account payables	(347)
Other current liabilities	<u>(4)</u>
Net identifiable net assets	<u><u>\$13,019</u></u>
Book value on the date of dissolution (other receivables)	\$7,713
Add: Non-controlling interests	5,306
Less: Identifiable net assets	<u>(13,019)</u>
Gains (losses) on disposal	<u><u>\$-</u></u>

- (C) 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 CNY 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:

	<u>Book value</u>
Cash and cash equivalents	\$37,766
Current financial assets at fair value through	43,534
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)
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)
Gains (losses) on disposal	<u>\$1,279,159</u>

(32) 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>2022</u>	<u>2021</u>
TGCH and subsidiaries	Bermuda	6.02%	6.02%
		<u>As of December 31,</u>	
		<u>2022</u>	<u>2021</u>
Accumulated balances of material non-controlling interest:			
TGCH and subsidiaries		<u>\$3,210,731</u>	<u>\$3,706,034</u>
		<u>As of December 31,</u>	
		<u>2022</u>	<u>2021</u>
Profit allocated to material non-controlling interest:			
TGCH and subsidiaries		<u>\$(95,286)</u>	<u>\$754,559</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, 2022 and 2021:

	<u>For the years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Operating revenue	\$30,846,250	\$40,270,840
Profit or loss for the period from continuing operations	(459,030)	12,219,348
Total comprehensive income for the period	27,205	12,172,808

Summarized information of financial position of TGCH and subsidiaries of December 31, 2022 and 2021:

	<u>As of December 31,</u>	
	<u>2022</u>	<u>2021</u>
Current assets	\$31,375,246	\$38,063,202
Non-current assets	37,296,336	37,460,795
Current liabilities	16,651,681	17,046,837
Non-current liabilities	2,233,506	3,240,256

Summarized cash flow information of TGCH and subsidiaries for the years ended December 31, 2022 and 2021:

	<u>For the years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Operating activities	\$7,004,388	\$7,724,395
Investing activities	(1,312,530)	(2,394,397)
Financing activities	(5,371,988)	(4,095,917)
Net increase in cash and cash equivalents	778,888	1,028,468

## 7. Related party transactions

The significant transactions for 2022 and 2021 are summarized below:

### Name and Relationship of Related Parties

<u>Name of related parties</u>	<u>Relationship with the Company</u>
Shihlien Chemical Industrial (Jiangsu) Co., Ltd. (SCJ)	Associates
Taibo Anhui Energy Co., Ltd.	"
Tai Fong Investment Co., Ltd.	Other related parties
Tai Cheng Investment Co., Ltd.	"
Tai Yu Investment Co., Ltd.	"
Tai Fong Golf Club	"
Tai-Jian Investment Co., Ltd.	"
LIM KIEN SENG KAH KIH CO., LTD.	"
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 CO., LTD.	"
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 Autoglass Group 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. (Note)	"
Kah Hung Corp.	"
Information Technology Total Services Corp. (Note)	"
Hong Jing Investment Co.,Ltd	"
Xue Xue Institute	"
SHEN YUN LIMITED	"
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	"

Name of related parties	Relationship with the Company
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.	//
PILKINGTON AUTOMOTIVE FRANCE	//
PILKINGTON AUTOMOTIVE SWEDEN AB.	//

Note: Since January 1, 2023 it was no longer Group's related party.

### Significant transactions with related parties

#### (1) Sales

	For the years ended December 31,	
	2022	2021
Associates	\$13	\$-
Other related parties	580,756	582,909
Total	<u>\$580,769</u>	<u>\$582,909</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, 2022 and 2021 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,	
	2022	2021
Associates	\$2,910,275	\$2,493,723
Other related parties	29,116	30,108
Total	<u>\$2,939,391</u>	<u>\$2,523,831</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,	
	2022	2021
Other related parties	<u>\$100</u>	<u>\$415</u>

The Group has leased offices and vehicles for the year ended December 31, 2022 and 2021.

Rental income

For the years ended December 31,

	2022	2021
Other related parties	\$2,758	\$2,700

Other payables

As of December 31,

	2022	2021
Other related parties	\$990	\$1,001

Advance rental income

As of December 31,

	2022	2021
Other related parties	\$25	\$68

Right-of-use asset

As of December 31,

	2022	2021
Other related parties	\$28,982	\$62,351

Current lease liabilities

As of December 31,

	2022	2021
Tai Fong Investment co.,Ltd.	\$9,924	\$10,432
Tai Cheng Investment Co., Ltd.	-	24,792
Others	588	-
Total	\$10,512	\$35,224

Non-current lease liabilities

As of December 31,

	2022	2021
Tai Fong Investment co.,Ltd.	\$18,360	\$28,284
Others	596	-
Total	\$18,956	\$28,284

Interest expense

	For the years ended December 31,	
	2022	2021
Other related parties	\$513	\$1,089
(4) <u>Notes receivable</u>		
	As of December 31,	
	2022	2021
Other related parties	\$71,998	\$101,754
(5) <u>Accounts receivable</u>		
	As of December 31,	
	2022	2021
Other related parties	\$147,393	\$68,816
Less: loss allowance	-	-
Net	\$147,393	\$68,816
(6) <u>Other receivables</u>		
	As of December 31,	
	2022	2021
Associates	\$3,214	\$8,749
Other related parties	18	12
Total	\$3,232	\$8,761
(7) <u>Notes payable</u>		
	As of December 31,	
	2022	2021
Associates		
Shihlien Chemical Industrial (Jiangsu) Co., Ltd. (SCJ)	\$57,215	\$121,520
(8) <u>Accounts payable</u>		
	As of December 31,	
	2022	2021
Associates		
Shihlien Chemical Industrial (Jiangsu) Co., Ltd. (SCJ)	\$1,499,341	\$1,194,556
Other related parties	17,911	11,120
Total	\$1,517,252	\$1,205,676

(9) Other payables

A. Logistic payable, technical service fee, guarantee fee and capital reduction fee etc.

	As of December 31,	
	2022	2021
Other related parties:		
FJG	\$560,492	\$221,693
Others	41,908	20,033
Total	<u>\$602,400</u>	<u>\$241,726</u>

B. Financing

	For the year ended December 31, 2022				
	Maximum balance	Ending balance	rate	Interest expense (Note)	Interest payables
Other related parties	\$215,461	<u>\$176,378</u>	6%	<u>\$10,300</u>	<u>\$2,752</u>

(CNY48,000 thousand)

	For the year ended December 31, 2021				
	Maximum balance	Ending balance	rate	Interest expense (Note)	Interest payables
Other related parties	\$173,613	<u>\$147,610</u>	6%	<u>\$6,228</u>	<u>\$2,760</u>

(CNY40,000 thousand)

(10) Others

The Group's other transactions with associates and other related parties are as follows:

Assets	As of December 31,	
	2022	2021
Other related parties	<u>\$3,190</u>	<u>\$2,406</u>

Other non-current assets	As of December 31,	
	2022	2021
Other related parties	<u>\$152</u>	<u>\$84</u>

Other non-current liabilities	As of December 31,	
	2022	2021
Other related parties	<u>\$2,249</u>	<u>\$2,171</u>

Operating expense	For the years ended December 31,	
	2022	2021
Other related parties	<u>\$15,627</u>	<u>\$15,726</u>



	<u>For the years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Other income		
Associates	\$8,509	\$9,826
Other related parties	5,902	5,902
Total	<u>\$14,411</u>	<u>\$15,728</u>

- (11) The payment term to related parties has no significant difference to other third parties. The outstanding balance at December 31, 2022 and 2021 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\$461 thousand and NT\$5,860 thousand for the years ended December 31, 2022 and 2021, respectively.
- (13) The Group purchased right-of-use asset from other related parties in the amount of NT\$1,669 thousand and NT\$2,184 thousand for the year ended December 31, 2022 and 2021, respectively.
- (14) The Group derecognized right-of-use assets and lease liabilities from other related parties and recognized profit on disposal of right-of-use assets NT\$13 thousand for the year ended December 31, 2021. No such occurrence in 2022.
- (15) As of December 31, 2022 and 2021, other related parties guaranteed for the Company's subsidiaries' bank loans. The balances as at December 31, 2022 and 2021 were both CNY\$73,000 thousand. Thus, the subsidiaries were entitled to a guaranteed fee of NT\$1,548 thousand and NT\$1,515 thousand for the years ended December 31, 2022 and 2021, 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, 2022 and 2021, respectively. Please refer to Attachment 2.

(17) Key management personnel compensation

	<u>For the years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Short-term employee benefits	\$35,915	\$218,858
Post-employment benefits	1,679	1,721
Total	<u>\$37,594</u>	<u>\$220,579</u>

8. Assets pledged as securityAs of December 31, 2022:

<u>Assets pledged for security</u>	<u>Carrying amount</u>	<u>Obligee</u>	<u>Secured liabilities</u>
Bank savings	\$195,739	Chinatrust Commercial	Performance bond
(other financial assets - current)		Bank	
"	21,924	Bank of China	"
"	1,674	Minsheng Bank	"
"	50,644	Bank of Chengdu	"
"	34,397	Bank of Nanjing	"
"	316,352	China Zheshang Bank	"
"	148	Shanghai Pudong	"
		Development Bank	
"	314	Mizuho Bank	"
"	15,499	Rural Commercial Bank	"
"	63,757	Bank of China	Marginal deposit
"	9,827	Rural Commercial Bank	"
Subtotal	<u>710,275</u>		
Notes receivables	41,850	Industrial Bank	Discounted notes receivable
Machine and equipment	18,757	OC NL INVEST COOPERATIEF U.A.	Performance bond
Total	<u>\$770,882</u>		

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	985,447		
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	644,242		
Machine and equipment	18,757	OC NL INVEST COOPERATIEF U.A.	Performance bond
Total	\$1,648,446		

#### 9. Commitments and contingencies

As of December 31, 2022, the contingency and off balance sheet commitments are as follows:

- (1) As of December 31, 2022, the outstanding promissory notes signed for business needs, including importing equipment, purchase of equipment, performance bond, and loan guarantee, totaled NT\$21,959,775 thousand.
- (2) Commodity tax and export tariff were NT\$19,886 thousand.
- (3) Unsecured balance of letters of credit is as follows:

Currency	Unused Balance (in thousands)
JPY	760,820
USD	18,107
EUR	1,679
CNY	7,960

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

Items	Contract amount	Amount paid	Amount unpaid
Significant contracts of construction in progress and equipment	\$5,003,573	\$2,313,055	\$2,690,518

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, 2022 the Company issued a letter of support to Shihlin China Holding Co., Ltd. to negotiate a loan of USD\$109,380 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

A resolution was approved at the board meeting held on March 6, 2023 to renew the lease contracts with Tai Cheng Investment Co., Ltd., other related parties, in connection with plants, warehouses and land. The company's acquisition of right-of-use assets from other related parties is expected to amount to NT\$123,913 thousand.

## 12. Others

### Financial Instruments

#### (1) Categories of financial instruments

<u>Financial assets</u>	As of December 31,	
	2022	2021
Financial assets at fair value through profit or loss:		
Designated at fair value through profit or loss at initial recognition	\$3,483,459	\$7,109,379
Financial assets at fair value through other comprehensive income	326,033	431,830
Financial assets measured at amortized cost:		
Cash and cash equivalents (excluding cash on hand)	8,372,433	8,172,243
Financial assets measured at amortized cost	-	575,414
Receivables	12,257,414	17,050,479
Other financial assets	782,038	985,447
Refundable deposits	242,154	194,303
Subtotal	21,654,039	26,977,886
Total	\$25,463,531	\$34,519,095
<u>Financial liabilities</u>	As of December 31,	
	2022	2021
Financial liabilities at amortized cost:		
Short-term loans	\$4,225,885	\$2,529,627
Short-term bills payable	4,087,800	3,090,314
Payables	13,251,045	13,578,126
Long-term loans (including current portion)	16,258,499	18,685,624
Lease liabilities	73,334	114,389
Deposits-in(including current and non-current)	148,066	236,010
Total	\$38,044,629	\$38,234,090

(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 CNY. 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, 2022 and 2021 is decreased/increased by NT\$10,904 thousand and

NT\$2,701 thousand, respectively.

B. When CNY strengthens/weakens against US dollars by 1%, the profit for the years ended December 31, 2022 and 2021 is increased/decreased by NT\$23,569 thousand and NT\$6,111 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, 2022 and 2021 to decrease/increase by NT\$15,712 thousand and NT\$12,389 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, 2022 and 2021.

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, 2022 and 2021 by NT\$27,319 thousand and NT\$37,943 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, 2022 and 2021, 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,	
			2022	2021
Low credit risk	Counterparty with good credit risk	Lifetime expected credit losses	\$-	\$575,414
Credit-impaired	Other impaired evidence	Lifetime expected credit losses	1,148,145	1,147,125
Simplified	(Note)	Lifetime expected credit losses	12,395,888	17,249,565



approach (Note)

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, 2022</u>					
Short-term loans	\$4,292,988	\$-	\$-	\$-	\$4,292,988
Short-term bills payable	4,100,000	-	-	-	4,100,000
Payables	13,251,045	-	-	-	13,251,045
Long-term loans	8,500,790	7,731,552	537,253	-	16,769,595
Lease liabilities(Note)	26,802	46,685	1,611	-	75,098
<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

Note: Information about the maturities of lease liabilities is provided in the table below:

As of December 31, 2022

	Maturities					Total
	Less than 1 year	1 to 5 years	6 to 10 years	10 to 15 years	>15 years	
Lease Liabilities	\$26,802	\$48,296	\$-	\$-	\$-	\$75,098

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

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 2022:

	Short-term loans	Short-term bills payable	Long-term loans	Other related parties	Lease liabilities	Total liabilities from financing activities
As of January 1, 2022	\$2,529,627	\$3,090,314	\$18,685,624	\$147,610	\$114,389	\$24,567,564
Cash flows	1,888,416	1,000,000	(2,727,804)	26,608	(53,997)	133,223
Non-cash changes:	(205,861)	(2,514)	-	-	12,473	(195,902)
Foreign exchange movement	13,703	-	300,679	2,160	469	317,011
As of December 31, 2022	<u>\$4,225,885</u>	<u>\$4,087,800</u>	<u>\$16,258,499</u>	<u>\$176,378</u>	<u>\$73,334</u>	<u>\$24,821,896</u>

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>

(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:

- a. 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.
- b. 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).
- c. 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, 2022

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Structured deposit	\$-	\$-	\$3,483,459	\$3,483,459
Financial assets at fair value through other comprehensive income				
Equity securities	273,194	-	52,839	326,033

### 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
Financial assets at fair value through other comprehensive income				
Equity securities	379,433	-	52,397	431,830

During the years ended December 31, 2022 and 2021, 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	
	Structured deposit and Guaranteed financial product	Stocks	
Beginning balances as of January 1, 2021	\$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 year ended December 31, 2022:			
Amount recognized in profit or loss	237,927	-	237,927
Amount recognized in OCI	-	442	442
Acquisition for the year ended December 31, 2022	20,182,501	-	20,182,501
Disposals	(24,179,074)	-	(24,179,074)
Exchange effect	132,726	-	132,726
Ending balances as of December 31, 2022	\$3,483,459	\$52,839	\$3,536,298

Total gains and losses recognized for the years ended December 31, 2022 and 2021 contained gains and losses related to securities and derivatives on hand as of December 31, 2022 and 2021 in the amount of NT\$237,927 thousand and NT\$130,001 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, 2022

	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\$528 thousand

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

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, 2022

	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.(14))	\$-	\$-	\$116,682	\$116,682

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.(14))	\$-	\$-	\$106,230	\$106,230

(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,					
	2022			2021		
	Foreign currencies	Foreign exchange rate	NTD	Foreign currencies	Foreign exchange rate	NTD
Financial assets						
Monetary items:						
USD	\$88,309	30.71	\$2,711,963	\$107,738	27.68	\$2,982,188
CNY	4,869,589	4.4094	21,472,169	6,735,511	4.3415	29,242,113

As of December 31,						
2022			2021			
	Foreign	Foreign		Foreign	Foreign	
	exchange	exchange		exchange	exchange	
Foreign	rate	rate	NTD	rate	rate	NTD
currencies				currencies		
Non-Monetary items:						
USD	215,721	30.71	6,624,798	197,615	27.68	5,469,989
CNY	3,340	4.4094	14,726	2,949	4.3415	12,802
<u>Financial liabilities</u>						
Monetary items:						
USD	54,357	30.71	1,669,295	142,857	27.68	3,954,275
CNY	2,880,773	4.4094	12,702,604	3,019,648	4.3415	13,109,755

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 (losses) was NT\$(247,341) thousand and NT\$55,438 thousand for the years ended December 31, 2022 and 2021, 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, 2022

Transferee	Amount transferred	Amount	Advanced amount	Interest rate range	Credit
O-Bank	\$206,638	\$185,974	\$187,204	1%-2%	\$525,000

As of December 31, 2021

Transferee	Amount transferred	Amount	Advanced amount	Interest rate range	Credit
O-Bank	<u>\$343,647</u>	<u>\$309,282</u>	<u>\$311,384</u>	1%	<u>\$525,000</u>

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	14.44%
Ho Ho Investment Co., Ltd.		402,748,231	-	402,748,231	13.84%
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	7.84%
Tai Chia Investment Co., Ltd.		157,795,282	-	157,795,282	5.42%

## 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, 2022

	Glass			Subtotal	Other	Adjustment	Consolidated
	Flat Glass	Container	Glass Fiber		Operating Segments (Note 1)	and Elimination	
Revenue:							
External customer	\$30,142,801	\$3,279,945	\$10,435,603	\$43,858,349	\$717	\$-	\$43,859,066
Inter-segment (Note 2)	43,527	11	-	43,538	179,195	(222,733)	-
Total revenue	<u>\$30,186,328</u>	<u>\$3,279,956</u>	<u>\$10,435,603</u>	<u>\$43,901,887</u>	<u>\$179,912</u>	<u>\$(222,733)</u>	<u>\$43,859,066</u>
Depreciation	<u>\$3,132,278</u>	<u>\$366,922</u>	<u>\$1,250,484</u>	<u>\$4,749,684</u>	<u>\$38,769</u>	<u>\$-</u>	<u>\$4,788,453</u>
Segment profit	<u>\$(1,341,118)</u>	<u>\$(58,054)</u>	<u>\$582,645</u>	<u>\$(816,527)</u>	<u>\$57,803</u>	<u>\$-</u>	<u>\$(758,724)</u>

For the year ended December 31, 2021

	Glass			Subtotal	Other	Adjustment	Consolidated
	Flat Glass	Container	Glass Fiber		Operating Segments (Note 1)	and Elimination	
Revenue							
External customer	\$35,602,462	\$3,367,623	\$14,620,894	\$53,590,979	\$877	\$-	\$53,591,856
Inter-segment (Note 2)	47,693	1	-	47,694	157,162	(204,856)	-
Total revenue	<u>\$35,650,155</u>	<u>\$3,367,624</u>	<u>\$14,620,894</u>	<u>\$53,638,673</u>	<u>\$158,039</u>	<u>\$(204,856)</u>	<u>\$53,591,856</u>
Depreciation	<u>\$3,002,823</u>	<u>\$382,604</u>	<u>\$1,236,223</u>	<u>\$4,621,650</u>	<u>\$50,353</u>	<u>\$-</u>	<u>\$4,672,003</u>
Segment profit	<u>\$8,079,186</u>	<u>\$73,161</u>	<u>\$3,451,434</u>	<u>\$11,603,781</u>	<u>\$(141,838)</u>	<u>\$-</u>	<u>\$11,461,943</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>	
	<u>2022</u>	<u>2021</u>
Segment profit	<u>\$(816,527)</u>	<u>\$11,603,781</u>
Profit (losses) from other operating segments	<u>57,803</u>	<u>(141,838)</u>
Non-operating income and expenses	<u>1,359,930</u>	<u>2,204,558</u>
Income before income tax from continuing operations	<u>\$601,206</u>	<u>\$13,666,501</u>

(4) Geographical information

Revenue from external customers

	<u>For the years ended December 31,</u>	
	<u>2022</u>	<u>2021</u>
Taiwan	\$7,905,861	\$7,889,269
China	29,223,201	39,045,830
Other countries (not account for 10%)	6,730,004	6,656,757
Total	<u>\$43,859,066</u>	<u>\$53,591,856</u>

The revenue information above is based on the location of the customer.

Non-current assets

	<u>As of December 31,</u>	
	<u>2022</u>	<u>2021</u>
Taiwan	\$14,711,576	\$15,313,491
China	30,334,072	31,564,215
Other countries (not account for 10%)	13,817	13,575
Total	<u>\$45,059,465</u>	<u>\$46,891,281</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, 2022

(Dollar amount expressed in thousands of NTD unless otherwise specified)

No. (Note 1)	Financing Company	Counterparty	Financial Statement Account(Note 2)	Related Party	Maximum Balance for the Period (Note 3)	Ending Balance (In Thousands) (Note 8)	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 Individual Counterparty (Note 7)	Financial Amount for Financing Company (Note 7)
													Item	Value		
1	CDG	HZSS	Other receivables	Yes	\$120,394	\$119,052	\$119,052	0.35%	2	\$-	Need for operating	\$-	None	\$-	7,686,627 × 50% = 3,843,314(in thousand)	7,686,627 × 100% = 7,686,627(in thousand)
1	CDG	TWAR	"	Yes	590,442	-	-	-	2	-	Need for operating	-	None	-	"	"
1	CDG	TTAR	"	Yes	87,300	-	-	-	2	-	Need for operating	-	None	-	"	"
1	CDG	TYAU	"	Yes	674,118	659,212	659,212	6.00%	2	-	Need for operating	-	None	-	"	"
1	CDG	TCD	"	Yes	1,353,364	1,329,447	1,329,447	4.13%	2	-	Need for operating	-	None	-	"	"
1	CDG	TBF	"	Yes	1,578,204	1,322,833	1,322,833	4.13%	2	-	Need for operating	-	None	-	"	"
2	QFG	QRG	"	Yes	201,198	201,198	201,198	-	2	-	Need for operating	-	None	-	1,426,128 × 50% = 713,064(in thousand)	1,426,128 × 100% = 1,426,128(in thousand)
2	QFG	TQPT	"	Yes	319,342	259,716	259,716	4.00%	2	-	Need for operating	-	None	-	"	"
3	HNG	TJG	"	Yes	1,040,628	1,040,628	930,392	4.00%	2	-	Need for operating	-	None	-	4,157,311 × 50% = 2,078,656(in thousand)	4,157,311 × 100% = 4,157,311(in thousand)
4	TGF	TCD	"	Yes	586,190	-	-	-	2	-	Need for operating	-	None	-	4,907,517 × 50% = 2,453,759(in thousand)	4,907,517 × 100% = 4,907,517(in thousand)
4	TGF	TBF	"	Yes	976,734	308,661	308,661	3.70%	2	-	Need for operating	-	None	-	"	"
5	DHG	QFG	"	Yes	370,607	362,412	362,412	4.00%	2	-	Need for operating	-	None	-	3,534,133 × 50% = 1,767,067(in thousand)	3,534,133 × 100% = 3,534,133(in thousand)
5	DHG	TJG	"	Yes	351,714	343,936	343,936	4.00%	2	-	Need for operating	-	None	-	"	"
6	CFG	TCD	"	Yes	263,785	257,952	257,952	4.13%	2	-	Need for operating	-	None	-	3,425,410 × 50% = 1,712,705(in thousand)	3,425,410 × 100% = 3,425,410(in thousand)
6	CFG	TYAU	"	Yes	61,732	61,732	52,913	6.00%	2	-	Need for operating	-	None	-	"	"
7	TXY	TBF	"	Yes	448,877	440,944	440,944	3.70%	2	-	Need for operating	-	None	-	4,390,939 × 50% = 2,195,470(in thousand)	4,390,939 × 100% = 4,390,939(in thousand)
7	TXY	TYAU	"	Yes	13,228	13,228	13,228	6.00%	2	-	Need for operating	-	None	-	"	"
Total							\$6,601,896									

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, 2022

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, 2022

(Dollar amount expressed in thousands of NTD unless otherwise specified)

No. (Note 1)	Endorser/ Guarantor	Endorsee		Limits of Endorsement /Guarantee Amount for receiving Party (Note 3)	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. (Note 7)	Subsidiaries Endorsed or Guaranteed for the Parent Company. (Note 7)	Endorsement or Guarantee for Entities in China. (Note 7)
		Company Name	Relationship (Note 2)										
0	TGI	TAG	2	\$24,219,087	\$329,940	\$311,420	\$157,536	\$ -	1%	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		
0	TGI	TGCH	2	"	4,318,000	3,347,390	-	-	7%		Y		
0	TGI	TYAU	2	"	284,076	39,685	22,047	-	0%		Y		Y
0	TGI	TGF	2	"	450,915	-	-	-	0%		Y		Y
0	TGI	TCD	2	"	1,906,488	1,839,125	248,462	-	4%		Y		Y
0	TGI	TBF	2	"	1,717,767	812,625	786,345	-	2%		Y		Y
0	TGI	HNG	2	"	161,075	153,550	153,550	-	0%	3.TGI : 48,438,174x120%= 58,125,809(in thousand)	Y		Y
1	DHG	QFG	4	2,120,480	644,132	621,621	445,437	-	18%	4.DHG : 3,534,133x100%= 3,534,133(in thousand)			Y
2	CFG	TTAR	4	2,055,246	586,190	573,228	266,436	-	17%	5.CFG : 3,425,410x100%= 3,425,410(in thousand)			Y
2	CFG	TGF	4	"	496,007	485,039	13,420	-	14%	6.QFG : 1,426,128x100%= 1,426,128(in thousand)	Y		Y
3	QFG	TQPT	2	855,677	67,637	62,835	62,835	-	4%	7.TGF : 4,907,517x100%= 4,907,517(in thousand)			Y
4	TGF	CFG	4	2,944,510	90,183	-	-	-	0%	8.TXY : 4,390,939x100%= 4,390,939(in thousand)			Y
4	TGF	TCD	4	"	811,647	705,511	363,167	-	14%	9.CDG : 7,686,627x100%= 7,686,627(in thousand)			Y
4	TGF	TBF	4	"	450,915	352,755	220,031	-	7%				Y
5	TXY	CDG	4	2,634,563	881,888	881,888	455,795	-	20%				Y
6	CDG	TXY	4	4,611,976	440,944	440,944	-	-	6%				Y

Note 1: The Company and its subsidiaries are coded as follows:

- The Company is coded "0".
- The subsidiaries are coded starting from "1" in numerical order.

Note 2: Endorsees are disclosed as one of the following:

- A company with which it does business.
- A company in which the public company directly and indirectly holds more than 50% of the voting shares.
- A company that directly and indirectly holds more than 50% of the voting shares in the public company.
- A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.
- A company that fulfills its contractual obligations by providing mutual endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.
- A company that all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.
- 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, 2022.

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 2022

(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	Fair Value	
TGI	Securities –							
	China Development Financial Holdings	-	Available-for-sale financial assets - non-current	21,681,340	\$273,185	0.13%	\$273,185	
	Chi-Ye Chemical Corp.	-	"	659,000	52,839	3.30%	52,839	
	Chang Hwa Commercial Bank, Ltd.	-	"	332	6	0.00%	6	
	Hua Nan Financial Holdings Co., Ltd.	-	"	165	3	0.00%	3	
	Total				<u>\$326,033</u>			
CDG	Structured deposit –							
	Bank of Chengdu, Qingbaijiang Branch	-	Financial assets at fair value through profit or loss - current	-	\$1,940,154	-	\$1,940,154	
TXY	Industrial and Commercial Bank of China, Xingping Branch	-	"	-	440,944	-	440,944	
TXY	Bank of Chengdu, Xian Branch	-	"	-	617,322	-	617,322	
CFG	Kunshan Rural Commercial Bank, Nankang Branch	-	"	-	308,661	-	308,661	
TWAR	China Merchants Bank, Wuhan Branch	-	"	-	176,378	-	176,378	
	Total				<u>\$3,483,459</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\$300 million or 20 percent of the capital stock for the year ended December 31, 2022

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	Amount
CDG	Structured deposit— Bank of China, Sichuan Province Branch	Financial assets at fair value through profit or loss - current	-	-	-	\$2,615,901	-	\$1,818,243  56,190 (Note 5)	-	\$4,553,337	\$4,490,334	\$63,003	-	\$-
CDG	Structured deposit— China Construction Bank, Chengdu Qingbaijiang Branch	Financial assets at fair value through profit or loss - current	-	-	-	-	-	1,552,159  -	-	1,575,325	1,552,159	23,166	-	-
CDG	Structured deposit— Nanyang Commercial Bank, Chengdu Branch	Financial assets at fair value through profit or loss - current	-	-	-	-	-	310,432  -	-	313,327	310,432	2,895	-	-
CDG	Structured deposit— Bank of Chengdu, Qingbaijiang Branch	Financial assets at fair value through profit or loss - current	-	-	-	217,117	-	3,946,919  (6,468) (Note 5)	-	2,253,685	2,217,414	36,271	-	1,940,154
TXY	Structured deposit— China Merchants Bank, Xianyang Branch	Financial assets at fair value through profit or loss - current	-	-	-	499,271	-	177,390  10,724 (Note 5)	-	692,259	687,385	4,874	-	-
TXY	Structured deposit— Bank of Chengdu, Xian Branch	Financial assets at fair value through profit or loss - current	-	-	-	1,193,908	-	3,946,919  22,103 (Note 5)	-	4,582,790	4,545,608	37,182	-	617,322
TXY	Structured deposit— Industrial and Commercial Bank of China Xingping Branch	Financial assets at fair value through profit or loss - current	-	-	-	-	-	886,948  (2,530) (Note 5)	-	446,445	443,474	2,971	-	440,944
CFG	Structured deposit— Shanghai Pudong Development Bank, Kunshan Branch	Financial assets at fair value through profit or loss - current	-	-	-	-	-	310,432  -	-	312,702	310,432	2,270	-	-
CFG	Structured deposit— Industrial Bank, Kunshan Branch	Financial assets at fair value through profit or loss - current	-	-	-	217,074	-	620,864  4,663 (Note 5)	-	849,261	842,601	6,660	-	-

## 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 December 31, 2022

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	Amount
CFG	Structured deposit – Kunshan Rural Commercial Bank, Nankang Branch	Financial assets at fair value through profit or loss - current	-	-	-	\$217,074	-	\$620,864 2,892 (Note 5)	-	\$539,514	\$532,169	\$7,345	-	\$308,661
CFG	Structured deposit – Industrial and Commercial Bank of China Limited, Kunshanzhangpu Branch	Financial assets at fair value through profit or loss - current	-	-	-	217,074	-	221,737 4,663 (Note 5)	-	447,009	443,474	3,535	-	-
TAH	Structured deposit – Bank of China, Fengyang Branch	Financial assets at fair value through profit or loss - current	-	-	-	130,245	-	820,427 2,797 (Note 5)	-	959,303	953,469	5,834	-	-
TYSM	Structured deposit – Bank of China, Yancheng Development Zone Branch	Financial assets at fair value through profit or loss - current	-	-	-	520,978	-	988,947 11,191 (Note 5)	-	1,527,649	1,521,116	6,533	-	-
TGF	Structured deposit – Industrial Bank, Kunshan Branch	Financial assets at fair value through profit or loss - current	-	-	-	694,637	-	1,241,727 14,922 (Note 5)	-	1,966,760	1,951,286	15,474	-	-
TGF	Structured deposit – Kunshan Rural Commercial Bank, Zhonghuayuan Branch	Financial assets at fair value through profit or loss - current	-	-	-	173,659	-	953,469 3,731 (Note 5)	-	1,140,352	1,130,859	9,493	-	-
TWAR	Structured deposit – China Merchants Bank, Wuhan Branch	Financial assets at fair value through profit or loss - current	-	-	-	-	-	1,188,510 (1,011) (Note 5)	-	1,013,990	1,011,121	2,869	-	176,378
DHG	shareholders – FPG	Investments accounted for using the equity method	Luoyang Glass Company Limited	None	-	1,628,882	-	-	-	1,725,788 (Note 6)	1,516,851 112,031 (Note 7)	208,937	-	-

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 paid-up capital shall be calculated as 10% of the equity of the parent company on the balance sheet.

Note 5: The amount includes foreign exchange adjustments.

Note 6: Include selling price NT\$1,745,800 thousand, cost of sale NT\$944 thousand and foreign exchange adjustments (NT\$19,068) thousand.

Note 7: 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, 2022

(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-subsiary	Sales	\$(267,912)	(2)%	120days	-	-	\$220,251	14%	
TAH	CFG	Affiliate Company	Sales	(417,941)	(14)%	3 months	-	-	304,873	28%	
TAH	TTAR	Affiliate Company	Sales	(617,041)	(21)%	3 months	-	-	316,218	29%	
TAH	TWAR	Affiliate Company	Sales	(439,895)	(15)%	3 months	-	-	222,594	21%	
TBF	TCD	Affiliate Company	Sales	(105,063)	(6)%	3 months	-	-	17,303	3%	
QFG	TGUS	Affiliate Company	Sales	(234,795)	(19)%	3 months	-	-	14,777	4%	
TJG	TGUS	Affiliate Company	Sales	(100,213)	(6)%	3 months	-	-	21,102	3%	
TQPT	TPMT	Other related party	Sales	(126,300)	(71)%	3 months	-	-	70,119	76%	
TYAU	DYK	Other related party	Sales	(145,434)	(21)%	3 months	-	-	71,862	20 %	
QFG	TGI	Parent-subsiary	Purchases	267,912	20 %	120days	-	-	(220,251)	(22)%	
CFG	TAH	Affiliate Company	Purchases	417,941	14 %	3 months	-	-	(304,873)	(21)%	
TTAR	TAH	Affiliate Company	Purchases	617,041	55 %	3 months	-	-	(316,218)	(40)%	
TWAR	TAH	Affiliate Company	Purchases	\$439,895	36 %	3 months	-	-	\$(222,594)	(56)%	

## 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, 2022

(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)	
TCD	TBF	Affiliate Company	Purchases	105,063	6 %	3 months	-	-	(17,303)	(9)%	
TGUS	QFG	Affiliate Company	Purchases	234,795	27 %	3 months	-	-	(14,777)	(31)%	
TGUS	TJG	Affiliate Company	Purchases	100,213	12 %	3 months	-	-	(21,102)	(45)%	
CFG	SCJ	Affiliate Company	Purchases	510,757	17 %	3 months	-	-	(329,480)	(22)%	
DHG	SCJ	Affiliate Company	Purchases	774,029	28 %	3 months	-	-	(571,565)	(36)%	
HNG	SCJ	Affiliate Company	Purchases	738,593	27 %	3 months	-	-	(220,224)	(48)%	
TJG	SCJ	Affiliate Company	Purchases	177,933	13 %	3 months	-	-	(104,895)	(23)%	
QFG	SCJ	Affiliate Company	Purchases	160,237	12 %	3 months	-	-	(129,343)	(13)%	
TAH	SCJ	Affiliate Company	Purchases	533,058	21 %	3 months	-	-	(199,860)	(22)%	

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 SCJ, DYK and TPMT .

## 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, 2022

(Dollar amount expressed in thousands of NTD unless otherwise specified)

Company	Counterparty	Relationship	Ending Balance (Note 1)	Turnover	Overdue Receivables		Received in Subsequent Period	Allowance for Bad Debts
					Amount	Collection		
TGI	QFG	Parent-subsiary	Accounts receivables \$220,251	-	\$-	-	\$-	\$-
TGI	TGCH	Parent-subsiary	Other receivables 2,051,096	-	-	-	-	-
TGCH	TGF	Parent-subsiary	Other receivables 428,955	-	-	-	-	-
CDG	TBF	Affiliate Company	Other receivables 1,322,833	-	-	-	-	-
CDG	HZSS	Affiliate Company	Other receivables 119,057	-	-	-	-	-
CDG	TCD	Affiliate Company	Other receivables 1,329,447	-	-	-	-	-
CDG	TYAU	Affiliate Company	Other receivables 669,319	-	-	-	-	-
CFG	TCD	Affiliate Company	Other receivables 257,952	-	-	-	-	-
TGF	TBF	Affiliate Company	Other receivables 310,169	-	-	-	-	-
DHG	QFG	Affiliate Company	Accounts receivables 105,652	-	-	-	-	-
DHG	QFG	Affiliate Company	Other receivables \$371,692	-	-	-	-	-
DHG	TJG	Affiliate Company	Other receivables 354,118	-	-	-	-	-

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, 2022

(Dollar amount expressed in thousands of NTD unless otherwise specified)

Company	Counterparty	Relationship	Ending Balance (Note 1)	Turnover	Overdue Receivables		Received in Subsequent Period	Allowance for Bad Debts
					Amount	Collection		
QFG	QRG	Parent-subsidiary	Other receivables 201,861	-	-	-	-	-
QFG	TQPT	Parent-subsidiary	Other receivables 260,692	-	-	-	-	-
HNG	TJG	Affiliate Company	Other receivables 954,704	-	-	-	-	-
TXY	TBF	Affiliate Company	Other receivables 440,944	-	-	-	-	-
TAH	CFG	Affiliate Company	Accounts receivables 304,873	-	-	-	-	-
TAH	TTAR	Affiliate Company	Accounts receivables 316,218	-	-	-	-	-
TAH	TWAR	Affiliate Company	Accounts receivables 222,594	-	-	-	-	-

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, 2022

(Dollar amount expressed in thousands of NTD 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	\$267,912	The same as export sales	1%
1	TAH	CFG	3	"	417,941	The same as domestic sales	1%
1	"	TTAR	3	"	617,041	"	1%
1	"	TWAR	3	"	439,895	"	1%
2	TBF	TCD	3	"	105,063	"	0%
3	QFG	TGUS	3	"	234,795	The same as export sales	1%
4	TJG	TGUS	3	"	100,213	"	0%
0	TGI	TGCH	1	Other receivables - related parties	2,051,096		2%
5	TGCH	TGF	1	"	428,955		0%
6	CDG	TBF	3	"	1,322,833		1%
6	"	HZSS	3	"	119,057		0%
6	"	TCD	3	"	1,329,447		1%
6	"	TYAU	3	"	669,319		1%
7	CFG	TCD	3	"	257,952		0%
8	TGF	TBF	3	"	310,169		0%
9	DHG	QFG	3	"	371,692		0%
9	"	TJG	3	"	354,118		0%
3	QFG	QRG	1	"	201,861		0%
3	"	TQPT	1	"	260,692		0%
10	HNG	TJG	3	"	954,704		1%
11	TXY	TBF	3	"	440,944		0%
0	TGI	QFG	1	Accounts receivables - related parties	220,251		0%
9	DHG	QFG	3	"	105,652		0%
1	TAH	CFG	3	"	304,873		0%
1	"	TTAR	3	"	316,218		0%
1	"	TWAR	3	"	222,594		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, 2022

(Dollar amount expressed in thousands of NTD unless otherwise specified)

Company	Investee (Note 1,2)	Investee (Note 1,2)	Nature of Business	Initial Investment		Investment as of December 31, 2022			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%	\$389,199	\$7,628	\$7,628	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.	32,800,414 USD 1,041,702	37,839,810 USD 1,210,866	1,052,584,651	93.98%	46,521,926	(495,809)	(469,950)	Subsidiary
"	TAG	Taiwan	Investment in TAGH and selling of auto glasses.	263,582	263,582	26,100,000	87.00%	79,416	(44,849)	(39,133)	Subsidiary
"	TVIG	Taiwan	Selling vacuum insulation glass.	4,361	4,361	-	-	-	(3,319)	(2,172)	Subsidiary (Note 5)
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%	6,624,798	3,139,883	(Note3)	Affiliated Company
"	CFG-HK	Hong Kong	Investment in holding company.	28 USD 1	28 USD 1	1,000	100.00%	31	3	(Note3)	Subsidiary
TAG	TAGH	Bermuda	Investment in TYAU.	188,571 USD 6,000	188,571 USD 6,000	6,000,000	100.00%	22,629	(15,413)	(Note3)	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, 2022" 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: All transactions listed above are eliminated in the consolidated financial statements except for SCH and its investments in mainland China.

Note 5: Due to the change of the Group's operating strategy, a resolution was approved at the board meeting held on June 30, 2022 to dissolve TG TECO VACUUM INSULATED GLASS CORP. (TVIG) and lost control of TVIG.

Attachment 9  
Investment in Mainland China as of December 31, 2022

(Dollar amount expressed in thousands of NTD unless otherwise specified)

Investee	Nature of Business	Total Amount of Paid-in Capital	Investment Method (Note 1)	Outflows of Investment from Taiwan as of	Investment Flows		Accumulated Outflows of Investment from Taiwan as of	Profit or Loss of Investee company	Percentage of Ownership	Profit or Loss on Investment (Note 2(ii)c.)	Carrying Value as of December 31, 2022	Accumulated Inward Remittance of Earnings as of December 31, 2022
					Outflow	Inflow						
QRG	Manufacturing of photovoltaic glass	\$899,588 USD 29,293 (Note 19)	(i)	\$32,983 USD 1,074	\$ - -	\$ - -	\$32,983 USD 1,074	\$(35,655)	94.96%	\$(33,858)	\$13,781	\$ -
QFG	Manufacturing of flat glasses	2,696,338 USD 87,800 (Note 13 · Note 21)	(ii)	1,455,316 USD 47,389	- -	- -	1,455,316 USD 47,389	(182,126)	93.98%	(171,162)	1,340,275	-
CFG	Manufacturing of flat glasses & low-emission glasses	2,886,740 USD 94,000 (Note 7 · Note 25)	(ii)	2,333,960 USD 76,000	- -	- -	2,333,960 USD 76,000	(443,496)	93.98%	(416,798)	3,219,200	-
FYSS	Manufacturing of silica sand	- - (Note 27)	(ii)	64,491 USD 2,100	- -	- -	64,491 USD 2,100	-	0.00%	-	-	-
TGF	Manufacturing of glass fabric	3,378,100 USD 110,000 (Note 12)	(ii)	2,798,172 USD 91,116	- -	- -	2,798,172 USD 91,116	330,270	93.98%	310,388	4,612,084	-
CDG	Manufacturing of flat glasses & low-emission glasses	2,149,700 USD 70,000 (Note 11)	(ii)	1,501,565 USD 48,895	- -	- -	1,501,565 USD 48,895	783,688	93.98%	736,510	7,223,892	-
HZSS	Manufacturing of silica sand	322,455 USD 10,500	(ii)	322,455 USD 10,500	- -	- -	322,455 USD 10,500	(20,415)	93.98%	(19,186)	40,388	-
HNG	Manufacturing of flat glasses & low-emission glasses	3,255,260 USD 106,000 (Note 10)	(ii)	2,717,835 USD 88,500	- -	- -	2,717,835 USD 88,500	(297,438)	93.98%	(279,532)	3,907,041	-
DHG	Manufacturing of flat glasses	2,456,800 USD 80,000 (Note 8 · Note 13 · Note 20)	(ii)	1,535,500 USD 50,000	- -	- -	1,535,500 USD 50,000	(167,570)	93.98%	(157,482)	3,321,378	-
TJG	Manufacturing of flat glasses & low-emission glasses	2,948,160 USD 96,000 (Note 9 · Note 22)	(ii)	1,811,890 USD 59,000	- -	- -	1,811,890 USD 59,000	(429,508)	93.98%	(403,652)	525,854	-
SCJ	Manufacturing of soda ash	24,568,000 USD 800,000 (Note 14)	(ii)	4,901,070 USD 159,592	- -	- -	4,901,070 USD 159,592	3,500,633	41.34%	1,447,162	10,543,078	-
HSB	Manufacturing Brine	982,720 USD 32,000 (Note 15)	(ii)	184,260 USD 6,000	- -	- -	184,260 USD 6,000	451,613	41.34%	186,697	580,973	-
TXY	Manufacturing of flat glasses & low-emission glasses	3,071,000 USD 100,000 (Note 16)	(ii)	1,996,150 USD 65,000	- -	- -	1,996,150 USD 65,000	271,441	93.98%	255,100	4,126,604	-
TTAR	Manufacturing of low-emission glasses	1,074,850 USD 35,000	(ii)	1,074,850 USD 35,000	- -	- -	1,074,850 USD 35,000	101,995	93.98%	95,855	1,019,220	-
TAH	Manufacturing of flat glasses	2,610,350 USD 85,000	(ii)	2,610,350 USD 85,000	- -	- -	2,610,350 USD 85,000	(243,599)	93.98%	(228,934)	2,665,910	-
TYSM	Manufacturing of solar glasses	1,520,145 USD 49,500 (Note 17)	(ii)	1,497,113 USD 48,750	- -	(357,004) (USD 11,625)	1,140,109 USD 37,125	15,600	70.49%	10,997	97,153	-
TWAR	Manufacturing of low-emission glasses	2,266,552 USD 73,805 (Note 23)	(ii)	1,074,850 USD 35,000	- -	- -	1,074,850 USD 35,000	18,607	93.98%	17,487	1,351,769	-
TYAU	Manufacturing of auto glasses	\$2,088,280 USD 68,000 (Note 18)	(ii)	\$1,068,708 USD 34,800	- -	- -	1,068,708 USD 34,800	(174,754)	55.77%	(97,460)	143,087	-
TBF	Manufacturing of glass fabric	1,842,600 USD 60,000	(ii)	1,842,600 USD 60,000	- -	- -	1,842,600 USD 60,000	(77,852)	93.98%	(73,166)	1,543,598	-

Attachment 9  
Investment in Mainland China as of December 31, 2022

(Dollar amount expressed in thousands of NTD unless otherwise specified)

Investee	Nature of Business	Total Amount of Paid-in Capital	Investment Method (Note 1)	Outflows of Investment from Taiwan as of	Investment Flows		Accumulated Outflows of Investment from Taiwan as of	Profit or Loss of Investee company	Percentage of Ownership	Profit or Loss on Investment (Note 2(ii).c.)	Carrying Value as of December 31, 2022	Accumulated Inward Remittance of Earnings as of December 31, 2022
					Outflow	Inflow						
TCD	Manufacturing of glass fabric	4,237,980	(ii)	2,856,030	-	-	2,856,030	(219,407)	93.98%	(206,199)	4,016,325	-
		USD 138,000 (Note 6 + Note28)		USD 93,000	-	-	USD 93,000					
YNSS	Manufacturing of silica sand	-	(ii)	59,547	-	-	59,547	-	0%	-	-	-
		- (Note 26)		USD 1,939	-	-	USD 1,939					

Accumulated Investment in Mainland China as at 31 December 2022	Investment Amount Authorized by Investment Commission, Ministry of Economic Affairs (Note 4)	Limit on Investment Amount to Mainland China
34,979,611 USD 1,139,030 (Note 24)	41,463,826 USD 1,268,306 and CNY570,174	(Note 5)

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 certificated 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 headquarter approved by the Industrial Development Bureau, Ministry of Economic Affairs.

Note 6: The TGCH 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 TGCH.

Note 8: Third party invested USD 3,000 thousand to the entity through the TGCH.

Note 9: Third party invested USD 12,000 thousand to the entity through the TGCH.

Note 10: Third party invested USD 17,000 thousand to the entity through the TGCH; TGCH 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 TGCH.

Note 12: Third party invested USD 17,000 thousand to the entity through the TGCH.

Note 13: The QFG, and DHG invested USD 27,800 thousand, and USD13,000 thousand, their unappropriated earnings, respectively to the subsidiary.

Note 14: The SCH, the investee of the TGCH, invested USD 640,408 thousand to the entity with its and third party's capital.

Note 15: The SCH invested USD 26,000 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 TGCH. The Company did not provide any funding.

Note 17: The amount of USD 16,250 thousand was invested by the third party. The Company did not provide any funding.

On July 6, 2022, TYSM carried out capital reduction of USD15,500 thousand, and the paid-in capital after the capital reduction amounted to USD49,500 thousand. USD11,625 thousand was remitted to the Company based on the shareholding ratio of 75%.

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 TGUS invested USD 23,319 thousand and USD 4,774 thousand to the entity, respectively.

Note 20: The DHG 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 TJG 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 CDG was invested by TGCH. The Company did not provide any funding.

Note 24: The difference of USD52,000 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 Donghai Glass Co., Ltd. as of October 29, 2021. On October 31, 2022 the Company disposed of 100% equity in TG Fujian Photovoltaic Glass Co., Ltd.

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: TGCH lost control of Yiman 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: TGCH lost control of TG Fengyang Holding Co., Ltd. and indirectly transferred 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: The USD 40,000 thousand earnings distributed by TGF was invested by TGCH. The Company did not provide any funding.

Note 29: All amount listed above are eliminated in the consolidated financial statements except for SCJ and HSB.