Stock Code: 6128

GENERAL PLASTIC INDUSTRIAL CO., LTD.

2022 Annual Report

Date of Publication: May 15, 2023

Website to inquire the annual report:

- Market Observation Post System: mops.twse.com.tw
- The Company’s website: www.gpi.com.tw

I. Spokesperson Acting spokesperson

Spokesperson	Acting spokesperson
Name: Huang, Huai-De	Name: Huang, Yu-Hua
Title: Executive Vice President	Title: Vice President of Sales Department
Tel: (04)2639-3103	Tel: (04)2639-3103
E-mail: gpinews@gpi.com.tw	E-mail: ir@gpi.com.tw

II. Headquarters, Branches and Plant:

Headquarter and plant: No. 50, Ziqiang Rd., Caonan Village, Wuqi Dist., Taichung City

Tel: (04)2639-3103

III. Share Administration Agency

Name: Shareholder Service Agency Department, KGI Securities Co., Ltd.

Address: 5F, No. 2 Chongqing S. Rd., Sec. 1, Taipei City

Tel: (02)2389-2999

Website: www.kgieworld.com.tw

IV. CPAs for the Latest Financial Report

Names of CPAs: Aero Huang and Martin Yen

Name of Accounting Firm: Ernst & Young Taiwan

Address: 26F., No. 186, Shizheng N. 7th Rd., Xitun Dist., Taichung City

Tel: (04)2259-8999

Website: www.ey.com/tw

V. **Exchanges where the company's securities** are traded offshore: none

Method to access information on said offshore securities: none

VI. **Company's website:** www.gpi.com.tw

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One. Report to the Shareholders

Dear Shareholders:

"Inflation" was without doubt the key word for the global economy in 2022. Although the global supply chain disruptions caused by the COVID-19 pandemic has gradually subsided, the post-pandemic recovery and economic growth trajectory in 2022 was impacted by the supply chain shocks brought by the Russia-Ukraine conflict and the energy crisis. In MFP consumables, the uncertainties of the international situation, and the global political and economic environment further increased supply risks and create market turbulence; the inflationary push up commodity prices and the demands cooled down, the market began to face headwinds, and various suppliers begin to face risks and pressures to close out inventory. All of the above factors have affected the overall printer industry to suffer hits on both the supply and demand sides, and also made the supply market of printer consumables still in a highly complex adjustment period. In terms of tourist hotels, as various countries gradually lift border restrictions and travel restrictions, the government continues to promote and provide assistance to operators in developing the domestic tourism market. Through planning and marketing packaged guest room projects, the Company actively promoted nearby travel itineraries and attractions to improve the differentiated product prioritizing customers with home-like warm services, or cost-saving, and attract new customer sources. I would like to thank all of the shareholders for their long-term support. The Company will continue to work hard in the spirit of soundness and pragmatism, seeking to increase the value to shareholders, employees and the society.

I. 2022 Business Overview

(1) Analysis of business results, financial income and expenses, and profitability: the Company's consolidated revenue in 2022 was NT$5,703,207 thousand, an increase of NT$778,999 thousand from the previous year; gross profit was NT$2,220,844 thousand, an increase of NT$267,617 thousand from the previous year; gross profit margin was 38.94%, down by 0.73% year-on-year; operating income was NT$501,051 thousand, an increase of NT$78,741 thousand over the previous year; and the net profit after tax is NT$678,609 thousand, increased by NT$342,019 thousand year-on-year. The EPS was NT$5.32 for 2022, which was a significant growth from NT$2.64 in the previous year.

Item/Year		2022	2021
Profitability%	Return on total assets	9.72	5.38
	Return on equity	18.72	10.45
	Net profit margin	11.89	6.83

(2) Research and development status: The consolidated R&D expenses in 2022 was NT$137,292 thousand, a decrease of 9.73% from NT$152,083 thousand in the previous year. The R&D expenses mainly came from the human and resources investments in design, development, testing, and patent application of the laser toner cartridge and photosensitive drum gear of the MFP consumables department. Currently, the Group holds 19 valid patents in China, 51 in the U.S., 1 in Europe, 17 in Germany, 7 in Japan, 30 in Taiwan, totaling 125, and another 10 are pending under application.

II. Summary of the 2022 business plan

(I) Business guidelines:

In terms of consumables for MFPs, the Company always faces customers with the most exquisite quality, and strive to implement the business philosophy of "do everything possible to make our products the most popular in the market; do our best so that everyone's work is absolutely respected." In addition, we insist the quality policy of "Quality First for Customer Satisfaction" to improve the quality of products and services, and continue to strengthen the supply chain relationship with upstream suppliers and downstream customers, to provide higher value-added products and services, to meet the needs of all customers at home and abroad.

In terms of tourist hotels, the Company will focus on making leisure travel plans with refined products, to give travelers a better experience and generate a sense of brand recognition. The Company will continue to actively expand customers and provide more flexible and meticulous services to achieve the concept of sustainable business management.

(II) Important production and sales policies:

For the MFP consumables, General Plastic will continue to focus on the integration of resources in the Group's vertical marketing channels, from production, logistics, R&D,

procurement and branding, in order to maintain a high level of internal responsiveness and agility to the external market. Meanwhile, General Plastic will also focus on: (1) deepening the dual-brand strategy of Katun and Cartridge Web to maintain a balanced strategic alliance between its own channels and key customers in Europe and the U.S.; (2) actively strengthening brand partnerships with brand customers to gain more opportunities for OEM services; (3) actively evaluating the launch of environmentally friendly product lines for the European market, where the demand for compatible supplies and consumables is the highest; (4) working with Katun to actively expand the Asia and Pacific market to elevate the regional development potential; (5) strengthening the relationship with toner manufacturers and chip suppliers; and (6) actively leveraging the global channels of Katun to introduce new products.

In terms of tourist hotels, in the face of the domestic and foreign economic turbulence and the unfavorable environment of consumer confidence, the Company will take the following measures: (1) establish service, customer experience and brand value to improve competitiveness; (2) develop wind power generation partners; (3) maintain and expand the business traveler market; (4) deepen the cultivation of the national travel market, and continue to promote and connect with new attractions; (5) diversified online booking strategies; (6) improvement plans improving the parent-child space and various hardware and software in hotels.

III. Effects of the external environment and future development strategies

Although the short-term stimulus generated by volatile factors such as the COVID-19 pandemic and supply chain chaos will gradually disappear from the consumer market, it nevertheless compelled paradigm shifts in users' usage behavior during the period, and the market will gradually develop into a preference for more compact yet more powerful machines. The year 2023 will be a challenging year for all industry players. It shall also test the speed of product development, product quality, after-sales service and supply chain management capabilities. General Plastic will continue to develop new products and new markets, and strive to improve the Company's product brand and service value, seeking the Company's continuous growth.

Due to the global economic recovery and the preferential tourism policies of neighboring countries being launched one after another, all countries are striving to attract the people of the neighboring countries to visit. The overall industry management is also facing external challenges and marketing competition from the tourism bureaus of various countries. Given the challenges presented by changes in the market, the Company will continue to improve service quality, expand customer sources flexibly, implement energy-saving policies, seeking to effectively reduce costs and expenses as a demonstration of ability of business management, creating large values, to achieve the expectation of customers.

General Plastic will continue to insist the spirit of seeking innovation and change and being responsible and pragmatic, to provide better products and services. On behalf of all employees of the Company, I would like to express my sincere gratitude to our shareholders, customers, suppliers, and business partners for their long-term support to General Plastic, and wishes to you all the best.

GENERAL PLASTIC INDUSTRIAL CO., LTD.
Chairman, Wang, Jui-Hung

Two. Company Profile

I. Date of incorporation

July 12, 1978

Address: No. 50, Ziqiang Rd., Wuqi Dist., Taichung City Tel: (04) 2639-3103

II. Company history

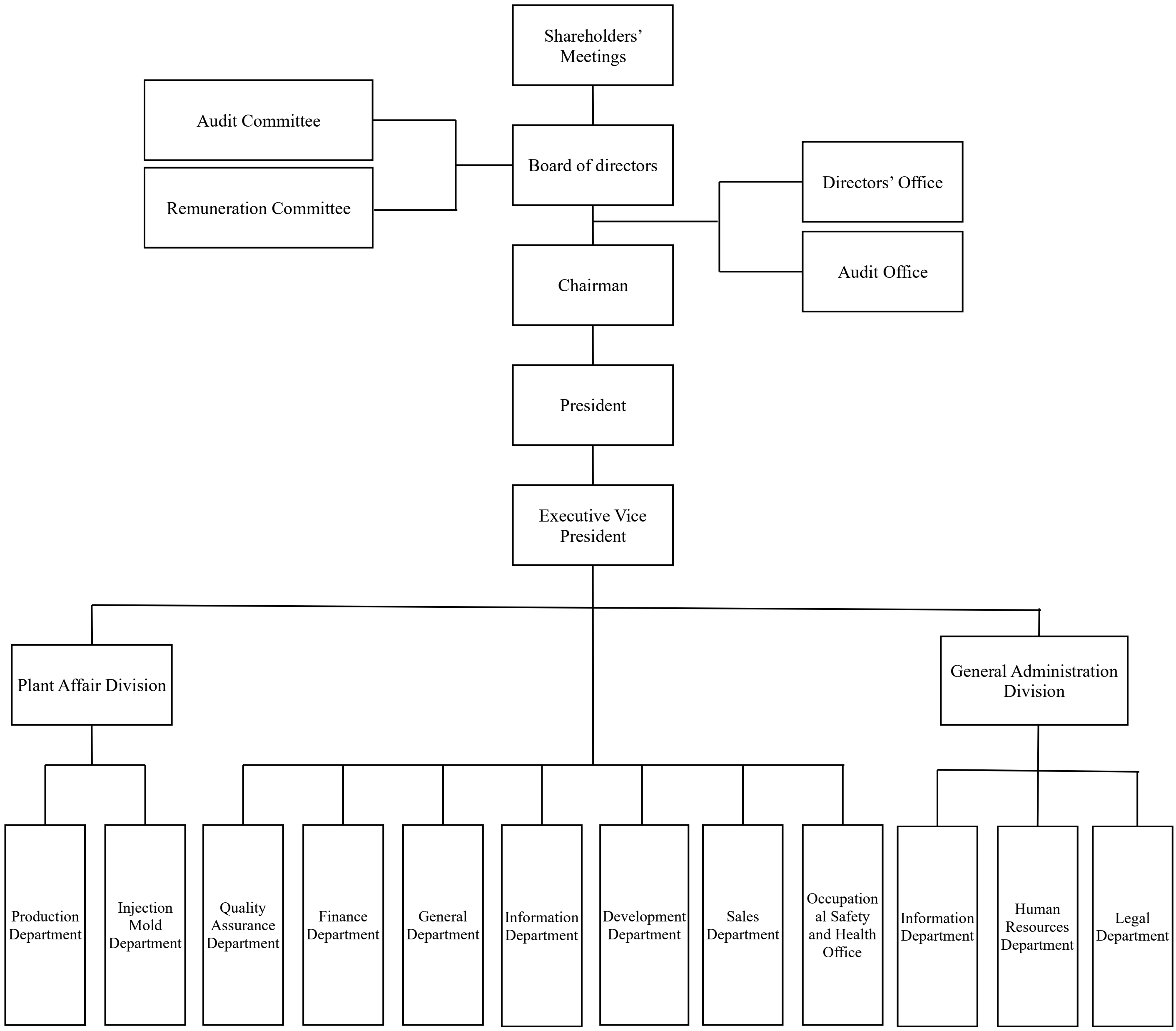
Time	Overview
1978	General Plastic was founded with the registered capital of NT$5,700,000.
1986	Started manufacturing components such as toner cartridges for laser printers and photocopiers, and sold them worldwide under the in-house brand, GPI.
1990	Expanded the plant by 300 pings and added two production lines.
1993	Expanded the plant by 1,200 ping and increase the number of production lines to five. Production of photosensitive drum gears began in the same year.
1994	The mold department was established to develop precision molds for complex plastic products.
1995	The 2nd plant was added, and the number of production lines was increased to seven.
1996	Began to introduce ISO9002 to improve the overall quality.
1997	Purchased several precision instruments and equipment, and developed the complex molds by ourselves. In the same year, we passed the ISO9002 international quality certification from BSI, and officially entered a new milestone.
1998	The first ODM production.
1999	The OPC photoconductive pedestal was successfully developed and introduced to the market, to establish the manufacturing capability of complex OPC pedestal. Upgrade the precision gear injection process from JIS Class 5 to JIS Class 4. The R&D of the photocopier precision gear with the outer diameter of OD60mm and above was completed in October 1999, and mass production and shipment were completed.
2000	In April, renamed to General Plastic Industrial Co., Ltd. The shares became publicly offered in May In August, the capital was increased by NT$25,128,750 by cash and the earnings was capitalized for NT$76,121,250. After the capital increase, the Company had issued 30,000,000 shares and the paid-in capital is NT$300,000,000. In October, the new plant was built in Taichung Harbor Related Industrial Park, with the construction area of 3,200 pings
2001	In May, the earnings was capitalized for NT$105,000,000. After the capital increase, the Company had issued 40,500,000 shares and the paid-in capital is NT$405,000,000. Relocated to new plant in May. The Company filed the application for listing in Taipei Exchange in June. The Company was officially listed on Taipei Exchange in December. Reinvest to establish the subsidiary GPI (BVI) Co., Ltd.
2002	In June, the mass production of the first toner cartridge for the all in one laser printer was started. In August, the capital was increased by NT$60,000,000 by cash and the earnings was capitalized for NT$144,290,000 (the employees' bonus of NT$2,540,000 was included). After the capital increase, the Company had issued 60,929,000 shares and the paid-in capital is NT$609,290,000. In August, the subsidiary, CHI-FU INVESTMENT Co., Ltd was established.
2003	The Company filed an application for transfer the listing to TWSE in March; the Company was officially listed in TWSE in June. In August, the earnings was capitalized for NT$63,569,000 (the employees' bonus of NT$2,640,000 was included). After the capital increase, the Company had issued 67,285,900 shares and the paid-in capital is NT$672,859,000. In December, the overseas unsecured convertible corporate bonds were issued for totaling US$25,000,000. From December 18 to January 17, 2004, 2,500,000 shares were repurchased. Through the subsidiary, CHI-FU INVESTMENT Co., Ltd., reinvested COLOR IMAGING,INC. and acquired 4,500,000 shares.
2004	In March, 2,500,000 treasury shares were canceled and the change registration was completed with the competent authority. After the capital decrease, the Company had issued 64,785,900 shares and the paid-in capital is NT$647,859,000. In August, the earnings was capitalized for NT$54,303,720 (the employees' bonus of NT$2,475,000 was included). After the capital increase, the Company had issued 70,216,272 shares and the paid-in capital is NT$702,162,720. Established the subsidiary, GPI (CM) Co., Ltd. through the subsidiary GPI (BVI) Co., Ltd.
2005	In March, the Company invested in SF Global (Kunshan) Optoelectronic Technology Co., Ltd. in Mainland China through GPI (CM) Co., Ltd. In August, the earnings was capitalized for NT$51,599,390 (the employees' bonus of NT$2,448,000 was included). After the capital increase, the Company had issued 75,376,211 shares and the paid-in capital is NT$753,762,110. In December, two years after the issuance of the overseas unsecured convertible corporate bond, all creditors executed the bonds and sold back, and the execution of the v unsecured convertible corporate bond was completed ahead of schedule.
2006	in March, disposed the indirect investment, General Plastic Global (Kunshan) Optoelectronic Technology Co., Ltd. in China . In August, the earnings was capitalized for NT$19,237,890 (the employees' bonus of NT$1,000,000 was included). After the capital increase, the Company had issued 77,300,000 shares and the paid-in capital is NT$773,000,000. Jiou Fu Co., Ltd. was established through a reinvestment.
2007	In August, the earnings was capitalized for NT$27,000,000 (the employees' bonus of NT$3,300,000 was included). After the capital increase, the Company had issued 80,000,000 shares and the paid-in capital is NT$800,000,000. Changfu Development Co., Ltd. was established the reinvestment from Jiou Fu Co., Ltd.
2008	In July, GPI (BVI) Co., Ltd. and its reinvestment in GPI (CM) Co., Ltd. were liquidated and dissolved. The liquidation process was completed in September and a liquidation certificate was obtained.

Time	Overview
	In August, the earnings was capitalized for NT$18,000,000 (the employees' bonus of NT$2,000,000 was included). After the capital increase, the Company had issued 81,800,000 shares and the paid-in capital is NT$818,000,000.
2009	In August, the earnings was capitalized for NT$19,884,590 (the employees' bonus of NT$8,550,667, with 352,459 shares was included). After the capital increase, the Company had issued 83,788,459 shares and the paid-in capital is NT$837,884,590.
2010	The subsidiary, Jiou Fu Co., Ltd., prepared for the establishment of the general tourist hotel "Taichung Harbor Hotel" and was approved by the Tourism Bureau, MOTC. In March, the Board resolved to establish "Kunshan Wufuxing Trading Co., Ltd." In August, the earnings was capitalized for NT$37,553,090 (the employees' bonus of NT$16,595,000, with 403,771 shares was included). After the capital increase, the Company had issued 87,543,768 shares and the paid-in capital is NT$875,437,680.
2011	Established GPI Co.(samoa) Ltd., looking to reinvesting in Cambodia. In July, the earnings was capitalized for NT$35,449,720 (the employees' bonus of NT$14,938,000, with 480,9409 shares was included). After the capital increase, the Company had issued 91,088,740 shares and the paid-in capital is NT$910,887,400. In December, the board of directors resolved to liquidate the subsidiary Jiou Fu Co., Ltd.'s reinvestment, Changfu Development Co., Ltd., and obtained the approval letter from the competent authority in the same month.
2012	Reinvested in Cambodia through the subsidiary GPI Co.(samoa) Ltd., and established GENERAL PLASTIC INDUSTRIAL (CAMBODIA) CO., LTD. Passed the ISO14001 environmental management system certification.
2013	"Taichung Harbor Hotel," a tourist hotel invested by the subsidiary Jiou Fu Co., Ltd. was opened in March.
2014	Among patent applications, 13 were approved
2015	In March, the Board resolved to liquidate the subsidiary "Kunshan Wufuxing Trading Co., Ltd." in Mainland China. Among patent applications, seven were approved
2016	In June, the Board resolved to liquidate the GENERAL PLASTIC INDUSTRIAL (CAMBODIA) CO., LTD. reinvested by GPI Co.(samoa) Ltd. In November, 3,500,000 treasury shares were canceled and the change registration was completed with the competent authority. After the capital decrease, the Company had issued 87,588,740 shares and the paid-in capital is NT$875,887,400. In October, "Kunshan Wufuxing Trading Co., Ltd." in Mainland China was liquidated and the cancellation of registration was completed.
2017	The subsidiary, GPIKT DE, INC. and GPIKT (BVI) CO., LTD were established, and are expected to acquire all the issued equity units of the US company, KATUN HOLDINGS, LP.
2018	In January, all of the equity units of KATUN HOLDINGS, LP, a U.S. company, were officially obtained. In May, the capital was increased for NT$400,000,000 in cash. After the capital increase, the Company had issued 127,588,740 shares and the paid-in capital is NT$1,275,887,400. In September, the Katun Holdings Parent, LLC (USA) and Katun US Intermediate, Inc. (USA) reinvested by KATUN HOLDINGS, LP, were merged and eliminated.
2019	In January, the cancellation registration of GENERAL PLASTIC INDUSTRIAL (CAMBODIA) CO., LTD. in Cambodia was completed. COLOR IMAGING, INC. has ceased operations due to poor operating conditions and has entered the liquidation process.
2020	In October, COLOR IMAGING, INC. completed the liquidation process and obtained the liquidation certificate. In October, the construction of the medical mask factory was completed In November, the Company successively obtained the "Pharmaceutical Distributor Permit," "Factory Change Registration," and "Pharmacist Manufacturing License." The Company also completed the registrations with the US FDA and EU CE in the fourth quarter. In December, the board of directors resolved to reinvest in the establishment of WeKare Co., Ltd.
2021	In March, passed the "Good Manufacturing Practice (GMP) for Medical Devices." In April, obtained the "Medical Device Permit" and passed the "ISO 13485:2016 Medical Device Quality Management System." In December, 100% stake of TJ OFFICE SOLUTION CO., LTD. was officially obtained.
2022	In March, the board resolve to liquidate CHI-FU INVESTMENT Co., Ltd. In December, the board resolved to liquidate TJ OFFICE SOLUTION CO., LTD.

Three. Corporate Governance Report

I. Organizational system

(I) Company’s organization



(II) Tasks of its principal divisions

Principal divisions	Principal tasks
Directors' Office	1. Amendments are made for corporate governance to cope with the related laws and regulations 2. Handling shareholder service and critical affairs. 3. Planning and convening meetings of the Board of Directors, Audit Committee, and shareholders' meetings. 4. Alerts and warnings for related risks
Audit Office	1. Responsible for supervising the effectiveness and independence of the implementation for the existing internal control system and the Company's regulations, and reporting to the Board on a regular basis. 2. Implementation of execution, evaluation and review for the internal control system. 3. Planning of audit tasks, information inspection and evaluation, communication of audit results, and follow-up of subsequent improvements. 4. Responsible for audits of the business, finance, and operation of the Company, analyzing abnormalities, and proposing improvement suggestions.
General Administration Division	1. Assisting the President in the management and execution of various businesses of the Company. 2. Planning the proposals for and convening the Remuneration Committee meetings.
Legal Department	1. Providing legal consultation and handling legal cases. 2. Draft and review of external contracts and documents. 3. Legal risk management and prevention. 4. Handling of related legal matters.
Human Resources Department	1. Human resource planning and management. 2. Planning and implementation of performance management and remuneration systems. 3. Planning and execution of education and training. 4. Amendment and implementation of management policies. 5. Planning of employee benefits and management of labor-management relations.
Information Department	1. Assist in the development of business strategies and management guidelines of the Company; develop short-term, medium-term, and long-term systematic information strategic planning and execution. 2. Maintenance and management of information operation systems and machinery and equipment. 3. Control of information security risks over the information system access permission, network, and servers.
Sales Department	1. Formulate the Company's annual sales forecast and track the achievement. 2. Plan the overall marketing strategies and expand the market and customers. 3. Plan and handle the advertising and exhibition matters. 4. Collect and integrate market information and international business information, and plan the development of new products. 5. Product sales, customer service, introduction of new customers, and maintenance of existing customers.
Department Department	1. Responsible for the research and development of new products and production of samples. 2. Product trial production, testing, verification, and patent application. 3. Process planning and management. 4. Research and improvement for changes and quality improvement of existing products.
Occupational Safety and Health Office	1. Formulate, plan, supervise, and promote occupational safety and health management matters, and guide relevant departments to implement. 2. Guide relevant departments and personnel in the implementation of occupational safety and health policies. 3. Deliberate, coordinate, and advise on matters related to occupational safety and health policies. 4. Plan and promote the occupational safety and health education and trainings. 5. Plan health examinations and implement health management.

Principal divisions	Principal tasks
Finance Department	1. Prepare and analyze financial statements and budgets. 2. Establish, evaluate, and implement the accounting systems. 3. Receipt and disbursement operations, custody of cash, bank transactions, bill collection and deployment. 4. Tax planning and reporting. 5. Fund management and financing planning and deployment. 6. Short-term treasury and long-term investment. 7. Collect external industry information, analyze and research the status of the market and peers, and provide corporate operation analysis. 8. Analyze the business performance of each unit and reinvested businesses, and provide suggestions and analysis on various financing, investment, merger, acquisition, and other financial strategies. 9. Handling of matters required to be announced and reported to the Market Observation Post System by the competent authority.
General Affair Department	1. Responsible for property management (including movable and real properties); 2. Responsible for the Company's safety management, equipment safety inspections, and the maintenance and management of electrics, power, air conditioning, and monitoring systems. 3. Management of the Company's construction and renovation project, drainage system maintenance, environmental cleaning, disinfection and waste disposal, fire fighting equipment, building safety inspection and declaration, and dormitory management. 4. Matters related to landscaping, greening, planting, maintenance and curing.
Quality Assurance Department	1. Implementation of quality management 2. Establishment of and amendment to quality norms. 3. Responsible for the establishment and promotion of various quality system related matters. 4. Establishment of incoming material inspection, process control and outgoing inspection. 5. Handling of customer complaints. 6. Inspection and calibration of instruments and equipment used for manufacturing inspection.
Plant Affair Division	1. Production planning and progress control. 2. Supervises the operation of the Company's plan affair system. 3. Management of bonded warehouses and handling of bonded matters. 4. Inventory management and control over the delivery and receipt of raw materials and semi-finished products. 5. Arrangement, notification, preparation, and confirmation of sales. 6. Responsible for the warehousing and logistics management of finished goods.
Injection Mold Department	1. Design, production, and improvement of gear molds. 2. Manufacturing of gears by injection molding and management of molds.
Production Department	1. Manufacture and assembly of finished products based on the production plan. 2. Control the production process and improve product quality. 3. Control manufacturing costs and reduce loss. 4. Maintenance of production equipment and operation safety. 5. Operator dispatch, control, appraisal, development and training. 6. Production, improvement, management and maintenance of related clamps and jigs.
Procurement Department	1. Responsible for the Company's procurement, purchase requisition, and outsourcing matters. 2. Price comparison, negotiation, delivery schedule control, and follow-up management of procurements, requisitions, and outsourcing 3. Supplier development, investigation, management, and evaluation.

II. Information on the company's directors, supervisors, president, vice presidents, Assistant Vice president, and the chiefs of all the company's divisions and branch units

(I) Directors and Supervisors

1. Information on directors

Date: April 17, 2023

Title	Nationality or place of registration	Name (Note I)	Gender, age	Date of election / appointment	to current term	Commencement date of first term	No. of shares held at time of election		Current number of shares held		Shares currently held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company Positions in other companies	Other officer(s), director(s), or supervisor(s) with which the person has a relationship of spouse or relative within the second degree		
							Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)	Shares	Shareholding ratio (%)			Title	Name	Relation ship
Chairman	Republic of China	Kuanfu Co., Ltd.		2022.06.16	3 years	2022.06.16	27,136,380	21.27	27,136,380	21.27	–	–	–	–	General Plastic Industrial Co., Ltd. Chairman Mayor of Wuqi Township Specialty Major Program, Republic of China Military Academy	Chairman, Jiou Fu Co., Ltd. Chairman, CK ROYAL CONSTRUCTION CO., LTD. Supervisor, Taiwan Bifido Foods Inc. Director, KATUN HOLDINGS, LP. Chairman, Kuanfu Co., Ltd. Chairman, Hung-Shin-Li Co., Ltd.	Director Director concurrent President Director	Wang-Lai, Ming-Yue Wang, Jui-Chi Wang, Jui-Gong	Husband and wife Brothers Brothers
		Corporate Representative Wang, Jui-Hung	Male 71~80				8,875,000	6.96	–	–	–	–	14,787,720	11.59					
Director	Republic of China	Kuanfu Co., Ltd.		2022.06.16	3 years	2022.06.16	27,136,380	21.27	27,136,380	21.27	–	–	–	–	General Plastic Industrial Co., Ltd. Vice Chairman Shin Min High School	Supervisor, Jiou Fu Co., Ltd. Director, Kuanfu Co., Ltd. Director, Hung-Shin-Li Co., Ltd.	Chairman Director concurrent President Director	Wang, Jui-Hung Wang, Jui-Chi Wang, Jui-Gong	Husband and wife Relatives by marriage Relatives by marriage
		Corporate Representative Wang-Lai, Ming-Yue	Female 71~80				5,912,720	4.63	–	–	–	–	–	–					
Director	Republic of China	Wang, Jui-Chi	Male 61~70	2022.06.16	3 years	2001.06.15	5,694,000	8.38	5,694,000	4.46	–	–	2,362,825	1.85	General Plastic Industrial Co., Ltd. President Master in Computer Science, University of Southern California	Director, Jiou Fu Co., Ltd. Supervisor, Yoda Comm.Inc. Director, KATUN HOLDINGS, LP. Director, Kuanfu Co., Ltd.	Chairman Director Director	Wang, Jui-Hung Wang-Lai, Ming-Yue Wang, Jui-Gong	Brothers Relatives by marriage Brothers
Director	Republic of China	Wang, Mao-Yao	Male 71~80	2022.06.16	3 years	2007.06.28	767,216	0.60	767,216	0.60	–	–	–	–	Person in charge of YUEN-CHI ENTERPRISE CO., LTD. Chienkuo Junior College of Business	Chairman, YUEN-CHI ENTERPRISE CO., LTD.	–	–	–
Director	Republic of China	Wang, Sen-Yung	Male 51~60	2022.06.16	3 years	2007.06.28	15,711	0.01	15,711	0.01	–	–	–	–	Manager, CK ROYAL CONSTRUCTION CO., LTD. Taichung Agricultural Senior High School	Director and Vice President, CK ROYAL CONSTRUCTION CO., LTD. Director, Huang Pin Construction Co., Ltd.	–	–	–
Director	Republic of China	Wang, Jui-Gong	Male 71~80	2022.06.16	3 years	2022.06.16	1,931,135	1.51	1,931,135	1.51	2,193,920	1.72	–	–	Professor, Department of Business Administration, Tunghai University Master, Department of Business Administration, National Chengchi University PhD in Business Administration, Nova Southeastern University, the U.S.	–	Chairman Director Director concurrent President	Wang, Jui-Hung Wang-Lai, Ming-Yue Wang, Jui-Chi	Brothers Relatives by marriage Brothers
Independent director	Republic of China	Wu, Chia-Yin	Male 51~60	2022.06.16	3 years	2001.06.15	90,350	0.07	90,350	0.07	–	–	–	–	Land administration Agent Department of Law, National Chengchi University	Director, Chiah Wei Co., Ltd. Supervisor, Yung-Tang Construction Co., Ltd. Person in Charge of Wu, Chia-Yin Land administration Agency	–	–	–
Independent director	Republic of China	Huang, Jui-Feng	Female 71~80	2022.06.16	3 years	2005.06.17	81,920	0.06	81,920	0.06	–	–	–	–	Assistance VP of bank Administration Junior College, National Chengchi University	–	–	–	–
Independent director	Republic of China	Wang, Deng-Chi	Male 61~70	2022.06.16	3 years	2022.06.16	70,000	0.05	75,000	0.06	–	–	–	–	Department of Textile, TAICHUNG MUNICIPAL SHA-LU INDUSTRIAL HIGH SCHOOL	Person in Charge, Hsin Guan Mei Apparel Shop Person in Charge, Chih-Feng Enterprise Person in Charge, Hsin Guan Mei Shop	–	–	–

Note 1: 1: On June 16, 2022, the Company fully re-elected the nine directors, including three independent directors, and established the Audit Committee to replace the powers of supervisors.
2. Mr. Wang, Deng-Chi was elected as a director in a re-election.
3. Mr. Wang, Jui-Gong was a supervisor of the Company, and elected as a director in a re-election.
4. Mr. Wang Jui-Hung and Ms. Wang-Lai Ming-Yue was the natural person directors, and were elected as the corporate representative of Kuanfu Co., Ltd. in a re-election

Note 2: Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g., increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer): the chairman of the Company concurrently serves as the CEO, to improve the operating efficiency and decision-making ability; provided that for the purpose of implementing corporate governance, the chairman will resign as CEO in 2023.

2. Major Shareholders of Corporate Shareholders:

Name of corporate shareholder	Major shareholders of the corporate shareholder	Percentage of shareholding
Kuanfu Co., Ltd.	Wang, Jui-Hung	22.11%
	Wang-Lai, Ming-Yue	18.43%
	Wang, Jui-Chi	18.43%
	Wang, Kuo-Ying	16.49%
	Wang, Yi-Chun	9.70%
	Wang, Yi-Ren	7.52%
	Wang, Yi-Ting	7.32%

3. Disclosure of Information Regarding the Professional Qualifications and Experience of Directors and Supervisors and the Independence of Independent Directors:

Qualification / Name	Professional qualifications and experience (Note 1)	Independence analysis (Note 2)	No. of other public companies at which the person concurrently serves as an independent director
Chairman Kuanfu Co., Ltd. Representative of corporate entity Wang, Jui-Hung	Graduated from Specialty Major Program, Republic of China Military Academy, and served as the Mayor of Wuqi Township; currently serving as the Company's Chairman and CEO. Possessing more than five-year work experiences in commerce and finance, as well as these required by the Company's operation. None of the circumstances in the subparagraphs of Article 30 of the Company Act.	Not applicable.	0
Director Kuanfu Co., Ltd. Representative of corporate entity Wang-Lai, Ming-Yue	Graduated from Shin Min High School, and currently serving as the Company's Vice Chairman and Vice CEO. Possessing more than five-year work experiences in commerce and finance, as well as these required by the Company's operation. None of the circumstances in the subparagraphs of Article 30 of the Company Act.	Not applicable.	0
Director Wang, Jui-Chi	Graduated from USC, and currently serving as the Company's Director and President. Possessing more than five-year work experiences in commerce and finance, as well as these required by the Company's operation. None of the circumstances in the subparagraphs of Article 30 of the Company Act.	Not applicable.	0
Director Wang, Mao-Yao	Graduated from Chienkuo Junior College of Business, and currently serving as the Chairman of YUEN-CHI ENTERPRISE CO., LTD.). Possessing more than five-year work experiences in commerce and finance, as well as these required by the Company's operation. None of the circumstances in the subparagraphs of Article 30 of the Company Act.	Not applicable.	0
Director Wang, Sen-Yung	Graduated from Taichung Agricultural Senior High School, and currently serving as the Director and Vice President of CK ROYAL CONSTRUCTION CO., LTD.; possessing more than five-year working experience in commerce, finance, and required by the Company's business. None of the circumstances in the subparagraphs of Article 30 of the Company Act.	Not applicable.	0
Director Wang, Jui-Gong	PhD in Business Administration, Nova Southeastern University in the U.S., and former professor of Department of Business Administration of Tunghai University; currently serving as the Company's supervisor; possessing the qualification as an instructor or higher in a department of commerce as required by the Company, and more than five-year working experience in commerce, finance, and required by the Company's business. None of the circumstances in the subparagraphs of Article 30 of the Company Act.	Not applicable.	0
Independent director Wu, Chia-Yin	Graduated from Department of Law, Nation Chengchi University, and currently serving as the Company's Independent Director. Possessing more than five-year work experiences in commerce as well as these required by the Company's operation. None of the circumstances in the subparagraphs of Article 30 of the Company Act.	During the two years before being elected or during the term of office, the assessment criteria of independence have been met	0

Independent director Huang, Jui-Feng	Graduated from National Chengchi University with a major in Administration, and former assistance vice president, team leader, and senior specialist of Chang Hwa Bank; currently serving as the Company's Independent Directors. Possessing more than five-year work experiences in commerce and finance expertise. None of the circumstances in the subparagraphs of Article 30 of the Company Act.	During the two years before being elected or during the term of office, the assessment criteria of independence have been met	0
Independent director Wang, Deng-Chi	Graduated from Department of Textile, Taichung Municipal Sha-Lu Industrial High School, and currently serving as the Company's Independent Directors. Possessing more than five-year work experiences in commerce as well as these required by the Company's operation. None of the circumstances in the subparagraphs of Article 30 of the Company Act.	During the two years before being elected or during the term of office, the assessment criteria of independence have been met	0

Note 1: Professional qualifications and experience: Specify the professional qualifications and experience of each director and supervisor. If a member of the Audit Committee, specify their accounting or finance background and work experience. Additionally, specify whether any circumstance under any subparagraph of Article 30 of the Company Act exists with respect to a director or supervisor.

Note 2: Describe the status of independence of each independent director, including but not limited to the following: did they or their spouse or any relative within the second degree serve as a director, supervisor, or employee of the Company or any of its affiliates; specify the number and ratio of shares of the Company held by the independent director and their spouse and relatives within the second degree (or through nominees); do they serve as a director, supervisor, or employee of any company having a specified relationship with the Company (see Article 3, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing Appointment of Independent Director and Compliance Matters for Public Companies); specify the amount(s) of any pay received by the independent director for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years.

4. Diversity and independence of the Board

All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities: ability to make operational judgments; ability to perform accounting and financial analysis; ability to conduct management administration; ability to conduct crisis management; knowledge of the industry; an international market perspective; ability to lead; and ability to make policy decisions, among other diversified professional backgrounds. The backgrounds of the nine board members composing the Board are diverse (six directors and three independent directors); most of them have diversified professional abilities such as the operational management, leadership and decision-making, knowledge of the industry, updated international knowledge, finance and accounting analysis, and legal background, as well as the rich operating experience. There are three independent directors in the board of directors, accounting for 33.33% (including one female independent director; female directors make up 22.22% of all directors). Two independent directors have served more than three years, and one director serves less than three years. All the independent directors meet the requirements specified in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies." For the relationships among independent directors and directors, the board of directors is independent. For the professional qualifications, experience, and independence of directors, please refer to page 10. The implementation of diversity policy by the Board is as below:

Name	Nationality	Gender	Professional background of operation and ability of management and decision-making					
			Operational management	Leadership and decision-making	Knowledge of the industry	Updated international knowledge	Finance and accounting analysis	Legal background
Chairman Kuanfu Co., Ltd. Representative of corporate entity Wang, Jui-Hung	Republic of China	Male	V	V	V	V		
Director Kuanfu Co., Ltd. Representative of corporate entity Wang-Lai, Ming-Yue	Republic of China	Female	V	V	V	V	V	
Director Wang, Jui-Chi	Republic of China	Male	V	V	V	V		
Director Wang, Mao-Yao	Republic of China	Male	V	V	V	V		
Director Wang, Sen-Yung	Republic of China	Male	V	V	V	V		
Director Wang, Jui-Gong	Republic of China	Male	V	V	V	V	V	
Independent director Wu, Chia-Yin	Republic of China	Male	V	V	V	V		V
Independent director Huang, Jui-Feng	Republic of China	Female	V	V	V	V	V	
Independent director Wang, Deng-Chi	Republic of China	Male	V	V	V	V		

(II) Information on president, vice presidents, Assistant Vice president, and the chiefs of all the company's divisions and branch units

Date: April 17, 2023

Title	Nationality	Name	Gender	Date of appointment to position	Shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree		
					Shares	Share-holding Ratio (%)	Shares	Share-holding Ratio (%)	Shares	Share-holding Ratio (%)			Title	Name	Relationship
Chief executive officer	Republic of China	Wang, Jui-Hung	Male	2004.12.08	—	—	–	–	14,787,720	11.59	Chairman, General Plastic Industrial Co., Ltd. Mayor of Wuqi Township Specialty Major Program, Republic of China Military Academy	Chairman, Jiou Fu Co., Ltd. Chairman, CK ROYAL CONSTRUCTION CO., LTD. Supervisor, Taiwan Bifido Foods Inc. Director, KATUN HOLDINGS, LP. Chairman, Kuanfu Co., Ltd. Chairman, Hung-Shin-Li Co., Ltd.	Vice CEO President Executive Vice President Vice President of Sales Department	Wang-Lai, Ming-Yue Wang, Jui-Chi Huang, Huai-De Wang, Kuo-Ying	Husband and wife Brothers Father and son in law Father and son
Vice CEO	Republic of China	Wang-Lai, Ming-Yue	Female	2004.12.08	—	—	–	–	–	–	Vice Chairman, General Plastic Industrial Co., Ltd. Shin Min High School	Supervisor, Jiou Fu Co., Ltd. Director, Kuanfu Co., Ltd. Director, Hung-Shin-Li Co., Ltd.	Chief executive officer President Executive Vice President Vice President of Sales Department	Wang, Jui-Hung Wang, Jui-Chi Huang, Huai-De Wang, Kuo-Ying	Husband and wife Relatives by marriage Father and son in law Mother and son
President	Republic of China	Wang, Jui-Chi	Male	1982.03.22	5,694,000	4.46	–	–	2,362,825	1.85	President, General Plastic Industrial Co., Ltd. Master in Computer Science, University of Southern California	Director, Jiou Fu Co., Ltd. Supervisor, Yoda Comm.Inc. Director, KATUN HOLDINGS, LP. Director, Kuanfu Co., Ltd.	Chief executive officer Vice CEO	Wang, Jui-Hung Wang-Lai, Ming-Yue	Brothers Relatives by marriage
Executive Vice President	Republic of China	Huang, Huai-De	Male	2008.10.01	260,442	0.20	1,060,000	0.83	–	–	Analyst of Database, Bway Corporation, the U.S Master in Environmental Engineering, Georgia Institute of Technology, the U.S	Director, KATUN HOLDINGS, LP.	Chief executive officer Vice CEO	Wang, Jui-Hung Wang-Lai, Ming-Yue	Father and son in law Father and son in law
Plant Affair Division Vice President	Republic of China	Wang, Chin-Chi	Male	2004.08.01	12	0.00	–	–	–	–	Manager of Development Department, General Plastic Industrial Co., Ltd. EMBA, Feng Chia University	–	–	–	–
Finance Department Vice President	Republic of China	Huang, Yu-Hua	Male	2001.05.04	–	–	–	–	–	–	Project Chief, Underwriting Department, President Securities Master of Business Administration, Tunghai University	–	–	–	–
Sales Department Vice President	Republic of China	Wang, Kuo-Ying	Male	2012.05.01	58,000	0.05	108,000	0.08	–	–	Manager of Procurement Department, General Plastic Industrial Co., Ltd. Department of Economics, University of Washington, Seattle, the U.S.	Director, Jiou Fu Co., Ltd. Director, KATUN HOLDINGS, LP. Director, Kuanfu Co., Ltd.	Chief executive officer Vice CEO	Wang, Jui-Hung Wang-Lai, Ming-Yue	Father and son Mother and son
Procurement Department Vice President	Republic of China	Wang, Yi-Ting	Female	2022.02.20	579,000	0.45	–	–	–	–	Vice President of Procurement, Katun Corporation Taiwan Branch (USA) Master of Finance Analysis, University of San Francisco, the U.S.	Director, KATUN HOLDINGS, LP.	Chief executive officer Vice CEO	Wang, Jui-Hung Wang-Lai, Ming-Yue	Father and daughter Mother and daughter
Finance Department Assistant Vice President	Republic of China	Huang, Ching-Hung	Male	2022.04.18	–	–	–	–	–	–	Manager, Accounting and Operational Management Division, Topkey Corporation. Department of Accounting, Tunghai University	–	–	–	–
Sales Department Assistant Vice President	Republic of China	Chen, Hui-Ming	Female	2019.01.01	20,000	0.02	–	–	–	–	Section Chief of Sales Department, General Plastic Industrial Co., Ltd. Department of Applied Foreign Languages, National Kaohsiung University of Applied Sciences	–	–	–	–
General Administration Division Manager	Republic of China	Yeh, Che-Chang	Male	2005.03.01	1,415,152	1.11	–	–	–	–	Vice Manager of Sales Department, General Plastic Industrial Co., Ltd. Master in Finance and Information Management, Mercer University, the U.S.	–	–	–	–

Title	Nationality	Name	Gender	Date of appointment to position	Shares held		Shares held by spouse and minor children		Shares held through nominees		Principal work experience and academic qualifications	Positions held concurrently in the company and/or in any other company	Other managerial officer(s) with which the person has a relationship of spouse or relative within the second degree		
					Shares	Share-holding Ratio (%)	Shares	Share-holding Ratio (%)	Shares	Share-holding Ratio (%)			Title	Name	Relationship
Sales Department Manager	Republic of China	Hsu, Yung-Ching	Male	2005.01.01	70,670	0.06	9,070	0.01	–	–	Section Chief of Sales Department, General Plastic Industrial Co., Ltd. Department of Applied Foreign Languages, Southern Taiwan University of Science and Technology	–	–	–	–
Sales Department Manager	Republic of China	Lai, Yung-Jin	Male	2019.01.01	259	0.00	4,000	0.00	–	–	Section Chief of Sales Department, General Plastic Industrial Co., Ltd. MBA, Narnborough University, the UK	–	–	–	–
Department Department Manager	Republic of China	Huang, Shih-Hsiung	Male	2012.05.01	68,963	0.05	3,000	0.00	–	–	Senior Engineer of Development Department, General Plastic Industrial Co., Ltd. Master of Mechanical Engineering, Feng Chia University	–	–	–	–
Department Department Vice Manager	Republic of China	Wu, Yi-Chia	Male	2023.02.01	–	–	–	–	–	–	Senior Engineer of Development Department, General Plastic Industrial Co., Ltd. Master of Mechanical Engineering, Engineering, Department of Mechanical and Computer-Aided Engineering, Feng Chia University	–	–	–	–
General Affair Department Manager	Republic of China	Wang, Chi-Sheng	Male	2010.05.01	10,000	0.01	–	–	–	–	Section Chief of General Affair Section, General Plastic Industrial Co., Ltd. Department of Electrical Engineering, Chienkuo Junior College of Engineering	–	–	–	–
Quality Assurance Department Manager	Republic of China	Chang, Sheng-Hsiung	Male	2004.01.01	10,000	0.01	–	–	–	–	Section Chief of Quality Assurance Department, General Plastic Industrial Co., Ltd. Master of Electrical Engineering, Da-Yeh University	–	–	–	–
Injection Mold Department Manager	Republic of China	Huang, Chien-Wen	Male	2010.03.01	65,951	0.05	–	–	–	–	Section Chief of Injection Section, General Plastic Industrial Co., Ltd. Department of Industrial Engineering, Shude Junior College of Engineering	–	–	–	–
Production Department Manager	Republic of China	Tsai, Er-Yuan	Male	2019.01.01	20,000	0.02	–	–	–	–	Section Chief of Production Department, General Plastic Industrial Co., Ltd. Department of Industrial Engineering and Service Management, Chienkuo Technology University	–	–	–	–
Information Department Manager	Republic of China	Huang, Ying-Che	Male	2020.11.16	–	–	–	–	–	–	Manager of Information Department, General Plastic Industrial Co., Ltd. Master in Marketing Management, University of Chester, the UK	–	–	–	–
Audit Office Manager	Republic of China	Chang-Chien, An-Ya	Female	2022.09.01	–	–	–	–	–	–	T3EX Global Holdings Corp. Assistant Vice President, Audit Department Master of Accounting and Finance Management, University of Bristol, the UK	–	–	–	–

(Note) Where the chairperson of the board of directors and the general manager or person of an equivalent post (the highest level manager) of a company are the same person, spouses, or relatives within the first degree of kinship, an explanation shall be given of the reason for, reasonableness, necessity thereof, and the measures adopted in response thereto (e.g., increasing the number of independent directors and ensuring that a majority of directors do not concurrently serve as an employee or managerial officer): the chairman of the Company concurrently serves as the CEO, to improve the operating efficiency and decision-making ability; provided that for the purpose of implementing corporate governance, the chairman will resign as CEO in 2023..

III. Remunerations paid to directors, supervisor, presidents and vice presidents in the most recent year

(I) Remuneration to Ordinary Directors and Independent Directors

December 31, 2022; Unit: NT$ thousand

Title	Name (Note I)	Remuneration to Directors								Sum of A+B+C+D and ratio to net income (%)		Remuneration received by directors for concurrent service as an employee								Sum of A+B+C+D+E+F+G and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		Base compensation (A)		Retirement pay and pension (B)		Director profit-sharing compensation (C)		Expenses and perquisites (D)				Salary, rewards, and special disbursements (E)		Retirement pay and pension (F)		Employee profit-sharing compensation (G)						
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
																Cash Amount	Shares Amount	Cash Amount	Shares Amount			
Director	Wang, Jui-Hung	None	None	None	None	8,375	8,375	138	138	1.25	1.25	17,487	17,487	None	None	1,213	—	1,213	—	4.01	4.01	None
	Wang-Lai, Ming-Yue																					
	Wang, Jui-Chi																					
	Wang, Mao-Yao																					
	Wang, Jui-Gong																					
Director	Kuanfu Co., Ltd. Corporate Representative Wang, Jui-Hung																					
Director	Kuanfu Co., Ltd. Corporate Representative Wang-Lai, Ming-Yue																					
Independent director	Wu, Chia-Yin	None	None	None	None	3,875	3,875	132	132	0.59	0.59	—	—	None	None	—	—	—	—	0.59	0.59	None
Independent director	Huang, Jui-Feng																					
Independent director	Wang, Deng-Chi																					

1. Please describe the policy, system, standards and structure in place for paying remuneration to directors and describe the relationship of factors such as the duties and risks undertaken and time invested by the directors to the amount of remuneration paid: pursuant to the Company's Articles of Incorporation, where a profit is made for a year, at least 0.1% of the profit shall be provided as the employee remuneration, and no more than 5% as the director and supervisor remuneration. However, if any accumulated losses, the amount to compensate shall be set aside first; the amount of director remuneration varies as the Company's profit before tax, which shall be reasonable.
2. In addition to what is disclosed in the above table, please specify the amount of remuneration received by directors in the most recent fiscal year for providing services (e.g., for serving as a non-employee consultant to the parent company /any consolidated entities / invested enterprises): 0

Note 1: On June 16, 2022, the Company fully re-elected the nine directors, including three independent directors, and established the Audit Committee to replace the powers of supervisors.
2. Mr. Wang, Deng-Chi was elected as a director in a re-election.
3. Mr. Wang, Jui-Gong was a supervisor of the Company, and elected as a director in a re-election.
4. Mr. Wang Jui-Hung and Ms. Wang-Lai Ming-Yue was the natural person directors, and were elected as the corporate representativeof Kuanfu Co., Ltd. in a re-election

Note 2: Information related to the retirement pay and pension of the director remuneration for 2022: none.

Remuneration Range Table

Ranges of remuneration paid to each of the Company's directors	Name of director			
	Sum of A+B+C+D		Sum of A+B+C+D+E+F+G	
	The Company	All consolidated entities	The Company	All consolidated entities
Less than NT$1,000,000	Wang Jui-Hung; Wang-Lai Ming-Yue; Wang, Jui-Gong; Wang, Deng-Chi; Wang, Jui-Hung, the Corporate Representative of Kuanfu Co., Ltd.; Wang-Lai Ming-Yue, the Corporate Representative of Kuanfu Co., Ltd.	Wang Jui-Hung; Wang-Lai Ming-Yue; Wang, Jui-Gong; Wang, Deng-Chi; Wang, Jui-Hung, the Corporate Representative of Kuanfu Co., Ltd.; Wang-Lai Ming-Yue, the Corporate Representative of Kuanfu Co., Ltd.	Wang Jui-Hung; Wang-Lai Ming-Yue; Wang, Jui-Gong; Wang, Deng-Chi; Wang, Jui-Hung, the Corporate Representative of Kuanfu Co., Ltd.; Wang-Lai Ming-Yue, the Corporate Representative of Kuanfu Co., Ltd.	Wang Jui-Hung; Wang-Lai Ming-Yue; Wang, Jui-Gong; Wang, Deng-Chi; Wang, Jui-Hung, the Corporate Representative of Kuanfu Co., Ltd.; Wang-Lai Ming-Yue, the Corporate Representative of Kuanfu Co., Ltd.
NT$1,000,000 (incl.)~NT$2,000,000 (excl.)	Wang, Jui-Chi; Wu, Chia-Yin; Huang, Jui-Feng; Wang, Mao-Yao; Wang, Sen-Yung	Wang, Jui-Chi; Wu, Chia-Yin; Huang, Jui-Feng; Wang, Mao-Yao; Wang, Sen-Yung	Wu, Chia-Yin; Huang, Jui-Feng; Wang, Mao-Yao; Wang, Sen-Yung	Wu, Chia-Yin; Huang, Jui-Feng; Wang, Mao-Yao; Wang, Sen-Yung
NT$2,000,000 (incl.)~NT$3,500,000 (excl.)	–	–	–	–
NT$3,500,000 (incl.)~NT$5,000,000 (excl.)	–	–	–	–
NT$5,000,000 (incl.)~NT$10,000,000 (excl.)	–	–	Wang, Jui-Hung; Wang-Lai Ming-Yue; Wang, Jui-Chih	Wang, Jui-Hung; Wang-Lai Ming-Yue; Wang, Jui-Chih
NT$10,000,000 (incl.)~NT$15,000,000 (excl.)	–	–	–	–
NT$15,000,000 (incl.)~NT$30,000,000 (excl.)	–	–	–	–
NT$30,000,000 (incl.)~NT$50,000,000 (excl.)	–	–	–	–
NT$50,000,000 (incl.)~NT$100,000,000 (excl.)	–	–	–	–
NT$100,000,000 or above	–	–	–	–
Total	Nine	Nine	Nine	Nine

Note: As of the publication date of the annual report, the Company's 2022 employee remuneration, director and supervisor remuneration were approved by the Board for distribution but not reported to the shareholders' meeting

(II) Remuneration to Supervisors

December 31, 2022; Unit: NT$ thousand

<table>
<tr><th rowspan="3">Title</th><th rowspan="3">Name (Note I)</th><th colspan="6">Remuneration to Supervisors</th><th colspan="2" rowspan="2">Sum of A+B+C and ratio to net income (%)</th><th rowspan="3">Remuneration received from investee enterprises other than subsidiaries or from the parent company</th></tr>
<tr><th colspan="2">Remuneration (A)</th><th colspan="2">Profit-sharing compensation (B)</th><th colspan="2">Expenses and perquisites (C)</th></tr>
<tr><th>The Company</th><th>All consolidated entities</th><th>The Company</th><th>All consolidated entities</th><th>The Company</th><th>All consolidated entities</th><th>The Company</th><th>All consolidated entities</th></tr>
<tr><td>Supervisor</td><td>Wang, Jui-Gong</td><td rowspan="2">-</td><td rowspan="2">-</td><td rowspan="2">1,250</td><td rowspan="2">1,250</td><td rowspan="2">54</td><td rowspan="2">54</td><td rowspan="2">0.19</td><td rowspan="2">0.19</td><td rowspan="2">-</td></tr>
<tr><td>Supervisor</td><td>Wang, Chun-Hsiung</td></tr>
</table>

Note 1: On June 16, 2022, the Company fully re-elected the nine directors, including three independent directors, and established the Audit Committee to replace the powers of supervisors.
2. Mr. Wang, Jui-Gong was a supervisor of the Company, and elected as a director in a re-election. Mr. Wang, Chun-Hsiung was dismissed from the Supervisor due to the re-election.

Remuneration Range Table

Remuneration Range Table Paid to Each Supervisors	Names of Supervisors	
	Sum of A+B+C	
	The Company	All consolidated entities
Less than NT$1,000,000	Wang, Jui-Gong; Wang, Chun-Hsiung	Wang, Jui-Gong; Wang, Chun-Hsiung
NT$1,000,000 (incl.)~NT$2,000,000 (excl.)	—	—
NT$2,000,000 (incl.)~NT$3,500,000 (excl.)	—	—
NT$3,500,000 (incl.)~NT$5,000,000 (excl.)	—	—
NT$5,000,000 (incl.)~NT$10,000,000 (excl.)	—	—
NT$10,000,000 (incl.)~NT$15,000,000 (excl.)	—	—
NT$15,000,000 (incl.)~NT$30,000,000 (excl.)	—	—
NT$30,000,000 (incl.)~NT$50,000,000 (excl.)	—	—
NT$50,000,000 (incl.)~NT$100,000,000 (excl.)	—	—
NT$100,000,000 or above	—	—
Total	Two	Two

Note: As of the publication date of the annual report, the Company's 2022 employee remuneration, director and supervisor remuneration were approved by the Board for distribution but not reported to the shareholders' meeting

(III) Remuneration to President(s) and Vice President(s)

December 31, 2022; unit: NT$ thousand

Title	Name	Salary (A)		Retirement pay and pension (B)		Rewards and special disbursements (C)		Employee profit-sharing compensation (D)				Sum of A+B+C+D and ratio to net income (%)		Remuneration received from investee enterprises other than subsidiaries or from the parent company
		The Company	All consolidated entities	The Company	All consolidated entities	The Company	All consolidated entities	The Company		All consolidated entities		The Company	All consolidated entities	
								Cash Amount	Shares Amount	Cash Amount	Shares Amount			
Chairman concurrent CEO	Wang, Jui-Hung	19,057	19,057	—	—	13,247	13,247	3,873	—	3,873	—	5.33	5.33	—
Vice CEO	Wang-Lai, Ming-Yue													
President	Wang, Jui-Chi													
Executive Vice President	Huang, Huai-De													
Vice President of Sales Department	Wang, Kuo-Ying													
Vice President of Factory Affairs Division	Wang, Chin-Chi													
Vice President of Finance Departmer	Huang, Yu-Hua													

Note: Information of retirement pay and pension paid to the CEO, Vice CEO, president and vice presidents in 2022

1. Amount actually paid as retirement pay and pension: NT$0. 2. Amount contributed to the new retirement system: NT$646,992. 3. Amount contributed to the old retirement system: NT$70,012. 4. Retirement pay and pension not contributed pursuant to the aforesaid 2 and 3: NT$0.

Remuneration Range Table

Remuneration Range Table Paid to Each President and Vice President	Names of Presidents and Vice Presidents	
	The Company	All consolidated entities
Less than NT$1,000,000	—	—
NT$1,000,000 (incl.)~NT$2,000,000 (excl.)	—	—
NT$2,000,000 (incl.)~NT$3,500,000 (excl.)	Wang, Chin-Chi	Wang, Chin-Chi
NT$3,500,000 (incl.)~NT$5,000,000 (excl.)	Wang, Kuo-Ying; Huang, Yu-Hua	Wang, Kuo-Ying; Huang, Yu-Hua
NT$5,000,000 (incl.)~NT$10,000,000 (excl.)	Wang, Jui-Hung; Wang, Jui-Chih; Wang-Lai Ming-Yue; Huang, Huai-De	Wang, Jui-Hung; Wang, Jui-Chih; Wang-Lai Ming-Yue; Huang, Huai-De
NT$10,000,000 (incl.)~NT$15,000,000 (excl.)	—	—
NT$15,000,000 (incl.)~NT$30,000,000 (excl.)	—	—
NT$30,000,000 (incl.)~NT$50,000,000 (excl.)	—	—
NT$50,000,000 (incl.)~NT$100,000,000 (excl.)	—	—
NT$100,000,000 or above	—	—
Total	Seven	Seven

Note: As of the publication date of the annual report, the Company's 2022 employee remuneration, director and supervisor remuneration were approved by the Board for distribution but not reported to the shareholders' meeting

(IV) Names of managerial officers who received employee compensation

December 31, 2022; Unit: NT$ thousand

	Title	Name	Share amount	Cash amount	Total	Total to the net income (%)
Managerial officer	Chairman concurrent CEO	Wang, Jui-Hung	—	9,048	9,048	1.33
	Vice CEO	Wang-Lai, Ming-Yue				
	President	Wang, Jui-Chi				
	Executive Vice President	Huang, Huai-De				
	Vice President of Factory Affairs Division	Wang, Chin-Chi				
	Vice President of Sales Department	Huang, Yu-Hua				
	Vice President of Sales Department	Wang, Kuo-Ying				
	Assistant Vice President, Sales Department	Chen, Hui-Ming				
	Assistant Vice President, Finance Department	Huang, Ching-Hung				
	Manager, Sales Department	Yeh, Che-Chang				
	Manager, Sales Department	Hsu, Yung-Ching				
	Manager, Sales Department	Lai, Yung-Jin				
	Manager, Information Department	Huang, Ying-Che				
	Manager, General Affair Department	Wang, Chi-Sheng				
	Manager, Quality Assurance Department	Chang, Sheng-Hsiung				
	Manager, Development Department	Huang, Shih-Hsiung				
	Manager, Procurement Department	Wu, Ming-Hsien				
	Manager, Injection Mold Department	Huang, Chien-Wen				
	Manager, Production Department	Tsai, Er-Yuan				
	Manager, Audit Office	Chang-Chien, An-Ya				

(V) Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by this company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, general managers, and assistant general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

1. Analysis of percentage of the total remuneration paid to directors, supervisors, president and vice presidents to net income during the past 2 fiscal years

Title \ Year	2021		2022	
	The Company	All consolidated entities	The Company	All consolidated entities
Director Supervisor	3.52%	3.52%	2.04%	2.04%
CEO and Vice CEO Presidents and Vice Presidents	10.16%	10.16%	5.33%	5.33%
The causes of increase or decrease (the increase or decrease is 20% or more) Percentage of remunerations paid to CEO, Vice CEO, President and Vice President to net income decreased, mainly because the 2022 profit increased.				

2. The remuneration policies, standards, and packages, and the procedure for determining remuneration are as below:
   (1) For the remunerations to directors and supervisors, Article 28 of the Company's Articles of Incorporation shall be complied with, that the distribution amount is to be resolved by the Board, paid pursuant to the "“Regulations Governing Remunerations to Directors, Supervisors, and Managerial Officers," and reported to the shareholders' meeting.
   (2) The remunerations to the independent directors are paid pursuant to the "Regulations Governing Remunerations to Directors, Supervisors, and Managerial Officers."
   (3) The policy of remunerations to managerial officers is, pursuant to the "Regulations Governing Remunerations to Directors, Supervisors, and Managerial Officers," measure the operating performance of the managerial officers to the Company's strategic development, operation and finance, business development, while referring to the job duties, wok experience, inflation and market level, to determine the remunerations reflecting work performance and competitive.

IV. Implementation of corporate governance

(I) Operation of the Board of Directors

1. The number of board meetings held in the most recent fiscal year (2022) was: nine(A) The attendance by the directors and supervisors was as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) 【B/A】	Remarks
Chairman	Wang, Jui-Hung	4	0	100.00	Dismissal: upon the re-election on June 16, 2022
	Kuanfu Co., Ltd. Corporate representative Wang, Jui-Hung	4	1	80.00	First time elected: upon the re-election on June 16, 2022
Director	Wang-Lai, Ming-Yue	3	1	75.00	Dismissal: upon the re-election on June 16, 2022

	Kuanfu Co., Ltd. Corporate representative Wang-Lai, Ming-Yue	4	1	80.00	First time elected: upon the re-election on June 16, 2022
Director	Wang, Jui-Chi	8	0	88.89	Reappointment: upon the re-election on June 16, 2022
Director	Wang, Mao-Yao	9	0	100.00	Reappointment: upon the re-election on June 16, 2022
Director	Wang, Sen-Yung	9	0	100.00	Reappointment: upon the re-election on June 16, 2022
Director	Wang, Jui-Gong	5	0	100.00	First time elected: upon the re-election on June 16, 2022
Independent director	Wu, Chia-Yin	9	0	100.00	Reappointment: upon the re-election on June 16, 2022
Independent director	Huang, Jui-Feng	9	0	100.00	Reappointment: upon the re-election on June 16, 2022
Independent director	Wang, Deng-Chi	4	1	80.00	First time elected: upon the re-election on June 16, 2022
Supervisor	Wang, Jui-Gong	4	0	100.00	Dismissal: upon the re-election on June 16, 2022 (Four attendance expected during the office)
Supervisor	Wang, Chun-Hsiung	4	0	100.00	Dismissal: upon the re-election on June 16, 2022 (Four attendance expected during the office)

2. Other information required to be disclosed for the Board

(1) If any of the following circumstances exists, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the independent directors:

A. Any matter under Article 14-3 of the Securities and Exchange Act: not applicable, as the Company has established the Audit Committee and Article 14-3 of the Securities and Exchange Act is not applicable. Please refer to the "Operations of the Audit Committee" for related information.

B. In addition to the matters referred to above, any dissenting or qualified opinion of an independent directory that is on record or stated in writing with respect to any board resolution: none

(2) The status of implementation of recusals of directors with respect to any motions with which they may have a conflict of interest: specify the director's name, the content of the motion, the cause for recusal, and whether and how the director voted: none.

A. For the nomination of director candidates, the candidates, Mr. Wang, Jui-Hung, Ms. Wang-Lai Ming-Yue, Mr. Wang, Jui-Chi, Mr. Wang, Jui-Gong, Mr. Wang Mao-Yao; and Mr. Wang, Sen-Yung had conflicts of interests and thus each of them recused him/herself respectively from discussion and voting. Other attending directors deliberated and approved to include them in the list of director candidates.

B. For the the nomination of independent director candidates, the candidates, Mr. Huang, Jui-Feng and Mr. Wu, Chia-Yin, had conflicts of interests and thus each of them recused him/herself respectively from discussion and voting. Other attending directors deliberated and approved to include them in the list of independent director candidates.

(3) For a TWSE or TPEx listed company, disclose information including the evaluation cycle and period(s) of the board of directors' self-evaluations (or peer evaluations) and the evaluation method and content. Additionally, complete Table 2(2) Implementation of Evaluations of the Board of Directors.

A. In order to implement corporate governance, enhance the functions of the Board of Directors, and clearly define the performance goals to improve operational efficiency, the "Rules for Performance Evaluation of Board of Directors" have been established. The contents are as follows:

Evaluation cycle	Evaluation period	Scope of evaluation	Method of evaluation	Evaluation results	Evaluation content	Evaluation results
Once per year	January 1, 2022 to December 31, 2022	Board of directors	Internal self-assessment of Directors' Office	Exceeding the standards	I. Degree of the board's participation in the operation of the company. II. The quality of the board's decision making III. Composition and structure of the board; IV. Election and continuing education of the directors V. Internal control.	Exceeding the standards
		Individual board members	Self-evaluation of board members	Exceeding the standards	I. Alignment of the goals and mission of the company; II. Awareness of the duties of a director; III.. Participation in the operation of the company; IV. Management of internal relationship and communication; V. The director's professionalism and continuing education; and VI. Internal control.	Exceeding the standards
		Functional Committee	Internal self-assessment of Directors' Office	Exceeding the standards	I. Degree of the board's participation in the operation of the company. II. Awareness of the duties of the functional committee. III. Quality of decisions made by the functional committee. IV. Makeup of the functional committee and election of its members. V. Internal control.	Exceeding the standards

(4) Evaluation of targets for strengthening of the functions of the board and implementation during the current and immediately preceding fiscal years

A. The Board is operated in accordance with the Rules of Procedure for Board of Directors Meetings. The Board has appointed three independent directors with backgrounds in finance, law, or expertise in the industry to which the Company belongs. In 2022, board members continued to participate in continuing education courses on corporate governance topics to strengthen the functions of the Board.

B. In order to strengthen the management mechanism and improve the supervision function, the Board has established the Remuneration Committee on October 26, 2011, and the Audit Committee on June 24, 2022. The committees convenes meetings in accordance with the charters approved by the Board to deliberate and discuss proposals related to the committees' exercise of power, and the conclusion is submitted to the Board of Directors for resolution.

C. Since 2023, when selecting the CPAs auditing and attesting financial reports, the AQIs information shall be obtained from the attesting CPAs; based on the AQI information provided by the firm (including five aspects the professionalism, independence, quality control, supervision, innovation ability with 13 indicators) for the detailed assessment. The engaged CPAs fully communicate and discuss in the Audit Committee meetings, as the reference when engaging the attesting CPAs.

D. The Company takes the initiative to provide various training courses for directors and encourages them to participate in various corporate governance courses. Professional lecturers are arranged to give lectures at the Company from time to time, to strengthen the functions of board members. In 2022, a total of 22 directors were trained for a total of 66 hours.

<table>
<tr><th>Title</th><th>Name</th><th>Date of continuing education</th><th>Continuing education Organizer</th><th>Continuing education Name of course</th><th>Hour of education</th></tr>
<tr><td>Chairman</td><td>Wang, Jui-Hung</td><td rowspan="9">2022.06.24</td><td rowspan="9">Accounting
Republic of China
Research
and Development Foundation</td><td rowspan="9">The latest ESG sustainability policies
and
audit committee operation practices</td><td rowspan="9">3</td></tr>
<tr><td>Director</td><td>Wang-Lai, Ming-Yue</td></tr>
<tr><td>Director</td><td>Wang, Jui-Chi</td></tr>
<tr><td>Director</td><td>Wang, Mao-Yao</td></tr>
<tr><td>Director</td><td>Wang, Sen-Yung</td></tr>
<tr><td>Director</td><td>Wang, Jui-Gong</td></tr>
<tr><td>Independent director</td><td>Huang, Jui-Feng</td></tr>
<tr><td>Independent director</td><td>Wu, Chia-Yin</td></tr>
<tr><td>Independent director</td><td>Wang, Deng-Chi</td></tr>
<tr><td>Independent director</td><td>Wang, Deng-Chi</td><td>2022.07.06</td><td>Accounting Research
and Development Foundation</td><td>Practical analysis of latest corporate governance policy
and corporate governance evaluation</td><td>3</td></tr>
<tr><td>Independent director</td><td>Wang, Deng-Chi</td><td>2022.07.18</td><td>Accounting Research
and Development Foundation</td><td>New Trends of ESG
and TCFD reporting: grasp the key points of information</td><td>3</td></tr>
<tr><td>Independent director</td><td>Wu, Chia-Yin</td><td>2022.10.06</td><td>Taiwan Stock Exchange Corporation</td><td>2022 TWSE-listed Companies: Release of Guidelines for Powers Exercise by Independent Directors and the Audit Committee, and Promotion to Directors and Supervisors</td><td>3</td></tr>
<tr><td>Independent director</td><td>Huang, Jui-Feng</td><td>2022.10.11</td><td>Taiwan Stock Exchange Corporation</td><td>2022 TWSE-listed Companies: Release of Guidelines for Powers Exercise by Independent Directors and the Audit Committee, and Promotion to Directors and Supervisors</td><td>3</td></tr>
<tr><td>Chairman</td><td>Wang, Jui-Hung</td><td rowspan="6">2022.12.23</td><td rowspan="6">Accounting Research and Development Foundation</td><td rowspan="6">Case Study of corporate governance and securities regulations in practice</td><td rowspan="6">3</td></tr>
<tr><td>Director</td><td>Wang-Lai, Ming-Yue</td></tr>
<tr><td>Director</td><td>Wang, Jui-Chi</td></tr>
<tr><td>Director</td><td>Wang, Mao-Yao</td></tr>
<tr><td>Director</td><td>Wang, Sen-Yung</td></tr>
<tr><td>Director</td><td>Wang, Jui-</td></tr>
</table>

	Gong				
Independent director	Huang, Jui-Feng				
Independent director	Wu, Chia-Yin				
Independent director	Wang, Deng-Chi				

(II) Operation of the Audit Committee

1. Annual key tasks and operation of the Audit Committee

To strengthen corporate governance, the Company established the Audit Committee in 2022. The Audit Committee consists of three independent directors, and the independent director, Ms. Huang, Jui-Feng was elected as the convener. The purpose of the Audit Committee is to assist the Board of Directors in fulfilling its oversight of the quality and integrity of the Company's accounting, auditing, financial reporting procedures, and financial control. The matters to be deliberated include:

(1)The adoption of or amendments to the internal control system pursuant to Article 14-1 of the Securities and Exchange Act.

(2)Assessment of the effectiveness of the internal control system.

(3)The adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of the procedures for handling financial or business activities of a material nature, such as acquisition or disposal of assets, derivatives trading, loaning of funds to others, and endorsements or guarantees for others.

(4)Matters in which a director is an interested party.

(5)Asset transactions or derivatives trading of a material nature.

(6)Loans of funds, endorsements, or provision of guarantees of a material nature.

(7)The offering, issuance, or private placement of equity-type securities.

(8)The hiring or dismissal of a certified public accountant, or their compensation.

(9)The appointment of finance, accounting, or internal audit officers.

(10)Annual and semi-annual financial reports.

(11)Other material matters as may be required by this Corporation or by the competent authority.

2. Major tasks of the Audit Committee for the year:

(1)Review of financial statements: The second quarter and third quarter consolidated financial statements were reviewed by Ernst & Young Taiwan

(2)Engagement and compensation of CPAs: The Committee has assessed independence, competence, and professionalism of the CPAs by complying with Certified Public Accountant Act and other relevant laws and regulations, to confirm that the CPAs have no other interests and business relationship other than the fees of attestation and taxation cases withe the Company. In the first meeting of the first Audit Committee on August 10, 2022 (the 7th board meeting on August 10, 2022), the independence of the CPAs, Aero Huang and Martin Yen from EY Taiwan was deliberated and approved to be qualified to serve as the Company's attesting CPAs for finance and taxation.

(3)The Audit Committee evaluates the effectiveness of the policies and procedures of the Company's internal control system, and reviews the periodic reports of the Company's Audit Department, CPAs, and management. An effective control mechanism has been established and implemented to supervise and correct the problem.

3. The number of audit committee meetings held in the most recent fiscal year (2022) was: three (A). The attendance by the independent directors was as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) 【B/A】	Remarks
Independent director	Wu, Chia-Yin	3	0	100.00	Reappointment: upon the re-election on June 16, 2022
Independent director	Huang, Jui-Feng	3	0	100.00	Reappointment: upon the re-election on June 16, 2022
Independent director	Wang, Deng-Chi	2	1	66.67	First time elected: elected on June 16, 2022

Other information required to be disclosed:

1. If any of the following circumstances exists, specify the audit committee meeting date, meeting session number, content of the motion(s), the content of any dissenting or qualified opinion or significant recommendation of the independent directors, the outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee:

   (1) Any matter under Article 14-5 of the Securities and Exchange Act.

Audit Committee	Content of the motion(s)	The dissenting or qualified opinion or significant recommendation of the independent directors	The outcomes of audit committee resolutions, and the measures taken by the Company based on the opinions of the audit committee:
The 1st Audit Committee 1st meeting 2022.08.10	Proposal to replace the CPAs	None	Approved upon the resolution of all attending Audit Committee members, and submitted to the Board for resolution of approval.
	Consolidated financial statements of Q2 2022.		
	Proposal to amend the Regulations of Internal Control System Management. (“Regulations Governing Supervision and Management for Subsidiaries,” “Rules of Procedure for Board of Directors Meetings,” “Operational Procedures for Prevention of Insider Trading,” “Charter of Remuneration Committee,” “Operational Procedures for Applying for Suspension and Resumption Trading.”)		
	Proposal to amend the Regulations of Internal Control System Management. (“Regulations Governing Management of Long- and Short-Term Investments,” “Professional Judgment Procedures for Accounting, Regulations for Management of Accounting Policies and Changes in Estimates,” “Detailed Principles for Implementation of Internal Audit.”)		

	Proposal to amend the "Regulations Governing the Administration of Shareholder Services."		
	Proposal to amend the "Regulations Governing Remunerations to Directors, Supervisors, and Managerial Officers."		
	Proposal to amend the "Regulations Governing Wages."		
The 1st Audit Committee the 2nd meeting 2022.11.10	The internal audit report of Q3 2022 by the Audit Office.	None	Approved upon the resolution of all attending Audit Committee members, and submitted to the Board for resolution of approval.
	Report on the transaction of land for the Company's subsidiary, GPI Co.(Samoa), Ltd.		
	Report on the Company's "Sustainable Development Roadmap" and the GHG inventory and certification schedule of the parent company and subsidiaries.		
	The Company has reported the 2021 CSR implementation.		
	Consolidated financial statements of Q3 2022.		
	Proposal of additional budget for the construction of the Minquan Plant.		
	Deliberated the proposal of appointment and dismissal of the managerial officers. (Audit Officer)		
	Proposal to amend the Company's "Rules of Procedure for Board of Directors' Meetings".		
	Proposal to amend the "Organization Charter."		
	Proposal to establish the Company's "Procedures for Handling Material Inside Information."		
The 1st Audit Committee The 3rd meeting 2022.12.23	Proposal of 2023 annual budget	None	Approved upon the resolution of all attending Audit Committee members, and submitted to the Board for resolution of approval.
	Proposal to financing the subsidiary by the Company		
	Proposal to distribute the accumulated undistributed earnings for 2022 of the subsidiary, GPI Co.(Samoa) Ltd. to the Company.		
	Proposal to liquidate the subsidiary, TJ OFFICE SOLUTION CO., LTD		
	Proposal of 2023 annual audit plan.		
	Proposal to amend the "Regulations G. overning Budgets."		

(2) In addition to the matters referred to above, any matter that was not approved by the audit committee but was approved by a two-thirds or greater majority resolution of the board of directors: none.

2. Implementation of recusals of independent directors with respect to any motions with which they may have a conflict of interest: specify the independent director's name, the content of the motion, the cause for recusal, and whether and how the independent director voted: none.

3. Communication between the independent directors and the chief internal audit officer and

the CPAs that serve as external auditor (including any significant matters communicated about with respect to the state of the company's finances and business and the method(s) and outcomes of the communication):

(1) Independent directors and the internal audit officer communicate with each other by e-mail or telephone from time to time. In case of major exceptions, a meeting can be convened at any time. The communication channels are diverse and smooth.

(2) The internal audit officer submits the audit report to the independent directors for review before the end of the next month internal audit officer also submits reports to the independent directors on the implementation of the internal audit plan in the Audit Committee every quarter. For the audit results of 2022, no material abnormality existed, and independent directors have no objection.

(3) Before the end of each fiscal year, the internal audit officer submits the audit plan for the following year to the Board for resolution after being reviewed by the Audit Committee.

(4) Communications between independent directors and audit officer in 2022 was good, as summarized below:

Date	Communicated matters	Communication results and implementation
2022.03.25	1.The internal audit officer explained the internal audit of Q4, 2021 and Q1 2022 by the internal audit officer. 2.The internal audit officer explained the results of the self-assessment of the internal control system in 2021 and discussed the relevant descriptions in the Statement of Internal Control System.	All attending independent directors approved, and submitted to the Board for reporting
2022.05.10	1.The internal audit officer explained the internal audit of Q2, 2022	All attending independent directors approved, and submitted to the Board for reporting
2022.08.10	1.The internal audit officer explained the internal audit of Q3, 2022	All attending independent directors approved, and submitted to the Board for reporting
2022.12.23	1.The internal audit officer explained the 2023 annual audit plan.	All attending independent directors approved, and submitted to the Board for reporting

(5) Communication between the Company's independent directors and the CPAs is arranged at least once a year to explain corporate governance or securities regulations. Since the selection of the CPAs for the audit of financial statements in 2023, the AQIs information has been obtained from the CPAs to serve as a reference for the engagement of CPAs. The Audit Committee also has sufficient communications and discussion with the engaged CPAs before the Audit Committee.

(6) At least once a year, the CPAs, in accordance with the auditing standard, arrange the "Communication with the Governing Body of the Auditee," When the CPAs plan and complete the audit or review governance matters of the consolidated/parent-only financial reports, to fully communicate the financial positions of the Company and the subsidiaries, overall operation and internal control auditing report, and any material adjustments of entries, or any legal amendment may affect the accounting.

1. Participation of supervisors in the operation of the Board: The Company has set up the Audit Committee to replace supervisors.

(4)The number of board meetings held in the most recent fiscal year (2022) was: nine(A) The attendance by the supervisors was as follows:

Title	Name	No. of meetings attended in person B (Note)	In-person attendance rate (%) 【B/A】	Remarks
Supervisor	Wang, Jui-Gong	4	100.00	On June 16, 2022, the Company fully re-elected the nine directors, including three independent directors, and established the Audit Committee to replace the powers of supervisors. A total of four participations were expected during the term of office.
Supervisor	Wang, Chun-Hsiung	4	100.00	

Other information required to be disclosed:

1. Composition and responsibilities of the supervisors
   (1) Communication between supervisors and the Company's employees and shareholders: When the supervisors deem necessary, they may communicate with employees directly, or communicate with employees, shareholders, and stakeholders through the Board, shareholders' meetings, and other mechanisms.
   (2) Communication between supervisors and internal audit officer and CPAs
      1. The audit officer submits the audit report to the supervisors after the completion of the audit project. The supervisors have no objection.
      2. The audit officer attends the Company's board meetings as a non-voting guest and makes audit reports. No objection is raised by the supervisors.
      3. Communication between supervisors and CPAs: On March 25, 2022, the CPAs reported to the supervisors regarding the financial status of the Company, the finance and overall operations of domestic and foreign subsidiaries, and the audit of the internal control. Furthermore, the sufficient communications were made regarding any material adjustments of entries, or any legal amendment may affect the accounting
2. Where any supervisor participating a board meeting and expressed his/her opinions, specify the board meeting date, meeting session number, content of the motion(s), the opinions of all the independent directors, and the measures taken by the Company based on the opinions of the supervisors:

Note: 1. On June 16, 2022, the Company fully re-elected the nine directors, including three independent directors, and established the Audit Committee to replace the powers of supervisors.
2. Before the re-election in 2022, supervisors shall attend a total of 4 board meetings.

(III) Corporate Governance – Implementation Status and Deviations from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Evaluation item	Implementation status (Note 1)			Deviations from the Corporate Governance Best- Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
1. Has the Company established and disclosed its Corporate Governance Best-Practice Principles based on the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?		V	The Company has not yet formulated the Corporate Governance Best Practice Principles, but the internal control system and various regulations incorporate the spirit of corporate governance.	No material deviation from the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
2. Shareholding Structure and Shareholders' Rights (1) Does the Company have Internal Operation Procedures for handling shareholders' suggestions, concerns, disputes and litigation matters. If yes, have these procedures been implemented accordingly?	V		(1) The Company has established a spokesperson and an acting spokesperson to handle related matters to accept suggestions or explain concerns from shareholders any time with the full supports from each functional teams under the General Administration Division to reply orally or in writing, to the satisfaction of the shareholders. In case of disputes, the Company's lawyer will be entrusted to handle such matters.	No material deviation from the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
(2) Does the Company know the identity of its major shareholders and the parties with ultimate control of the major shareholders?	V		(2) The Company keeps track of any increase or decrease in the shareholdings or changes in pledge of shareholders who hold 5% or more of shares, as well as any increase or decrease in shareholdings or changes in collaterals for directors and managerial officers who hold 5% or more of shares. The information of shareholders who hold more than 5% of shares is disclosed in the Company's financial report on a quarterly basis as required. Directors, managerial officerss, and shareholders holding 10% or more of the shares are disclosed on a monthly basis on the information reporting website designated by the competent authority.	No material deviation from the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
(3) Has the Company built and implemented a risk management system and a firewall between the Company and its affiliates?	V		(3) Pursuant to the internal related regulations including "Regulations Governing Transactions with Related Parties," "Regulations Governing Supervision and Management for Subsidiaries," "Regulations Governing Making Endorsements and Guarantees," "Regulations Governing Loaning of Funds to Others" and "Operational Procedures for Acquisition and Disposal of Assets," the Company has established the proper risk control mechanisms and firewalls. All business transactions with affiliates are treated as transactions with independent third parties, to prevent non arm-length transactions.	No material deviation from the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
(4) Has the Company established internal rules prohibiting insider trading of securities based on	V		(4) The Company has established the "Operational Procedures for Prevention of Insider Trading" (please visit the website:	No material deviation from the spirit of the Corporate Governance

Evaluation item	Implementation status (Note 1)			Deviations from the Corporate Governance Best- Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
undisclosed information?			https://www.gpi.com.tw/governance-6.html). The procedures specify that the insiders are prohibited to make profit by trading securities with the information not available to the market. In 2022, the continuing education courses were conducted to the current directors for total of 66 hours; relevant education and promotion were conducted for managerial officers and employees on May 24, 2022, including the confidentiality of material information, and causes of insider trading formation, process of recognition, and explanation of example cases. The files are sent to personal mail box. For the employees who do not have a mail box, the files will be posted on the bulletin board of each department to convey the message to employees about the importance of ethics; in 2022, 100% of new employees received education and promotion.	Best Practice Principles for TWSE/TPEx Listed Companies
3. Composition and responsibilities of the board of directors (1) Have a diversity policy and specific management objectives been adopted for the board and have they been fully implemented?	V		(1) The nomination and selection of the Company's directors is based on the requirements of the Articles of Incorporation. Candidates are screened for their education, experience and qualifications. The opinions of stakeholders are also considered, and the "Rules Governing the Election of Directors and Supervisors" is complied with to ensure the diversity of the board members and independence, regardless gender or nationality. All members of the board shall have the knowledge, skills, and experience necessary to perform their duties. To achieve the ideal goal of corporate governance, the board of directors shall possess the following abilities: 1. Ability to make operational judgments. 2. Ability to perform accounting and financial analysis. 3. Ability to conduct management administration. 4. Ability to conduct crisis management. 5. Knowledge of the industry. 6. An international market perspective. 7. Ability to lead. 8. Ability to make policy decisions. The Company's nine members of the Board with diverse backgrounds (six directors and three independent directors); all of them are with professional knowledge and industrial management experience, including two independent directors, accounting for 33.33% (including one female independent director; female directors accounted for 22.22% of all directors). In addition to relying on their professional leadership and decision-making ability, and	No material deviation from the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies

Evaluation item	Implementation status (Note 1)			Deviations from the Corporate Governance Best- Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
			professional knowledge in industry, finance and accounting, or laws to deepen the independence and diversity of corporate governance, for all directors' educational background, experience, gender, professional qualification and work experience are diversified. Please refer to pages 10-11 of this annual report.	
(2) Has the Company voluntarily established other functional committees in addition to the remuneration committee and the audit committee?		V	(2) The Company has already set up the Remuneration Committee and Audit Committee. In the future, other functional committees will be set up in accordance with the Company's corporate governance needs.	No material deviation from the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
(3) Has the Company established rules and methodology for evaluating the performance of its Board of Directors, implemented the performance evaluations on an annual basis, and submitted the results of performance evaluations to the board of directors and used them as reference in determining salary/compensation for individual directors and their nomination and additional office terms?	V		(3) The Company has established the "Rules for Performance Evaluation of Board of Directors," and evaluates the performance of the Board at least once a year based on the self-evaluation of individual directors, the evaluation of the Board by itself or others; and the results of the performance evaluation of are presented to the Board. Evaluation of the performance of the Board includes following five aspects: (1) Degree of the board's participation in the operation of the company. (2) Improvement of the quality of the board of directors' decision making; (3) Composition and structure of the board of directors; (4) Election and continuing education of the directors; and (5) Internal control. Evaluation of the performance of board member include the following six aspects: (1) Alignment of the goals and mission of the company; (2) Awareness of the duties of a director; (3) Degree of the board's participation in the operation of the company. (4) Management of internal relationship and communication; (5) The director's professionalism and continuing education; and (6) Internal control. The Board conducted the 2022 evaluation in January 2023, by using the overall performance evaluation of the Board, the	No material deviation from the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies

Evaluation item	Implementation status (Note 1)			Deviations from the Corporate Governance Best- Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
			Audit Committee, the Remuneration Committee, and the self-evaluation of the board members. The performance evaluations were all "Exceed Standards" and reported in the board meeting convened on January 16, 2023.	
(4) Does the Company regularly evaluate its external auditors' independence?	V		(4) The Company evaluates the independence, competence and audit quality indicator (AQI) of the CPAs on a regular basis every year. Through the audits, the Company verified the independence of the CPAs that the CPAs do not hold the position of director, managerial officers, or positions with significant influence or conflict of interest, and obtained the "Declaration of CPA's Independence" from (Note 2), the assessment results of the most recent year were submitted to the Board for resolution on March 21, 2023.	No material deviation from the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
4. Does the TWSE/TPEx listed company have in place an adequate number of qualified corporate governance officers and has it appointed a chief corporate governance officer with responsibility corporate governance practices (including but not limited to providing information necessary for directors and supervisors to perform their duties, aiding directors and supervisors in complying with laws and regulations, organizing board meetings and annual general meetings of shareholders as required by law, and compiling minutes of board meetings and annual general meetings)?	V		The Company has established the of the Board of Directors' Office subordinate to the Board of Directors. In order to be responsible for corporate governance-related affairs, the General Administration Division, the Finance Department, the Audit Office and other related units are also requested to assist in handling such matters, including holding the board and shareholders' meetings pursuant to laws, producing minutes of board and shareholders' meetings, assisting directors to onboarding and continuing education, providing directors with the materials needed to execute their duties, assisting directors in complying with laws and regulations, among other things.	No material deviation from the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
5. Has the Company established channels for communicating with its stakeholders (including but not limited to shareholders, employees, customers, suppliers, etc.) and created a stakeholders section on its company website? Does the Company appropriately respond to stakeholders' questions and concerns on important corporate social responsibility issues?	V		(1) The Company has set up a stakeholder section on its website and a contact email (csr@gpi.com.tw) to handle issues of concern to stakeholders by dedicated personnel, and refer them to the relevant units for handling and response. In addition, there are communication windows and mailboxes for individual stakeholders (investors, customers, employees, suppliers, and corporate social responsibility related), seeking to quickly and properly respond to important corporate social responsibility issues that are of concern to stakeholders. (2) The topics concerned by stakeholders and the communication channels are disclosed in the Company's website https://www.gpi.com.tw/csr-4.html for details	No material deviation from the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
6. Has the Company appointed a professional	V		The Company has commissioned the Shareholder Service Agency	No material deviation from the

Evaluation item	Implementation status (Note 1)			Deviations from the Corporate Governance Best- Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
shareholder services agent to handle matters related to its shareholder meetings?			Department of KGI Securities, a professional shareholder service agency, to handle all of the Company's shareholder service.	spirit of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
7. Information Disclosure (1) Has the Company established a corporate website to disclose information regarding its financials, business, and corporate governance status?	V		(1) The Company has set up a website (https://www.gpi.com.tw) with dedicated personnel to maintain it. The data is updated from time to time for the reference of stakeholders. The Company also discloses relevant finance, business and material information in the MOPS.	No material deviation from the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
(2) Does the Company use other information disclosure channels (e.g., maintaining an English-language website, designating staff to handle information collection and disclosure, appointing spokespersons, webcasting investors conference etc.)?	V		(2) Other information disclosure methods adopted by the Company: 1. The Company has set up its website in English. 2. Dedicated personnel are assigned to collect and disclose corporate information. 3. A spokesperson system is established to ensure the timely and fair disclosure of information that may affect the decision-making of shareholders and stakeholders.	No material deviation from the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
(3) Does the company publish and report its annual financial report within two months after the end of the fiscal year, and publish and report its financial reports for the first, second, and third quarters as well as its operating statements for each month before the specified deadlines?		V	(3) The Company publishes and reports its annual financial report within two months after the end of the fiscal year, and publishes and reports its financial reports for the first, second, and third quarters as well as its operating statements for each month by the specified deadlines.	No material deviation from the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
8. Has the Company disclosed other information to facilitate a better understanding of its corporate governance practices (including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' continuing education, the implementation of risk management policies and risk evaluation standards, the implementation of customer relations policies, and purchasing liability insurance for directors and supervisors)?	V		(1) Employee rights: employees' rights and interests are handled in accordance with the Labor Standards Act and other relevant laws and regulations. "Employee Work Rules," "Regulations Governing Employee Retirement," and related personnel rules and regulations have been established as the basis for employees' conducts. An internal suggestion box has been set up for employees to express opinions, to protect the rights and interests of employees. (2) Employee care: the Company grants leave for wedding, funeral, illness, and maternity leave pursuant to the Labor Standards Act, and related welfare measures have been formulated through the Employee Welfare Committee to provide employees with care and subsidies in a timely manner. (3) Investor relations: the Company announces business-related information on a monthly basis and implements the	No material deviation from the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Deviations from the Corporate Governance Best- Practice Principles for TWSE/TPEx Listed Companies and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>spokesperson system to maintain good interaction with investors.
(4) Supplier relations: the Company values the long-term relationship with business partners, and conducts supplier evaluation and timely feedback, to maintain good relations with suppliers.
(5) Stakeholders' rights: Stakeholders may contact the Company by phone or letter at any time with the smooth communication channels. In addition, the Company will inform all stakeholders of the amendments to the laws and regulations regarding the rights or obligations of stakeholders.
(6) Continuing education for directors and supervisors: In 2022, a total of 22 directors and supervisors received 66 hours of further education.
(7) Implementation of risk management policies and risk measurement standards:
<table>
<tr><th>Risk</th><th>Management countermeasure</th></tr>
<tr><td>Interest rate</td><td>The interest rate risk of the Company mainly comes from borrowings with floating interest rates and borrowings with fixed interest rates. However, the Company has a sound financial structure and maintains long-term cooperative relations with financial institutions with reasonable interest rate.
Net interest income accounted for about 3.17% of net income before tax in 2022, which has little impact on the Company's profit or loss. In addition, the Company will continue to observe the market interest rate trends in daily operations to make necessary adjustments.</td></tr>
<tr><td>Exchange rate fluctuations</td><td>The Company's business activities are mainly denominated in USD. Therefore, fluctuations in exchange rates will have relative impacts on the Company. For purchases and sales denominated in foreign currencies, the recurring purchases and sales are offset against each other, for the certain hedging effect over the exchange rate fluctuations. If necessary, appropriate hedging instruments are adopted, such as sale of foreign exchange with forwards in advance, to reduce the effect of exchange rate fluctuations on the Company's profit and loss.
The net foreign currency exchange gain accounted for about 8.50% of the net income before tax in 2022, which had little impact on the Company's profit or loss. Since the exchange rate of TWD are in the range of great volatility, the Company will continuously assesses proper hedging tools to lower the impacts from the exchange rate fluctuations.</td></tr>
<tr><td>Inflation</td><td>The Company will continue to monitor the changes in the external environment and conditions, flexibly adjust inventory and adjust product selling prices appropriately to avoid the impact of inflation on the Company's raw material costs and profits.</td></tr>
<tr><td>Investment risk</td><td>Policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:</td></tr>
</table></td><td></td></tr>
</table>

Evaluation item	Implementation status (Note 1)			Deviations from the Corporate Governance Best- Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	

	1. Currently, the Company is not engaged in any high-risk or highly leveraged investments. 2. When making endorsements and guarantees for others, the "Regulations Governing Making Endorsements and Guarantees" are complied with, and the approval upon the Board's resolution must be obtained. Currently, endorsement and guarantee is only made to the subsidiaries, and the amount of endorsement and guarantee does not exceed 100% of the Company's net worth. 3. When loaning of funds to others, the "Regulations Governing Loaning of Funds to Others" are complied with, and the approval upon the Board's resolution must be obtained. Due to the need of short-term financing; the fund loaned does not exceed 40% of the Company's net worth. Between the foreign companies in which 100% of shares with voting right held by the subsidiaries directly or indirectly, the total amount of loaned funds shall not exceed 200% of the lender's net worth, and 100% for the lender's net worth for each individual loan. There were no instances of lending funds to others in 2022. 4. When engaging in derivative trading, the "Operational Procedures for Acquisition and Disposal of Assets" are strictly complied with. The aim of all foreign exchange forwards tradings is to hedge the exchange risks of the foreign currency accounts receivable held, but not for unnecessary investments.
Changes in domestic and foreign policies and laws	The Company has cooperated with the government policies and regulations of the competent authority. So far, there is no material effect on the finance and business.
Changes in technology and industry	The Company is committed to the acquisition and R&D of new products and technologies. In addition to strategic cooperation with domestic and foreign research units from time to time, the R&D Department also keeps track of the pulse of relevant technologies and patents on the market. The Company has established the regulations of information management to implement the internal control system and maintain the information security policies. The Information Department's operations comply with the procedures required by the Company for the implementation, to ensure the completeness and security of data. During the most recent fiscal year and as they stood on the date of publication of the annual report, there was no developments in science and technology or industrial change affecting materially to the Company's finance and business.
Issue of managing the intellectual property rights	The international competition for intellectual property rights is no longer a mere infringement forensic issue. It has evolved into a business that discourages the growth of competitors. In addition to ensuring that the products themselves do not infringe patents, General Plastic Global has also begun to prevent major international manufacturers from adopting the aforementioned business practices. In 1998, the Company set up the patent team to establish a good IP right management, and develop and sell products with proprietary patents.
Consolidation of purchases or sales	Purchases: the largest supplier in 2022 accounted for 16.40% of the total purchase, without the risk of consolidated purchases. Sales: There was no single customer with sales revenue accounting for more than 10% of the net sales in 2022, and there is no risk of consolidated sales.

<table>
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<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td>Public health risk</td><td>Response to the outbreak of COVID-19 in 2022:
Facing the COVID-19 virus, General Plastic Industrial Co., Ltd.
1. The Plant Affairs Division has implemented a work division approach simultaneously to reduce cluster risk with many ways, to ensure the health of employees and their families.
2. The Sales Department and the Finance Department also monitor the market condition, customer service, payment collection and other matters.
3. The Procurement Department kept track of raw material supply and inventory to avoid the risk of chain interruption.
4. The Occupational Safety and Health Office is responsible for grasping and updating of information related to the pandemic, custody, and distribution of related pandemic containment supplies, and conducts health education promotion.
Although the overall production capacity has been affected by the pandemic, the impact of the pandemic on the Company's operations has been effectively controlled through contingency management and communication with the supply chain.</td></tr>
<tr><td>Talent demand</td><td>Due to the rapid development of the Company, the demand for R&D talents and marketing talents has increased. In addition to recruiting external talents, the Company also provides systems such as internal training, internal rotation, improvement proposal system, and employee bonus to retain professional talents.</td></tr>
<tr><td>Climate change risk</td><td>The CSR editing team referred the framework of Task Force on Climate-Related Financial Disclosures (TCFD) issued by the Financial Stability Board (FSB) to identify risks and opportunities.
1. Due to the nature of the Company’s industry, the resource and energy dependence during the manufacturing stage is lower, and the Company is located in Wuqi Industrial Park which is at an elevated area, so there has been no loss suffered from floods.
2. Pursuant to Article 22 of the Autonomous Regulations of Low-carbon City Development in Taichung City, the Company is a power-consuming venue where the renewable energy power generation facilities are required. In 2022, the contracted power capacity of the plant is 1,360 kw, and the renewable energy generation facilities of at lease 136 kw shall be installed. General Plastic has completed the installation of solar power generation facility of 999.79 kW, which is 7.4 times of the requirement in the Autonomous Regulations of Low-carbon City Development in Taichung City
In the future, the Company will assess the risks and opportunities possible to be faced based on the TCFD risk and opportunity identification every year continuously, and establish the related contingency plans for the items with higher risks.</td></tr>
</table>
(8) Implementation of customer policy: The Company maintains a stable and good relationship with its customers to create corporate profits.
(9) The liability insurance purchased for directors and supervisors: the Company has purchased liability insurance for directors and supervisors, totaling US$7 million, insured from 12:00 noon on March 1, 2023 to 12:00 noon March 1,</td><td></td></tr>
</table>

Evaluation item	Implementation status (Note 1)			Deviations from the Corporate Governance Best- Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Summary	
			2024, the insurance covers the Company's directors, supervisors, key staff, or employees who shall be held liable for losses suffered by a third party due to their wrongful acts during the execution of their duties pursuant to laws that is claimed for the first time for indemnity during the period of insurance, the insurance company shall be liable for indemnification based on the agreements of the insurance contract. On March 21, 2023, the insurance coverage of all directors was reported to the Board.	
9. Please describe the improvements made, based on the corporate governance evaluation published in the most recent year by the Corporate Governance Center of Taiwan Stock Exchange Corporate, and propose enhancements and measures for these that have not yet been rectified. The Company reviews the scores that have not yet met the criteria in the most recent corporate governance evaluation results and the corporate governance evaluation indicators published in the most recent year, to schedule the improvement and actively rectify the items unqualified. Information on the Company's overview, financial information, shareholders' meeting information, shareholder services, corporate governance, and stakeholder information has been provided on the Company's website for investors' reference.				

Note 1: Regardless of whether "Yes" or "No" is ticked regarding the implementation status, an explanation should still be provided in in the explanation column for each item.

Note 2: Assessment of CPAs' independence :

GENERAL PLASTIC INDUSTRIAL CO.,LTD.

2022 Independence and Competence Assessment Report of the Attesting CPAs

Name of Accounting Firm: Ernst & Young Taiwan

CPAs: Aero Huang and Martin Yen

Period: January 1, 2022 to December 31, 2022

Factors Affecting Independence and Competence	Yes	No	Evaluation results
1. Has a direct or material indirect financial interest relationship with the Company.		V	No such circumstance
2. Significant and close business relationship with the Company.		V	No such circumstance
3. Members of the audit service team have potential employment relationship with the Company.		V	No such circumstance
4. Members of the audit service team have served as directors, supervisors, managerial officers, or positions that have a significant influence on audit cases of the Company in the past two years.		V	No such circumstance
5. Non-audit services provided to the Company will directly affect the important items of audit cases.		V	No such circumstance
6. Representing the Company to defense in legal cases or other disputes with third parties, except in cases permitted by law.		V	No such circumstance
7. Disclosure of business secrets without the permission of the Company or the designated authority.		V	No such circumstance
8. Publicity or brokerage of the shares or other securities issued by the Company.		V	No such circumstance
9. The members of the audit service team are relatives of the Company's directors, supervisors, managerial officers, or personnel with significant influence over the audit case.		V	No such circumstance
10. A partner CPA resigned within one year serves as a director, supervisor, managerial officer, or a position that has a significant impact over audit cases.		V	No such circumstance
11. Members of the audit service team receive gifts of great value or special offers from the Company or from the Company's directors, supervisors, managerial officers, or major shareholders.		V	No such circumstance
12. The Company coerced the members of the audit service team to accept the improper choice of accounting policies by the management or improper disclosure in the financial statements.		V	No such circumstance
13. Putting pressure on the CPAs to inappropriately reduce the audit work that should be performed in order to reduce audit fees.		V	No such circumstance
14. Any holding of the Company's shares;		V	No such circumstance
15. Possessed the CPA license, established or joined the accounting firm, and applied to the competent authority for practicing registration and joined the CPA Association as a practicing member.	V		Qualified

(IV) Operation of the Remuneration Committee

1. Information on Remuneration Committee Members

Capacity (Note 1)	Qualification / Name	Professional qualifications and experience (Note 2)	Independence analysis (Note 3)	Number of other public companies at which the person concurrently serves as remuneration committee member	Remarks
Independent director (Convener)	Wu, Chia-Yin	Department of Law, National Chengchi University Director, Chiah Wei Co., Ltd. Supervisor, Yung-Tang Construction Co., Ltd. Person in Charge of Wu, Chia-Yin Land administration Agency	Conformity to the independence	—	
Independent director	Huang, Jui-Feng	Administration Junior College, National Chengchi University Assistance VP of bank	Conformity to the independence	—	
Remuneration Committee member	Huang, Jui-Tan	Graduated from Shin Min Vocational High School of Business and Engineering Chairman, Shengxi Construction Co., Ltd. Chairman, Shengxi Real Estate Brokerage Co., Ltd.	Conformity to the independence	—	

Note 1: For the number of years of relevant work experience, and the professional qualifications and experience, and the status of independence, of each remuneration committee member, regarding the independent directors, please refer to page 10, Table 1, (I) Information on Directors and Supervisors. For "Capacity," please specify whether the member is an independent director or other (if the member is the convenor, please note that fact).

Note 2: Professional qualifications and experience: Describe the professional qualifications and experience of each member of the remuneration committee.

Note 3: Independence analysis: Describe the status of independence of each remuneration committee member, including but not limited to the following: whether the member or their spouse or relative within the second degree of kinship serves or has served as a director, supervisor, or employee of the Company or any of its affiliates; the number and ratio of shares of the Company held by the member, their spouse, and their relatives with the second degree (or through their nominees); whether the member has served as a director, supervisor or employee of a "specified company" (see Article 6, paragraph 1, subparagraphs 5 to 8 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange); the amount(s) of any pay received by the remuneration committee member for any services such as business, legal, financial, or accounting services provided to the Company or any affiliate thereof within the past 2 years.

2. Operation of the Remuneration Committee

(1) The Company's remuneration committee has a total of three members.

(2) The term of the current members is from June 16, 2022 to June 15, 2025. The number of remuneration committee meetings held in the most recent fiscal year was: five (A). The attendance by the members was as follows:

Title	Name	No. of meetings attended in person (B)	No. of meetings attended by proxy	In-person attendance rate (%) (B / A)	Remarks
Convener	Wu, Chia-Yin	5	0	100.00	
Member	Huang, Jui-Feng	5	0	100.00	
Member	Huang, Jui-Tan	5	0	100.00	

Other information required to be disclosed:

1. If the board of directors does not accept, or amends, any recommendation of the remuneration committee, specify the board meeting date, meeting session number, content of the recommendation(s), the outcome of the resolution(s) of the board of directors, and the measures taken by the Company with respect to the opinions given by of the remuneration committee (e.g., if the salary/compensation approved by the board is higher than the recommendation of the remuneration committee, specify the difference(s) and the reasons).

2. With respect to any matter for resolution by the remuneration committee, if there is any dissenting or qualified opinion of a committee member that is on record or stated in writing, specify the remuneration committee meeting date, meeting session number, content of the motion, the opinions of all members, and the measures taken by the Company with respect to the members' opinion: none.

Date of meeting	Content of the motion and follow-up treatment	Resolution result	Measures taken by the Company with respect to the members' opinion
2022.8.10	1. Proposal to amend the "Regulations Governing Remunerations to Directors, Supervisors, and Managerial Officers." 2. Proposal to amend the "Regulations Governing Wages." 3. Deliberated the proposal of appointment, dismissal and compensations of the managerial officers.	Approved by all attending members	Submitted to the Board and approved by all attending directors.
2022.11.10	1. Deliberated the proposal of appointment, dismissal and compensations of the managerial officers.	Approved by all attending members	Submitted to the Board and approved by all attending directors.
2023.1.16	1. Deliberated the proposal of appointment, dismissal and compensations of the managerial officers.	Approved by all attending members	Submitted to the Board and approved by all attending directors.
2023.3.21	1. Proposal of 2022 remunerations distributed to employees, directors, and supervisors. 2. Proposal to distribute directors and supervisors' remunerations to each director and supervisor, and the employees' remunerations to each managerial officer. 3. Deliberated the proposal of appointment, dismissal and compensations of the managerial officers.	Approved by all attending members	Submitted to the Board and approved by all attending directors.

3. Scope of powers:

(1) Periodically reviewing the "Remuneration Committee Charter" established by the Company and making recommendations for amendments.

(2) Establishing and periodically reviewing the performance assessment standards, annual and long-term performance goals, and the policies, systems, standards, and structure for the remuneration of the directors, supervisors, and managerial officers

(3) Periodically assessing the degree to which performance goals for the directors, supervisors, and managerial officers of the Company have been achieved, setting the types and amounts of their individual remuneration.

(V) Promotion of Sustainable Development – Implementation Status and Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status (Note 1)</th><th rowspan="2">Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td>1. Has the Company established a governance framework for promoting sustainable development, and established an exclusively (or concurrently) dedicated unit to be in charge of promoting sustainable development? Has the board of directors authorized senior management to handle related matters under the supervision of the board?</td><td>V</td><td></td><td>The Company has established the Board of Divisions’ Office under the Board to take charge of affairs related to sustainable development; the General Administration Division, the Finance Department, the General Affairs Department, the Quality Assurance Department, the Procurement Department, and the Occupational Safety and Health Office have established the ESG project team. Each year, the Company convenes relevant responsible persons to review the issues of concern to stakeholders, formulate risk management systems and implementation guidelines, and compile the Corporate Social Responsibility Report (2021) with reference to the GRI Standards.
The Board of Directors' Office summarized the operation and implementation of various social responsibility projects and reported to the Company's Board on November 10, 2022.</td><td>No material deviation from the spirit of the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies</td></tr>
<tr><td>2. Does the company conduct risk assessments of environmental, social and corporate governance (ESG) issues related to the company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies? (Note 2)</td><td>V</td><td></td><td>The Company's ESG team assesses the level of environmental, social and corporate governance risks of the Company, and formulates effective risk identification, measurement, monitoring, and control policies to prevent and reduce the impact and damage of related risks.
<table>
<tr><th>Material issues</th><th>Risk Assessment Item</th><th>Risk management Policy</th></tr>
<tr><td>Environment</td><td>Climate Change</td><td>The ESG editing team referred the framework of Task Force on Climate-Related Financial Disclosures (TCFD) issued by the Financial Stability Board (FSB) to identify risks and opportunities.
1. Due to the nature of the Company’s industry, the resource and energy dependence during the manufacturing stage is lower, and the Company is located in Wuqi Industrial Park which is at an elevated area, so there has been no loss suffered from floods.
2. Pursuant to Article 22 of the Autonomous Regulations of Low-carbon City Development in Taichung City, the Company is a power-consuming venue where the renewable energy power generation facilities are required. In 2022, the contracted power capacity of the plant is 1,360 kw, and the renewable energy generation facilities of at lease 136 kw shall be installed. General Plastic has completed the installation of solar power generation facility of 999.79 kW, which is 7.4 times of the</td></tr>
</table></td><td>No material deviation from the spirit of the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies</td></tr>
</table>

Evaluation item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary	

		requirement in the Autonomous Regulations of Low-carbon City Development in Taichung City In the future, the Company will assess the risks and opportunities possible to be faced based on the TCFD risk and opportunity identification every year continuously, and establish the related contingency plans for the items with higher risks.
	Resources Manage	1. To effectively manage environmental issues, the Company has introduced the ISO 14001 management system; to improve the utilization efficiency of various resources, the cooling tower equipment uses a circulating water system, the industrial waste is sorted and disposed through legal processors, and the materials used in the products are all compliant with the RoHS and REACH requirements. 2. Wastewater is discharged to a sewage treatment plant in Taichung Harbor Related Industrial Park in accordance with the Regulations Governing the Wastewater Operation. The status of wastewater is monitored on a monthly basis, and personnel are sent to investigate the condition of discharge pipelines and water discharge as appropriate. 3. Pursuant to the "Regulation Governing Waste Gas Emission," the air pollution sources is controlled effectively, and the operation, and operate the pollution prevention equipment to have the waste gas from the Plants to meet the air pollution standards. 4. The Company promotes energy-saving measures and replaces lights with LEDs. 5. General Plastic Global has completed the construction of 999.79 kw solar power generation equipment. 6. Based on the general direction of a circular economy, the Company is committed to environmental protection and energy-saving, using the 3R thinking principles (Reduce, Reuse, and Recycle) to design and develop new products with the goals of energy-saving, carbon reduction, and recyclability, and promote environmentally friendly waste toner boxes.
Social	Human right	1. The human rights policy of the Company has been approved by the Board in accordance with international human rights regulations and the labor laws and regulations of all locations around the world where the business is operated. The Company is committed to equal employment, and a work environment free

Evaluation item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary	
			from discrimination and harassment, while respecting personal privacy rights and establishing diverse labor-management communication channels and appealing mechanisms to protect the rights and interests of workers. **Occupational Safety and Health** 1. A total of 699 people participated in two fire drills conducted in 2022. 2. In 2022, a total of 407 people at General Plastic underwent general health examination, and 224 people underwent special health examination. The total examination fee was NT$231.8 thousand. 3. In 2022, a total of 52 people participated in the weight loss competition, with a total of 182.7 kg lost. **Customers' Health and Safety** 1. Materials are sent to SGS regularly for testing for hazardous substances, to meet the requirements of EU RoHS and REACH regulations. 2. Quality education and training briefings for new products are held on a monthly basis to explain the key points and precautions of the audit. 3. Supplier appraisals are conducted on a monthly basis to monitor suppliers' quality. 4. Assessments are required for new suppliers to identify whether the supplier's process capability and environment meet the regulatory requirements. 5. Suppliers are required to provide the Declaration of Conformity to Environmentally Management Substances every six months to ensure the safety of raw materials. 6. Personal protective masks completed the US FDA registration and EU CE registration, passed the Good Manufacturing Practice (GMP) certification for medical devices, obtained the medical equipment license, and passed the ISO 13485:2016 medical equipment quality management system certification. 7. Actions specific to medical masks: (1) Incoming material inspection: the supplier shall provide material certification, specifications, and test report, Material Safety Data Sheet (MSDS). (2) Production process: the conformity of dimensions, pressure difference, and ear strap tension is monitored according to the sampling plan. (3) Every year, the products are regularly sent to the Taiwan Textile Research Institute for testing	

Evaluation item	Implementation status (Note 1)					Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary			
					bacterial filtration efficiency, pressure difference, anti-synthetic blood penetration resistance, sub-micron particle protection efficiency, and flame-proof method, to ensure product safety and effectiveness. (4) Product life test: the aging simulation test and the actual elapsed time test are adopted to ensure the safety and effectiveness of the product.	
				Labor-management Relationship	1. There were no incident of forced or compulsory labor in 2022, and 100% of employment was handled in accordance with the relevant provisions of the Labor Standards Act. 2. There were no incident of human rights violations or discrimination in 2022. 3. There was no major labor dispute in 2022, so there is no risk of related losses. 4. In 2022, the occupational safety and health education (promotion of proper concept of evacuation from fire + overwork warning and relief + prevention of illegal infringement in the workplace) were held, for a total of 904 hours, and 452 attendees. 5. The average starting monthly wage of new recruits is higher than the basic wage set by the Labor Standards Act; it is 1.16 times of the basic wage ($25,200) in 2022.	
				Social Engagement and Feedback	Insisting the corporate philosophy of ethical management and passion to public welfare, General Plastic Group has organized activities such as sending warmth to Tingliao Village during the winter via the subsidiary, Taichung Harbor Hotel, charity donation of blood, and complete English courses at Yongning Elementary School with foreign teachers, to fulfill the spirit of corporate social responsibility.	
			Corporate Governance	Social Economic and Legal Compliance	Based on the business philosophy of integrity, transparency, and responsibility, the Company formulates ethic-based policies, establishes sound corporate governance and risk control mechanisms, and creates an operating environment for sustainable development.	
				Enhancement of directors' functions , Implementati on of Directors responsibiliti	1. For directors to know their rights and legal responsibilities, the continuing education of the related issues are planned for directors, and the latest regulations and system developments and policies are provded to directors every year. 2. Directors liability insurance has been purchased to ensure that directors have fulfilled their duties as good administrator	

Evaluation item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary	
			es: and are protected from litigation or claims. Communication With Stakeholder: 1. Every year, the Company analyzes the key stakeholders and the key issues of their concerns. 2. Establish various communication channels and actively communicate to reduce confrontation and misunderstanding. The Company has set up the investor mailbox, and the spokesperson is responsible for handling and responding. Patents: In recent years, the Company has invested a large amount of R&D expenses to overcome the patent wall erected by the original manufacturer, and independent R&D has effectively overcome patents, the use of avoidance design, to provide consumers with another high-quality choice, and then apply for patents to prevent other companies from imitating General Plastic's products.	
3. Environmental Issues (1) Has the Company set an environmental management system designed to industry characteristics?	V		(1) The Company has established the "Code of Practice for Safety and Health" and its environmental management system (ISO14001) to strengthen safety, health, and environmental management at plants, and disclose environmental practices to stakeholders. (Please refer to the Company's website https://www.gpi.com.tw/csr-9.html for details)	No material deviation from the spirit of the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies
(2) Does the Company endeavor to use energy more efficiently and to use renewable materials with low environmental impact?	V		(2) 1. The mechanical equipment adopts the circulating water system to save the consumption of water resources. 2. Classify industrial waste and have it disposed of through legal disposal service providers. 3. In line with the EPA's garbage classification and recycling policy, the plants implement garbage classification to reduce the quantity of waste to be disposed of. 4. All materials used in the product meet the requirements of EU ROHS and REACH. (Please refer to the Company's website https://www.gpi.com.tw/csr-7.html for details)	No material deviation from the spirit of the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies
(3) Has the Company evaluated the potential risks and opportunities posed by climate change for its business now and in the future and adopted relevant measures to address them?	V		(3) The potential risk of climate change to the Company is low, and relevant countermeasures will be formulated depending on the future risk and the operating status of the Company. The ESG editing team referred the framework of Task Force on Climate-Related Financial Disclosures (TCFD) issued by the Financial Stability Board (FSB) to identify risks and opportunities. 1. Due to the nature of the Company's industry, the resource and energy dependence during the manufacturing stage is lower, and the Company is located in Wuqi Industrial Park	No material deviation from the spirit of the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies

Evaluation item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary	
			which is at an elevated area, so there has been no loss suffered from floods. 2. Pursuant to Article 22 of the Autonomous Regulations of Low-carbon City Development in Taichung City, the Company is a power-consuming venue where the renewable energy power generation facilities are required. In 2022, the contracted power capacity of the plant is 1,360 kw, and the renewable energy generation facilities of at lease 136 kw shall be installed. General Plastic has completed the installation of solar power generation facility of 999.79 kW, which is 7.4 times of the requirement in the Autonomous Regulations of Low-carbon City Development in Taichung City In the future, the Company will assess the risks and opportunities possible to be faced based on the TCFD risk and opportunity identification every year continuously, and establish the related contingency plans for the items with higher risks.	
(4) Did the company collect data for the past two years on greenhouse gas emissions, volume of water consumption, and the total weight of waste, and establish policies for greenhouse gas reduction, reduction of water consumption, or management of other wastes?	V		(4) Please refer to the Company’s website https://www.gpi.com.tw/csr-7.html for details	No material deviation from the spirit of the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies
4. Social Issues (1) Has the company formulated relevant management policies and procedures in accordance with relevant laws and regulations and international human rights conventions?	V		(1) The Company complies with relevant labor laws and regulations, and has established the "Human Rights Policy" with reference to the United Nations Sustainable Development Goals (SDGs), respect for the universal labor human rights principles of the international community, to formulate the "Human Rights Policy." Please refer to https://www.gpi.com.tw/ governance-6.html. The Company legally and adequately hires foreign laborers, and also hires dormitory warden, interpreter and other specific personnel to take care of the daily life of foreign laborer with two-way communication. Provide a work environment in which relatively stable wages, food and lodging, education and training, and improved safety and health are provided to protect the rights and interests of employees and develop the professional ability of multi-skilled workers. (Please refer to the Company’s website https://www.gpi.com.tw/csr-9.html for details)	No material deviation from the spirit of the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies
(2) Has the Company established and implemented reasonable employee welfare measures (include salary/compensation, leave, and other benefits), and are business performance or	V		(2) Please refer to the Company’s website https://www.gpi.com.tw/csr-9.html for details	No material deviation from the spirit of the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx

Evaluation item	Implementation status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary	
results appropriately reflected in employee salary/compensation?				Listed Companies
(3) Does the Company provide employees with a safe and healthy working environment, and implement regular safety and health education for employees?	V		(3) Please refer to the Company's website https://www.gpi.com.tw/csr-9.html for details	No material deviation from the spirit of the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies
(4) Has the Company established effective career development training programs for employees?	V		(4) The Company organizes education and training courses for employees from time to time, including courses on health education, orientations, industrial waste, dusty work environment, new laboratory, and stationary cranes. In 2022, the total education and training hours of General Plastic reached 2,094 hours, with a total number of 472 trainees, and the average number of hours of training per employee was 4.44 hours.	No material deviation from the spirit of the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies
(5) Does the company comply with the relevant laws and international standards with regards to customer health and safety, customer privacy, and marketing and labeling of products and services, and implement consumer protection and grievance policies?	V		(5) The Company maintains good communication channels with customers to provide effective handling of customer complaints about products and services, and establishes the "Regulations Governing Customer Complaint Management" and "Regulations Governing Customer Service Management" to resolve and handle customer complaints as quickly as possible . (Please refer to the Company's website https://www.gpi.com.tw/csr-9.html for details)	No material deviation from the spirit of the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies
(6) Has the company formulated supplier management policies requiring suppliers to comply with relevant regulations on issues such as environmental protection, occupational safety and health, or labor rights, and what is the status of their implementation?	V		(6) The Company mainly evaluates the raw material quality and delivery date of existing suppliers, and conducts on-site evaluation. If it is found to be in violation of its corporate social responsibility policy and has significant impact on the environment and society, it will also consider suspend or termination business with them. For 2022, all assessed suppliers are qualified	No material deviation from the spirit of the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies
5. Does the company refer to international reporting standards or guidelines when preparing its sustainability report and other reports disclosing non-financial information? Does the company obtain third party assurance or certification for the reports above?	V		The 2021 Corporate Social Responsibility Report has passed the SGS certification, and the standards cited were GRI Standards and AA1000 Category 1 moderate assurance level.	No material deviation from the spirit of the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies
6. If the Company has adopted its own sustainable development best practice principles based on the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviation from the principles in the Company's operations: The Company has established the "Sustainable Development Best Practice Principles" pursuant to the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and complies with accordingly. As of now, there is no deviation.				
VII. Other important information to facilitate better understanding of the company's promotion of sustainable development: The Company has established the "Sustainable Development Best Practice Principles" and prepared the "Corporate Social Responsibility Report (2021)" to record the implementation of the sustainable development, and discloses such on the MOPS and the Company's website.				

Note 1: If "Yes" is ticked in the "Implementation status" column, please concretely describe the major policies, strategies, and measures adopted and the status of their implementation. If "No" is ticked in the "Implementation status" column, please explain the deviations and the reasons in the "Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons" column and explain the Company's plans for adoption of related policies, strategies, and measures in the future.

Note 2: The materiality principle refers to focusing on environmental, social and corporate governance issues likely to have a material impact on the Company's investors and other stakeholders.

Note 3: Regarding the method for disclosure, please refer to the "SAMPLE ANNUAL REPORT" page on the website of the Taiwan Stock Exchange Corporate Governance Center.

(VI) Ethical Corporate Management – Implementation Status and Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons

Evaluation item	Implementation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary	
1. Establishment of ethical corporate management policies and programs				
(1) Does the company have an ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding implementation of such policy from the Board of Directors and the top management team?	V		(1) The Company has established the “Procedures for Ethical Management and Guidelines for Conduct” and “Code of Ethical Conducts” to specify the ethics policy and measures, and establish the good mechanisms for operating management and risk control. The board members and the management are also committed to actively implement and supervise the implementation of the ethical corporate management policy.	No material deviation from the spirit of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
(2) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates, within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Article 7, paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPE Listed Companies?	V		(2) The Company has established the “Procedures for Ethical Management and Guidelines for Conduct” to regulate the related operational procedures, and implemented accordingly. The Company has clearly stipulated the relevant rewards and penalties. It is strictly prohibited for the Company's managerial officers, employees, or persons with control capabilities within his/her powers to directly or indirectly accept any improper benefits, or to commit other acts that are in breach of ethics, law, or fiduciary obligations, to prevent fraud, embezzlement, bribe-taking, secret leakage, benefit others, false reporting, and other unethical conducts.	No material deviation from the spirit of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
(3) Does the company clearly set out the operating procedures, behavior guidelines, and punishment and appeal system for violations in the unethical conduct prevention program, implement it, and regularly review and revise the plan?	V		(3) The Company has established an effective accounting system and internal control system, and internal auditors regularly check the compliance of the aforementioned systems. The “Procedures for Ethical Management and Guidelines for Conduct” (please refer to https://www.gpi.com.tw/governance-6.html) specify that before establishing a business relationship with others, the legality of the counterparty, the ethical management policy, and whether there has been a record of unethical conduct shall be evaluated first, to ensure that the business operation is in a fair and transparent manner, without asking for, providing or accepting bribes .	No material deviation from the spirit of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
2. Ethical Management Practice				
(1) Does the company assess the ethics records of those it has business relationships with and include ethical conduct related clauses in the business contracts?	V		(1) Pursuant to the “Procedures for Ethical Management and Guidelines for Conduct,” where any unethical conduct is found in business contacts or cooperation partners, the business relationships shall be stopped immediately, black-list them, to implement the Company’s ethical management policy.	No material deviation from the spirit of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
(2) Has the company set up a dedicated unit to promote ethical corporate management under the board of directors, and does it regularly (at least once a year) report to the board of directors on its ethical corporate management policy and program to prevent unethical conduct and monitor their	V		(2) The Company has established the Board of Directors’ Office under the Board to be responsible for promoting the ethical corporate management. The Board of Directors’ Office shall complete the compilation of results before the end of the first quarter of the following year and report to the Board.	No material deviation from the spirit of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies

Evaluation item	Implementation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary	
implementation?			The most recent report was dated January 16, 2023. It mainly reported on the policies, practices, and implementation of ethical corporate management. In addition, the Audit Office submits internal audit reports to the independent directors for review on a monthly basis, and reports to the Board on a regular basis. There were no reports from external parties or employees in 2022, nor was there any case of material unethical conducts.	
(3) Has the company established policies to prevent conflict of interests, provided appropriate communication and complaint channels, and properly implemented such policies?	V		(3) The Company has established the Board of Directors' Office that can provide whistleblowers with channels to express their opinions. The identity of the whistleblower and content shall be kept confidential and shall be fully enforced.	No material deviation from the spirit of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
(4) Does the company have effective accounting and internal control systems in place to enforce ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit compliance with the systems to prevent unethical conduct or hire outside accountants to perform the audits?	V		(4) The Company has established a professional and independent internal audit operation framework, which is executed by the Audit Office under the Board of Directors. Audit plans are formulated every year to inspect the compliance with the rules and regulations, and reduce the risk of un-ethic. The Company also performs self-evaluation on the internal control system on a regular basis each year, to ensure the effective design and implementation of the system. In addition, the external CPAs perform random inspections as routine.	No material deviation from the spirit of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
(5) Does the company provide internal and external ethical corporate management training programs on a regular basis?	V		(5) The Company educates incumbent directors, supervisors, managerial officers, and employees on the "Operational Procedures for Prevention of Insider Trading" and related laws and regulations at least once a year, and arranges education and training for new directors, supervisors, and managerial officers after taking office. for new employees, the HR department will educate them and promote to the new employees during the orientation training. In 2022, related education and promotion were conducted to 22 incumbent directors, for a total of 66 hours; on May 24, 2022, the education and promotion were conducted to managerial officers and employees. The content of the training included the confidentiality of material information, and causes of insider trading formation, process of recognition, and explanation of example cases. The files are sent to personal mail box. For the employees who do not have a mail box, the files will be posted on the bulletin board of each department to convey the message to employees about the importance of ethics.	No material deviation from the spirit of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
3. Implementation of Complaint Procedures (1) Has the company established specific whistle-blowing and reward procedures, set up conveniently accessible whistle-blowing channels, and appointed appropriate personnel	V		(1) The Company has established the specific rewarding system for whistleblowing and dedicated personnel in the"Procedures for Ethical Management and Guidelines for Conduct;" the	No material deviation from the spirit of the Corporate Governance Best Practice Principles for

Evaluation item	Implementation status (Note 1)			Deviations from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons
	Yes	No	Summary	
specifically responsible for handling complaints received from whistle-blowers?			Company's website also disclose the appealing channels for any one find the unethical conduct of the Company's personnel to report. In 2022, there were no material whistleblowing incidents.	TWSE/TPEx Listed Companies
(2) Has the company established standard operation procedures for investigating the complaints received, follow-up measures taken after investigation, and mechanisms ensuring such complaints are handled in a confidential manner?	V		(2) The Company has established a whistle-blowing system, and dedicated personnel will handle the matter in accordance with the prescribed procedures, and declare in writing that the identity of the whistleblower and the content of the report will be kept confidential. If the whistle blowing is substantiated, the parties subject to the whistleblowing are demanded to stop the relevant conducts and take appropriate action. If necessary, compensation will be sought through legal procedures. Disciplinary actions will be taken in accordance with the Company's regulations. No such incident occurred in 2022	No material deviation from the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
(3) Has the company adopted proper measures to protect whistle-blowers from retaliation for filing complaints?	V		(3) Confidentiality principle: during and after the investigation, the personnel undertaking the case is strictly prohibited to disclose the case and the name of the whistleblower to unrelated parties. Officers at all levels who approved the case must also maintain confidentiality, the relevant information are treated and archived as confidential documents to protect the whistleblower from undue distress or retaliation due to the whistle blowing .	No material deviation from the spirit of the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies
4. Strengthening Information Disclosure Does the company disclose its ethical corporate management policies and the results of their implementation on its website and the Market Observation Post System (MOPS)?	V		The "Procedures for Ethical Management and Guidelines for Conduct" are disclosed in the Company's website, and the promotional effects related to the ethical management will be fulfilled in the future.	No material deviation from the spirit of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies
5. If the company has adopted its own ethical corporate management best practice principles based on the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, please describe any deviations between the principles and their implementation: The Company has established the "Procedures for Ethical Management and Guidelines for Conduct" to comply with, and there s no deviation so far.				
6. Other important information to facilitate a better understanding of the status of operation of the company's ethical corporate management policies (e.g., the company's reviewing and amending of its ethical corporate management best practice principles): The Company arranges directors to participate in corporate governance courses every year to enhance their abilities in corporate governance and supervision of various businesses of the Company, in hopes of improving the effectiveness of corporate governance and the implementation of ethical management.				

Note 1: Regardless of whether "Yes" or "No" is ticked regarding the implementation status, an explanation should still be provided in in the explanation column for each item.

(VII) Implementation of the company's internal control system

1. Statement of the Internal Control System

GENERAL PLASTIC INDUSTRIAL CO.,LTD.

Statement of the Internal Control System

Date: March 21, 2023

The Company states the following with regard to its internal control system during fiscal year 2022, based on the findings of a self-assessment:

1. The Company is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and management. The Company has established such a system aimed at providing reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), reliability, timeliness, transparency, and regulatory compliance of reporting, and compliance with applicable laws, regulations, and bylaws.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three goals mentioned above. Furthermore, the effectiveness of an internal control system may change along with changes in environment or circumstances. The internal control system of the Company contains self-monitoring mechanisms, however, and the Company takes corrective actions as soon as a deficiency is identified.
3. The Company judges the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the "Regulations"). The internal control system judgment criteria adopted by the Regulations divide internal control into five elements based on the process of management control: 1. control environment 2. risk assessment 3. control activities 4. information and communications 5. monitoring activities. Each element further contains several items. Please refer to the Regulations for details.
4. The Company has assessed the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of the assessment mentioned in the preceding paragraph, the Company believes that as of Dec 31, 2022 its internal control system (including its supervision and management of subsidiaries), encompassing internal controls for knowledge of the degree of achievement of operational effectiveness and efficiency objectives, reliability, timeliness , transparency, and regulatory compliance of reporting, and compliance with applicable laws, regulations, and bylaws, is effectively designed and operating, and reasonably assures the achievement of the above-stated objectives.
6. This Statement will become a major part of the content of the Company's Annual Report and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This Statement has been passed by the Board of Directors Meeting of the Company held on March 21, 2023, where zero of the nine attending Directors expressed dissenting opinions, and the remainder all affirmed the content of this Statement.

GENERAL PLASTIC INDUSTRIAL CO., LTD.

Chairman: Wang, Jui-Hung
President: Wang, Jui-Chi

2. Where a CPA has been hired to carry out a special audit of the internal control system, furnish the CPA audit report: not applicable

(VIII) If there has been any legal penalty against the company or its internal personnel, or any disciplinary penalty by the company against its internal personnel for violation of the internal control system, during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, where the result of such penalty could have a material effect on shareholder equity or securities prices, the annual report shall disclose the penalty, the main shortcomings, and condition of improvement: none.

(IX) Material resolutions of a shareholders' meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

1. Material resolutions of a shareholders meeting

Time	Material issues	Implementation
2022.06.16	1.The Board of Directors has approved the Financial Statements and Consolidated Financial Statements for the FY2021. The financial statements have been audited by the attesting CPAs Huang, Zhi-Ping and Aero Huang of Ernst &Young Taiwan, and submitted with the business report to the supervisors for review, with the review report presented, please ratify. When casting votes, the shareholders voted for favor was 99.85%, exceeding the statutory percentage, and thus the proposal was approved as proposed. 2.The Company's Earnings Distribution Proposal for FY2021 is presented for ratification. When casting votes, the shareholders voted for favor was 99.85%, exceeding the statutory percentage, and thus the proposal was approved as proposed. 3.The Company's Earnings Distribution Proposal for FY2021 is presented for ratification. When casting votes, the shareholders voted for favor was 99.85%, exceeding the statutory percentage, and thus the proposal was approved as proposed. 4.The proposal of the Company's cash distribution from capital reserves, please vote. When casting votes, the shareholders voted for favor was 99.84%, exceeding the statutory percentage, and thus the proposal was approved as proposed.	July 11, 2022 was set as the base date for dividend distribution, and cash dividends were distributed on July 25, 2022.

2. Material resolutions of board meetings

Time	Material issues
2022.06.16	1.Election of Chairman and Vice Chairman.
2022.06.24	1. Disposal of land in Punov Stream District, Phnom Penh, Cambodia, by the subsidiary, GPI Co.(samoa) Ltd. 2. The Company's subsidiary, GPI Co.(samoa) Ltd. terminated the syndicated credit facility of US$10 million for five years between E.Sun Commercial Bank and Union Commercial Bank in Combodia, and the endorsement and guarantee provided by the parent-company, General Plastic Industrial Co., Ltd., was terminated as well. 3. Report on the purchase of land and buildings as employee dormitory. 4. Report on the prevention of insider trading and case sharing report. 5. Resolved to approve the amendment to the "Audit Committee's Organizational Charter." 6. Resolved to approve the proposal of the "Regulations Governing the Exercise of Powers by Audit Committees" 7. Resolved to approve the establishment of the 1st Audit Committee and the election of the convener. 8. Resolved to approve the appointment of the members of the 5th Remuneration Committee. 9. Resolved to approve to add and renew the credit limits of financial institutions upon resolution.
2022.08.10	1.The report on GHG inventory and certification schedule planning of the parent company. 2.Resolved to approve the proposal to replace the CPAs 3.Resolved to approve the consolidated financial statements of Q2 2022. 4. Resolved to approve the proposal to amend the Regulations of Internal Control System Management. ("Regulations Governing Supervision and Management for Subsidiaries," "Rules of Procedure for Board of Directors Meetings," "Operational Procedures for Prevention of Insider Trading," "Charter of Remuneration Committee," "Operational Procedures for Applying for Suspension and Resumption Trading.") 5. Resolved to approve the proposal to amend the Regulations of Internal Control System Management. ("Regulations Governing Management of Long- and Short-Term Investments," "Professional Judgment Procedures for Accounting, Regulations for Management of Accounting Policies and Changes in Estimates," "Detailed Principles

Time	Material issues
	for Implementation of Internal Audit.") 6. Resolved to approve the proposal to amend the "Regulations Governing the Administration of Shareholder Services." 7. Resolved to approve the proposal to amend the "Regulations Governing Remunerations to Directors, Supervisors, and Managerial Officers." 8. Resolved to approve the proposal to amend the "Regulations Governing Wages." 9. Deliberated the proposal of appointment, dismissal and compensations of the managerial officers. 10. Approved to renew the credit limits of financial institutions upon resolution.
2022.11.10	1.Report on the gains from disposal of land for the Company's subsidiary, GPI Co.(Samoa), Ltd. 2.The report on GHG inventory and certification schedule planning of the parent company and subsidiaries 3.The Company has reported the 2021 CSR implementation. 4.Resolved to approve the consolidated financial statements of Q3 2022. 5.Resolved to approve the proposal of additional budget for the construction of the Minquan Plant. 6.Deliberated the proposal of appointment, dismissal and compensations of the managerial officers. 7.Resolved to approve the proposal to amend the Company's "Rules of Procedure for Board of Directors' Meetings". 8.Approved to amend the "Organization Charter" upon resolution. 9.Resolved to approve the proposal to establish the Company's "Procedures for Handling Material Inside Information." 10. Approved to renew the credit limits of financial institutions upon resolution.
2022.12.23	1.Resolved to approve the proposal of 2023 annual budget 2.Resolved to approve the proposal to financing the subsidiary by the Company 3.Resolved to approve the proposal to distribute the accumulated undistributed earnings for 2022 of the subsidiary, GPI Co.(Samoa) Ltd. to the Company. 4.Resolved to approve the proposal to liquidate the subsidiary, TJ OFFICE SOLUTION CO., LTD 5.Resolved to approve the proposal of 2023 annual audit plan. 6.Resolved to approve the proposal to amend the "Regulations Governing Budgets." 7.Approved to add and renew the credit limits of financial institutions upon resolution.
2023.01.16	1. Report on 2022 performance evaluation of the Board as a whole, Audit Committee, and Remuneration Committee, and self-evaluation of board members, and report on the performance evaluation 2.Report on the implementation of corporate governance, ethical management, and promoting sustainable development in 2022. 3.The report on GHG inventory and certification schedule planning of the parent company and subsidiaries 4.Resolved to approve the proposal of appointment, dismissal and compensations of the managerial officers. 5.Resolved to approve the proposal to cease the operation of the Company's subsidiary, WeKare Co., Ltd. 6.Resolved to approve the proposal to amend the Company's "Rules of Procedure for Board of Directors' Meetings".
2023.03.21	1. The liability insurance for directors and supervisors was underwritten by Insurance Company of North America, Taiwan Branch, and the coverage is USD7,000,000. The insurance term is from the noon of March 1, 2023 to noon, March 1, 2024. 2. Resolved to approve the proposal of 2022 remunerations distributed to employees, directors, and supervisors. 3. Resolved to approve the Company's financial statements for FY2022. 4. Resolved to approve the Company's earnings distribution proposal for FY2022. 5. Resolved to approve the annual review of the effectiveness of the Company's internal control system, and presence of the "Statement of Internal Control System" for 2022. 6. Resolved to approve the proposal to amend the "Articles of Incorporation." 7. Resolved to approve the proposal to amend the Company's "Rules of Procedure for Shareholders' Meetings". 8. Resolved to approve the date, venue and method, and convention causes of the 2023 regular shareholders' meeting and agenda 9. Resolved to approve the proposal to amend the "Sales and Payment Collection Cycle" of the Regulations of Internal Control System Management. 10. Approved to amend the "Organization Charter" upon resolution. 11. Deliberated the proposal of appointment, dismissal and compensations of the managerial officers. 12. Resolved to approve the Company's regular assessment of the independence, competence, and the audit quality indicator (AQIs) of CPAs 13. Resolved to approve the proposal to replace the CPAs 14. Resolved to approve the deliberation for the non-assurance service checklist to Ernst & Young Taiwan and its affiliates expected to be approved in 2023. 15. Resolved to approve the CPA's professional service fee for 2023 by the Company. 16. Resolved to approve the proposal to distribute directors and supervisors' remunerations to each director and supervisor, and the employees' remunerations to each managerial officer. 17. Approved to add and renew the credit limits of financial institutions upon resolution.
2022.05.03	1. Resolved to approve the appointment (reappointment) of directors to subsidiaries.

(X) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof:

(XI) A summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the company's chairperson, general manager, chief accounting officer, chief financial officer, chief internal auditor, chief corporate governance officer, and chief research and development officer:

May 15, 2023

Title	Name	Date of Appointment	Date of Termination	Reason for Resignation or Dismissal
Internal Audit Officer	Tsai, Ru-Shan	2010.08.01	2022.09.01	Adjustment of job

V. Information on the professional fees of the attesting CPAs

Range Table of Professional Fees of CPAs

Unit: NT$ thousand

Name of accounting firm	Name of CPA	Period covered by the CPA audit	Audit fees	Non-audit fees (Note)	Total	Remarks
Ernst & Young Taiwan	Huang, Yu -Ting	2022.01.01~2022.12.31	4,820	567	5,387	
	Yen, Wen- Pi					

Note: non-audit service items: NT$150 thousand for the group master file, and NT$340 thousand for transfer pricing report; and NT$77 thousand for others.

(1) Non-audit fees paid to CPAs, accounting firms, and affiliated companies thereof that amount to more than 1/4 of the audit fees:

(2) Changes in the accounting firm that result in lesser audit fees paid in comparison to the previous year: none.

(3) Reduction of audit fees by more than 10% compared to the previous year: none

VI. Replacement of CPAs:
the Company's CPAs have been replaced since the first quarter of 2023 due to the rotation mechanism adopted as required by the competent authority to strengthen the independence of the CPAs.

VII. The company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm:
none

VIII. Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report) by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report

(1) Changes in Shareholding of Directors, Supervisors, Managerial Officers, and Major Shareholders

Job title	Name	2022		2023 up to March 31		Remarks
		number of shares held Increase (decrease)	No. of shares pledged Increase (decrease)	number of shares held Increase (decrease)	No. of shares pledged Increase (decrease)	
Chairman	Kuanfu Co., Ltd.	—	—	—	—	
	Corporate representative: Wang, Jui-Hung (Note 1)	(14,875,000)	—	—	—	
Director	Kuanfu Co., Ltd.	—	—	—	—	
	Corporate representative: Wang-Lai Ming-Yue (Note 2)	(10,912,720)	—	—	—	
Director	Wang, Jui-Chi	(5,000,000)	—	—	(1,500,000)	
Director	Wang, Mao-Yao	—	—	—	—	
Director	Wang, Sen-Yung	—	—	—	—	
Director	Wang, Jui-Gong (Note 3)	—	—	—	—	

Job title	Name	2022		2023 up to March 31		Remarks
		number of shares held Increase (decrease)	No. of shares pledged Increase (decrease)	number of shares held Increase (decrease)	No. of shares pledged Increase (decrease)	
Independent Director	Wu, Chia-Yin	—	—	—	—	
Independent Director	Huang, Jui-Feng	—	—	—	—	
Independent Director	Wang, Deng-Chi (Note 4)	5,000	—	—	—	
Supervisor	Wang, Chun-Hsiung (Note 5)	—	—	Not applicable.	Not applicable.	
Executive Vice President	Huang, Huai-De	—	—	—	—	
Vice President of Factory Affairs Division	Wang, Chin-Chi	—	—	—	—	
Vice President of Sales Department	Huang, Yu-Hua	—	—	—	—	
Vice President of Sales Department	Wang, Kuo-Ying	(4,478,139)	—	—	—	
Vice President of Procurement Department	Wang, Yi-Ting	Not applicable.	Not applicable.	—	—	Newly appointed on February 20, 2023
Assistant Vice President, Finance Department	Wang, Chin Ru	—	—	Not applicable.	Not applicable.	Dismissed on April 1, 2022
Assistant Vice President, Finance Department	Huang, Ching-Hung	—	—	—	—	Newly appointed on April 18, 2022
Assistant Vice President, Sales Department	Chen, Hui-Ming	—	—	—	—	
Manager, Sales Department	Hsu, Yung-Ching	—	—	—	—	
Manager, Sales Department	Lai, Yung-Jin	—	—	—	—	
Manager, General Administration Division	Yeh, Che-Chang	(9,000)	—	—	350,000	
Manager, Development Department	Huang, Shih-Hsiung	—	—	—	—	
Manager, General Affair Department	Wang, Chi-Sheng	(20,000)	—	—	—	
Manager, Quality Assurance Department	Chang, Sheng-Hsiung	—	—	—	—	
Manager, Procurement Department	Wu, Ming-Hsien	(70,408)	—	—	—	Dismissed on February 20, 2023
Manager, Injection Mold Department	Huang, Chien-Wen	—	—	—	—	
Manager, Production Department	Tsai, Er-Yuan	—	—	—	—	
Manager, Information Department	Huang, Ying-Che	—	—	—	—	

Job title	Name	2022		2023 up to March 31		Remarks
		number of shares held Increase (decrease)	No. of shares pledged Increase (decrease)	number of shares held Increase (decrease)	No. of shares pledged Increase (decrease)	
Manager, Audit Office	Chang-Chien, An-Ya	—	—	—	—	Newly appointed on September 1,
Vice Manager, Development Department	Wu, Yi-Chia	Not applicable.	Not applicable.	—	—	Newly appointed on February 1, 2023
Major Shareholders	Kuanfu Co., Ltd.	—	—	—	—	
Major Shareholders	Hung-Shin-Li Co., Ltd.	—	—	—	—	

Note 1. Mr. Wang Jui-Hung was a natural person director, and were elected on 2022.06.16 as the corporate representative of Kuanfu Co., Ltd. in a re-election
Note 2. Ms. Wang-Lai Ming-Yue was a natural person director, and were elected on 2022.06.16 as the corporate representative of Kuanfu Co., Ltd. in a re-election
Note 3. Mr. Wang, Jui-Gong was a supervisor of the Company, and elected as a director in a re-election on 2022.06.16.
Note 4. Mr. Wang, Deng-Chih was elected as the new independent director in the re-election on 2022.06.16.
Note 5. Mr. Wang, Chun-Hsiung resigned as supervisor in re-election on 2022.06.16.

(2) Information on Transfers of Shareholding:

Name (Note 1)	Reason for transfer (Note 2)	Date of transaction	Counterparty	Relationship between the counterparty and the Company, directors, supervisors, managerial officers, and major shareholders	Shares	Transaction price
Wang, Jui-Hung	Incorporated by offsetting	2022.03.28	Kuanfu Co., Ltd.	Corporate Representative	6,000,000	28.00
Wang-Lai, Ming-Yue	Incorporated by offsetting	2022.03.28	Kuanfu Co., Ltd.	Spouse with the representative	5,000,000	28.00
Wang, Jui-Chi	Incorporated by offsetting	2022.03.28	Kuanfu Co., Ltd.	Brother of the representative	5,000,000	28.00
Wang, Kuo-Ying	Incorporated by offsetting	2022.03.28	Kuanfu Co., Ltd.	Father and son with the representative	4,478,139	28.00
Wang, Jui-Hung	Incorporated by offsetting	2022.08.25	Hung-Shin-Li Co., Ltd.	Corporate Representative	8,875,000	30.10
Wang-Lai, Ming-Yue	Incorporated by offsetting	2022.08.25	Hung-Shin-Li Co., Ltd.	Spouse with the representative	5,912,720	30.10

Note 1: Fill in the names of the directors, supervisors, and managerial officers, and the shareholders with greater than 10 percent shareholding.
Note 2: Specify whether the shares are acquired or disposed of.

(3) Information on Pledges of Shareholding: no counterparty of share pledge was any related party.

IX. Relationship information, if among the company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another shareholder

April 17, 2023

Name	Shareholding Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree		Remarks
	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)	Name	Relationship	
Kuanfu Co., Ltd.	27,136,380	21.27	—	—	—	—	Hung-Shin-Li Co., Ltd. Wang, Jui-Chi Wang, Jui-Gong	The same representative Brothers Brothers	—
Representative: Wang, Jui-Hung	—	—	—	—	—	—			
Hung-Shin-Li Co., Ltd.	14,787,720	11.59	—	—	—	—	Kuanfu Co., Ltd. Wang, Jui-Chi Wang, Jui-Gong	The same representative Brothers Brothers	—
Representative: Wang, Jui-Hung	—	—	—	—	14,787,720	11.59			

Name	Shareholding Shareholding		Shareholding of spouse and minor children		Total shareholding by nominee arrangements		Specify the name of the entity or person and their relationship to any of the other top 10 shareholders with which the person is a related party or has a relationship of spouse or relative within the 2nd degree		Remarks
	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)	Shares	Shareholding Ratio (%)	Name	Relationship	
Wang, Jui-Chi	5,694,000	4.46	—	—	2,362,825	1.85	Kuanfu Co., Ltd. Hung-Shin-Li Co., Ltd. Yifu Investment Co., Ltd. Shengfu Investment Co., Ltd. Wang, Jui-Gong	Brother of the representative Brother of the representative Father and son with the representative Spouse with the representative Brothers	The spouse holds share by nominee arrangements
Yifu Investment Co., Ltd.	2,483,373	1.95	—	—	—	—	Wang, Jui-Chi Shengfu Investment Co., Ltd.	Father and son Mother and son with the representative	—
Representative: Wang, Yi-Yun	—	—	—	—	—	—			
Shengfu Investment Co., Ltd.	2,362,825	1.85	—	—	—	—	Wang, Jui-Chi Yifu Investment Co., Ltd.	Spouse Mother and son with the representative	—
Representative: Huang, Sheng-Kue	—	—	5,694,000	4.46	2,362,825	1.85			
Wang-Wu Chuan-Chi	2,193,920	1.72	1,931,135	1.51	—	—	Wang, Jui-Gong Aisco Investment Co., Ltd.	Spouse Mother and daughter with the representative	—
Everlight Chemical Industrial Corporation	2,140,000	1.68	—	—	—	—	Trend Tone Imaging, Inc.	Parent and subsidiary	—
Representative: Chen, Chien-Hsin	—	—	—	—	—	—			
Trend Tone Imaging, Inc.	2,140,000	1.68	—	—	—	—	Everlight Chemical Industrial Corporation	Parent and subsidiary	—
Representative: Tu, Yi-Chung	—	—	—	—	—	—			
Wang, Jui-Gong	1,931,135	1.51	2,193,920	1.72	—	—	Kuanfu Co., Ltd. Hung-Shin-Li Co., Ltd. Wang, Jui-Chi Wang-Wu Chuan-Chi Aisco Investment Co., Ltd.	Brother of the representative Brother of the representative Brothers Spouse Father and daughter with the representative	—
Aisco Investment Co., Ltd.	1,480,133	1.16	—	—	—	—	Wang, Jui-Gong	Father and daughter	—
Representative: Wang, Hsin-Ya	411,802	0.32	—	—	—	—	Wang-Wu Chuan-Chi	Mother and daughter	

X. The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the company

Total shareholding

March 31, 2023

Investee enterprise	Investment by the Company		Investment by the Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Entities of the Company		Total investment	
	No. of shares	Shareholding Percentage (%)	No. of shares	Percentage of shareholding (%)	No. of shares	Shareholding Percentage (%)
Jiou Fu Co., Ltd.	70,000,000	100.00	–	–	70,000,000	100.00
GPI USA, INC.	60,000	100.00	–	–	60,000	100.00
GPI Co. (Samoa) LTD.	20,000,000	100.00	–	–	20,000,000	100.00
GPIKT (BVI) CO., LTD	1.000	100.00	–	–	1,000	100.00
GPIKT DE, INC.	971	100.00	–	–	971	100.00
TJ OFFICE SOLUTION CO., LTD	1,000	100.00	–	–	1,000	100.00
WeKare Co., Ltd.	2,000,000	100.00	–	–	2,000,000	100.00
Katun Holdings LP.	–	–	211,621	100.00	211,621	100.00

Four. Information on capital raising activities

I. Capital and shares

(I) Sources of Capital

1. Type of shares

Date: April 17, 2023

Shares Type	Authorized capital			Remarks
	Outstanding shares (TWSE-listed)	Unissued shares	Total	
Ordinary share	127,588,740	19,411,260	147,000,000	-

2. Formation of share capital

Month/ Year	Issue Price (NT$)	Authorized capital		Paid-in capital		Remarks				
		Number of shares (Shares)	Amount (NT$)	Number of shares (Shares)	Amount (NT$)	Source of share capital (NT$)			Capital paid in by assets other than cash	Others
						Cash capital increase	Earnings capitalization	Total		
67.07	10,000	570	5,700,000	570	5,700,000	(Incorporation) 5,700,000	–	5,700,000	–	Note 1
68.10	10,000	600	6,000,000	600	6,000,000	300,000	–	300,000	–	–
70.06	10,000	650	6,500,000	650	6,500,000	500,000	–	500,000	–	–
70.08	10,000	1,875	18,750,000	1,875	18,750,000	12,250,000	–	12,250,000	–	–
85.01	10,000	5,875	58,750,000	5,875	58,750,000	40,000,000	–	40,000,000	–	–
87.11	10	19,875,000	198,750,000	19,875,000	198,750,000	140,000,000	–	140,000,000	–	Note 2
89.08	10	60,000,000	600,000,000	30,000,000	300,000,000	25,128,750	76,121,250	101,250,000	–	Note 3
90.05	10	60,000,000	600,000,000	40,500,000	405,000,000	–	105,000,000	105,000,000	–	Note 4
91.07	10	147,000,000	1,470,000,000	60,929,000	609,290,000	60,000,000	144,290,000	204,290,000	–	Note 5
92.06	10	147,000,000	1,470,000,000	67,285,900	672,859,000	–	63,569,000	63,569,000	–	Note 6
93.03	10	147,000,000	1,470,000,000	64,785,900	647,859,000	–	–	–	–	Note 7
93.08	10	147,000,000	1,470,000,000	70,216,272	702,162,720	–	54,303,720	54,303,720	–	Note 8
94.08	10	147,000,000	1,470,000,000	75,376,211	753,762,110	–	51,599,390	51,599,390	–	Note 9
95.08	10	147,000,000	1,470,000,000	77,300,000	773,000,000	–	19,237,890	19,237,890	–	Note 10
96.08	10	147,000,000	1,470,000,000	80,000,000	800,000,000	–	27,000,000	27,000,000	–	Note 11
97.08	10	147,000,000	1,470,000,000	81,800,000	818,000,000	–	18,000,000	18,000,000	–	Note 12
98.08	10	147,000,000	1,470,000,000	83,788,459	837,884,590	–	19,884,590	19,884,590	–	Note 13
99.08	10	147,000,000	1,470,000,000	87,543,768	875,437,680	–	37,553,090	37,553,090	–	Note 14
100.07	10	147,000,000	1,470,000,000	91,088,740	910,887,400	–	35,449,720	35,449,720	–	Note 15
105.11	10	147,000,000	1,470,000,000	87,588,740	875,887,400	–	–	–	–	Note 16
107.04	10	147,000,000	1,470,000,000	127,588,740	1,275,887,400	400,000,000	–	400,000,000	–	Note 17

Note 1: In 1997, the Company changed the par value per share from NT$10,000 to NT$10.
Note 2: The capital increase was approved for reference with the Letter MOEA (87) Shang-Zhi No.087138306
Note 3: The cash capital increase and capitalization of earnings were filed and took effect with the Letter (89) Tai-Cai-Zheng (I) No.44863 by
Note 4: the Securities and Futures Institute on May 30, 2000.
Note 5: The capitalization of earnings was filed and took effect with the Letter (90) Tai-Cai-Zheng (I) No.123350 by the Securities and Futures Institute on May 4, 2001.
Note 6: The cash capital increase was filed and took effect with the Letter (91) Tai-Cai-Zheng (I) No.09100129017 by the Securities and
Note 7: Futures Institute on June 5, 2002.
The capital increase was filed and took effect with the Letter (91) Tai-Cai-Zheng (I) No.120805 by the Securities and Futures Institute
Note 8: on May 7, 2002.

The capital increase was filed and took effect with the Letter Tai-Cai-Zheng (I) No.0930128571 by the Securities and Futures Institute
Note 9: on June 27 2003.
Between 2003.11.18~2004.01.17, 2,500,000 shares were repurchased, and filed and took effect with the Letter Tai-Cai-Zheng-San-Zhi
Note 10: No.0930101818 by he Securities and Futures Institute on January 19, 2004, and the cancellation of repurchased share was filed and
Note 11: took effect with the Letter Tai-Cai-Zheng-Shang-Zhi No.0930006025 by the Securities and Futures Institute on March 19, 2004.
Note 12: The capital increase was approved for reference with the Letter Zheng-Qi-Yi-Zhi No.0930130350 of the Securities and Futures
Note 13: Bureau, Financial Supervisory Commission, Executive Yuan on July 8, 2004.
Note 14: The capital increase was approved for reference with the Letter Jin-Guan-Zhen-Yi-Zhi No.0940127251 of the Securities and Futures
Note 15: Bureau, Financial Supervisory Commission, Executive Yuan on July 6, 2005.
Note 16: The capital increase was approved for reference with the Letter Jin-Guan-Zhen-Yi-Zhi No.0950130385 of the Securities and Futures
Bureau, Financial Supervisory Commission, Executive Yuan on July 13, 2006.
Note 17: The capital increase was approved for reference with the Letter Jin-Guan-Zhen-Yi-Zhi No.0960038276 of the Securities and Futures
Bureau, Financial Supervisory Commission, Executive Yuan on July 23, 2007.
The capital increase was approved for reference with the Letter Jin-Guan-Zhen-Yi-Zhi No.0970035723 of the Securities and Futures
Bureau, Financial Supervisory Commission, Executive Yuan on July 16, 2008.
The capital increase was approved for reference with the Letter Jin-Guan-Zheng-Fa-Zhi No.0980034334 of the Securities and Futures
Bureau, Financial Supervisory Commission, Executive Yuan on July 10, 2009.
The capital increase was approved for reference with the Letter Jin-Guan-Zheng-Fa-Zhi No.0990035752 of the Securities and Futures
Bureau, Financial Supervisory Commission, Executive Yuan on July 12, 2010.
The capital increase was approved for reference with the Letter Jin-Guan-Zheng-Fa-Zhi No.1000027224 of the Securities and Futures
Bureau, Financial Supervisory Commission, Executive Yuan on June 14, 2011.
The change registration of the capital decrease was completed on November 22, 2016 by the MOEA, and 3,500,000 common shares
were cancelled on November 25, 2016.
The capital increase was approved for reference with the Letter Jin-Guan-Zheng-Fa-Zhi No.1070303347 of the Securities and Futures
Bureau, Financial Supervisory Commission, Executive Yuan on February 23, 2018.

3. Information Relating to the Shelf Registration System: none

(II) Shareholders composition

April 17, 2023

Shareholders composition / Quantity	Government agencies	Financial institution	Other legal entities	Individuals	Foreign institutions and foreign individuals	China investment	Total
No. of shareholders	—	2	32	6,651	60	—	6,745
number of shares held	—	26,000	54,005,991	67,666,939	5,889,810	—	127,588,740
Shareholding percentage (%)	—	0.02	42.33	53.04	4.61	—	100.00

(III) Distribution of Shareholding

April 17, 2023

Range of no. of shares held	No. of shareholders	number of shares held	Shareholding percentage (%)
1 to 999	1,949	276,828	0.22
1,000 to 5,000	3,345	6,904,016	5.41
5,001 to 10,000	628	4,836,256	3.79
10,001 to 15,000	208	2,618,496	2.05
15,001 to 20,000	141	2,553,496	2.00
20,001 to 30,000	159	4,113,266	3.22
30,001 to 40,000	66	2,291,667	1.80
40,001 to 50,000	40	1,857,343	1.46
50,001 to 100,000	105	7,423,658	5.82
100,001 to 200,000	45	6,444,228	5.05
200,001 to 400,000	20	5,539,423	4.34
400,001 to 600,000	15	7,046,046	5.52
600,001 to 800,000	8	5,610,694	4.40

800,001 to 1,000,000	—	—	—
1,000,001 above	16	70,073,323	54.92
Total	6,745	127,588,740	100.00

(IV) Major shareholders

List of major shareholders: List all shareholders with a stake of 5 percent or greater, and if those are fewer than 10 shareholders, also list all shareholders who rank in the top 10 in shareholding percentage, and specify the number of shares and stake held by each shareholder on the list

April 17, 2023

Name of major shareholder	number of shares held	Shareholding percentage (%)
Kuanfu Co., Ltd.	27,136,380	21.27
Hung-Shin-Li Co., Ltd.	14,787,720	11.59
Wang, Jui-Chi	5,694,000	4.46
Yifu Investment Co., Ltd.	2,483,373	1.95
Shengfu Investment Co., Ltd.	2,362,825	1.85
Wang-Wu Chuan-Chi	2,193,920	1.72
Everlight Chemical Industrial Corporation	2,140,000	1.68
Trend Tone Imaging, Inc.	2,140,000	1.68
Wang, Jui-Gong	1,931,135	1.51
Aisco Investment Co., Ltd.	1,480,133	1.16

(V) Share prices for the past 2 fiscal years, together with net worth per share, earnings per share, dividends per share, and related information

Unit: NTD$

Item	Year		2021	2022	2023 up to March 31 (Note 8)
Market price Market price (Note 1)	Highest		30.15	32.75	36.50
	Lowest		24.00	26.65	29.40
	Average		26.34	29.07	32.31
Net worth per share (Note 2)	Before distribution		25.67	31.14	29.82
	After distribution		23.67	—	—
Earnings per share	Weighted average shares		127,588,740	127,588,740	127,588,740
	Earnings per share (Note 3)	Before adjustment	2.64	5.32	0.98
		After adjustment	—	—	—
Dividends per share	Cash dividends		1.80	2.20	—
	Share dividend	Before adjustment	—	—	—
		After adjustment	—	—	—
	Accumulated undistributed dividends (Note 4)		—	—	—
Return on investment analysis	Price/earnings ratio (Note 5)		9.98	5.46	—
	Price/dividend ratio (Note 6)		14.63	13.21	—
	Cash dividend yield (Note 7)		6.83%	7.57%	—

* If shares are distributed in connection with a capital increase out of earnings or capital reserve, further disclose information on market prices and cash dividends retroactively adjusted based on the number of shares after distribution.

Note 1: List the highest and lowest market price of common shares in each fiscal year and calculate the average market price by weighing transacted
Note 2: prices against transacted volumes in each respective fiscal year.
Note 3: Calculate the net worth per share based on the number of outstanding shares at year- end. Calculate the amount of distribution based on the
Note 4: amount resolved by the board of directors or resolved in the next year's shareholders meeting.
If retrospective adjustments are required because of issuance of stock dividends, the earnings per share should be disclosed in the amounts before

Note 5: and after the retrospective adjustments.
Note 6: If equity securities are issued with terms that allow undistributed dividends to be accrued and accumulated until the year the Company makes
Note 7: profit, the amount of cumulative undistributed dividends up until the current year should be disclosed separately.
Note 8: Price/earnings ratio = average closing price per share for the year / earnings per share.
Price / dividend ratio = average closing price per share for the year / cash dividends per share.
Cash dividend yield = cash dividend per share / average closing price per share for the year.
Net worth per share and earnings per share are based on audited (auditor-reviewed) data as at the latest quarter before the publication date of the annual report. For all other fields, calculations are based on the data for the current year as of the date of publication of the annual report.

(VI) Company's dividend policy and implementation thereof

1. Company's dividend policy

The Company's annual net income, after deducting income taxes, shall first make up for prior years' losses and then set aside 10% of the remaining balance as statutory reserve. The remaining balance, together with the accumulated undistributed earnings, is recorded as available-for-distribution earnings after the special reserve is set aside or reversed as required by law. The Board of Directors shall prepare a proposal for distribution and submit it to the shareholders' meeting for resolution to distribute dividends to shareholders.

If the aforementioned distribution of earnings is in the form of cash dividends, the Board of Directors is authorized to approve the appropriation and report it at the shareholders' meeting. If the accumulated legal reserve has reached the Company's paid-in capital, the Company may not set aside the statutory reserve.

The Company's dividend policy takes into account the Company's current and future expansion plans and capital requirements, and the Board of Directors prepares the proposal for the distribution of earnings each year in accordance with the law and submits it to the shareholders' meeting for approval. The total amount of dividends to shareholders shall be at least 10% of the distributable earnings, and the percentage of cash dividends to shareholders shall not be less than 10% of the total amount of dividends to shareholders, provided that if the distributable earnings are less than NT$0.50 per share, the dividends may not be distributed.

2. Implementation status

(1) In accordance with Article 28-1 of the Company's Articles of Incorporation, the Board of Directors is authorized to prepare a proposal for the distribution of earnings, of which cash dividends are authorized to be distributed by resolution of the Board of Directors and reported to the shareholders' meeting.
(2) For this earnings distribution, the Company distributed NT$280,695,228 in cash dividends to outstanding common stock. Based on the Company's current outstanding shares of 127,588,740, NT$2.2 shall be distributed for each share.
(3) The disbursement date of the cash shareholder bonus is July 26, 2023.
(4) The 2022 earning distribution table is as follows:

GENERAL PLASTIC INDUSTRIAL CO., LTD.
Earnings Distribution Table
FY2022

Unit: NTD $

Item	Amount	Remarks
Unappropriated retained earnings at the beginning of period	15,665,930	
FY2022 Other comprehensive income - remeasurement of defined benefit plans	3,233,356	
Net income after tax for FY2022	678,609,048	
Subtotal	697,508,334	
Reversal of special reserve	98,254,350	
Provision for statutory reserve (10%)	(68,184,240)	
Distributable earnings	727,578,444	
Distributable items		
Dividends to shareholders - cash dividends	(280,695,228)	NT$2.2 per share
Unappropriated retained earnings at end of period	446,883,216	
Note 1: The Earnings Distribution Table is based on the priority distribution of undistributed earnings in FY2022.		

Chairman: Wang, Jui Hung President: Wang, Jui Chi Chief Accounting Supervisor: Huang, Ching Hung

(VII) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting

The Company's earnings distribution for 2022 is cash dividends, which has no impact on the Company's earnings per share.

(VIII) Profit-sharing compensation of employees, directors, and supervisors

1. The percentages or ranges with respect to employee, director, and supervisor profit-sharing compensation, as set forth in the company's Articles of Incorporation.

   If the Company makes a profit in a year, at least 10% of the profit shall be appropriated as remuneration to employees and not more than 5% as remuneration to directors and supervisors. However, in case of the accumulated losses, certain profits shall first be reserved to cover them.

   Employees' remuneration may be in the form of stock or cash.

2. The basis for estimating the amount of employee, director, and supervisor profit-sharing compensation, for calculating the number of shares to be distributed as employee profit-sharing compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period

   The Company estimates the remunerations of employees, directors, and supervisors in accordance with the Company Act and the Company's Articles of Incorporation, and estimates the remuneration in advance when preparing the interim and annual financial statements and account them for proper accounting accounts under the operating costs or operating expenses based on the nature of the remunerations of employees, directors, and supervisors However, if the actual distribution amount resolved by the shareholders' meeting differs from the estimated amount subsequently, it shall be recognized as the profit or loss of the year when the shareholders' meeting is convened. The number of shares distributed as employee’s remuneration is calculated based on the closing price on the day before each resolution date of the shareholders’ meeting, and taking into account ofthe effect of ex-right and ex-dividend.

3. Information on any approval by the board of directors of distribution of remunerations

   (1) The amount of any employee remunerations and director and supervisor remunerations distributed in cash or shares:

   The employees’ remuneration was NT$30,243,000 and paid in cash

   The directors and supervisors’ remuneration was NT$13,500,000

   A. If there is any discrepancy between that amount and the estimated figure for the fiscal year these expenses are recognized, the discrepancy, its cause, and the status of treatment shall be disclosed: none.

   (2) The amount of any employee remunerations distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employee remunerations: not applicable

4. The actual distribution of employee, director, and supervisor remunerations for the previous fiscal year

Distribution	2022 resolution adopted by the shareholders’ meeting	Resolution adopted by the Board	Discrepancies
Employees’ remuneration	20,040,000	20,040,000	—
Directors and supervisors’ remunerations	11,561,130	11,561,130	—

(IX) Repurchase of the company's subsidiaries during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: none.

II. Issuance of corporate bonds (overseas corporate bonds include): none

III. Issuance of preferred shares: none

IV. Issuance of global depository receipts: none

V. Issuance of employee share subscription warrants: none

VI. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: none

VII. Implementation of the company's capital allocation plans: none

Five. Overview of operations

I. Description of the business

(I) Scope of business

1. Main content of the business operated

For the purpose of management, the Group has divided the operating units into two operating departments based on different strategic business units.

(1) MFP Consumables Operations: responsible for the R&D, manufacturing, and sale of MFP consumables such as photocopier cartridges, printer cartridges, and photosensitive drum gears.

(2) Others - Tourist Hotel Operation: responsible for operation related to business travel accommodation and dining.

2. Main products (services) and their weights of sales

(1) Main products (services) and their weights of sales for 2022 - parent-only

Unit: NT$ thousand

Main products	Net sales	Weight of business
Cartridge of color copier	883,577	59.41 %
Cartridge of monochrome copiers	169,906	11.42 %
Cartridge of color printer	180,611	12.14 %
Cartridge of monochrome printer	198,997	13.38 %
Precision gear for photoconductive drum	43,606	2.93 %
Consumables of medical purpose	3,359	0.23 %
Others	7,305	0.49 %
Total	1,487,361	100.00 %

Note: Others include the sale of raw materials and toner cartridge accessories

(2) Main products (services) and their weights of sales for 2022 - consolidated

Unit: NT$ thousand

By Operations	Net sales	Weight of business
Operation of consumables for multi function product	5,491,663	96.29 %
Other operations	211,544	3.71 %
Total	5,703,207	100.00 %

3. New products planned to be developed

(1) Operation of consumables for multi function product

A. Empty toner cartridge for MFPs.
B. OPC roller set of digital MFPs.
C. Recycling chute for MFPs.
D. Photocopiers and printer photosensitive drum gears.
E. OPC drum unit for photocopiers.
F. Chip development and manufacturing.
G. Recycling chute for inkjet printers

(II) Industry Overview

1. Current status and development trend of the industry

(1) Operation of consumables for multi function product

A. Current status of the industry

(A) Toner cartridge

Toner cartridge is one of the consumables for information peripherals. It is mainly used in various photocopiers, fax machines, or printers to export images and texts. After a manufacturer produces empty toner cartridges, it is mainly used to supply the toner plants to fill with toner into "finished toner cartridges" that can be sold on the market and used by end consumers in various photocopiers, fax machines, or printers. The scope of product manufacturing covers OEM market and after market (manufacturer's own market brand).

(B) Precision gear for photoconductive drum

The OPC photosensitive drum gear is assembled on both sides of the OPC photosensitive drum. When used with the OPC photosensitive drum, it is installed in the printer toner cartridge or photocopier with the OPC photosensitive drum. It is an optical technology precision gear driving gear the OPC photosensitive drum, and both of them are complementary products, to each other. The gear specifications are completely designed based on the specifications of the OPC photosensitive drum.

B. Industry development trends

Office automation equipment has been continuously innovated and developed with technology. In fact, as long as there are commercial activities, this industry will not stop developing for a day, and it will only improve with each passing day. Meanwhile, the related peripherals have also been developed in the mesh network. Not only the commercial, artistic, political activities, even the family and personal activities become more and more prevalent, and with the rapid development of the Internet and mobile networks, information exchange has become very simple and convenient, and the information exchange is tens of millions of times that of a decade ago. Although the widespread applications of mobile phones and tablets, and the promotion of paperless affect the printing, the outbreak of information exchanges are far outweighed the impact in this area. Meanwhile, due to the penetration of mobile devices such as cell phones and tablets, devices with functions such as photocopying, faxing, and printing have also spread from office to every corner. Today, almost every supermarket has the device. The Company develops and sells important consumables, accessories, and parts for the above devices to supply the domestic and international markets.

In recent years, OEM photocopiers have upgraded to high-speed machines, but the medium-to-low-speed photocopiers are integrated closer to MFPs. Low-speed MFPs or low-speed color printers are moving toward low-priced and popular products, which often evolves into price-cut and sales at a loss. The consumables are still the source of OEM profits. Array inkjet printers have begun to enter the medium and high-speed printer market, but the impact on the market remains to be observed in the future.

(2) Other operation: tourist hotel operation

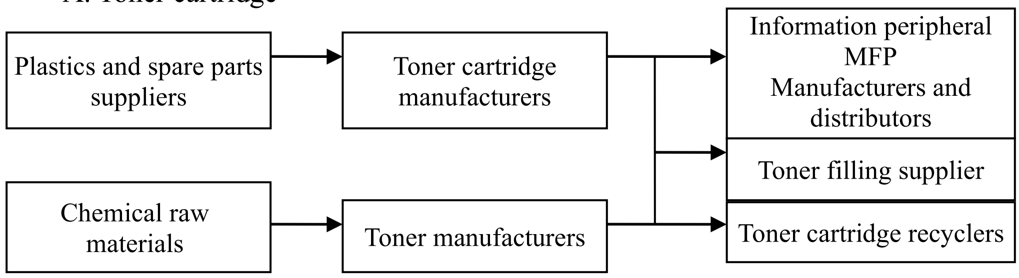
According to the statistics from the Tourism Bureau, MOTC, the government continued to actively promote Taiwan to the world and launched various tourism projects to attract international visitors to Taiwan in 2022. Overall, the number of visitors to Taiwan was about 895,962, a growth of 537.79 % over 2021. This is mainly due to the easing of the pandemic and the lifting of travel restrictions by various countries. The international business visitors are relatively high in number of lodging guests, and continuously grow steadily. In 2022, the average occupancy rate of international tourist hotels was 48.55% , and the average room price was NT$4,396; the average occupancy rate of general tourist hotels was 46.43%, and the average room price was NT$3,497 . The overall total revenue was NT$45.725 billion, an increase of NT$11.84 billion from NT$33.877 billion in 2021.

Over the dozen years in the past, as people had been optimistic about the growth of Taiwan's international tourism market and Chinese tourists, the reinvestments of domestic traditional enterprises and chained hotels have joined to expand the scale by introducing international chain hotel brands, or establishing hotels with different attributes in response to the characteristics of tourists. The service market continues to bring fierce competition and price impact. However, under the severe impact of the Covid-19 pandemic, affordable hotels and illegal B&Bs (day rental) continue to compete on price. Which has caused all hoteliers in Taiwan to compete with each other (price, upgrade of equipment, and guest room projects) extremely fiercely. Therefore, we continue to think about how to enhance the differentiation of hotel services and hardware in Taichung Harbor Hotel, strengthen customer management and maintenance, and seek the development and cooperation of local cultural characteristics to attract domestic and foreign tourists and business travel consumers for the recognition, which will be the key to whether the Company continues to grow in the next decade.

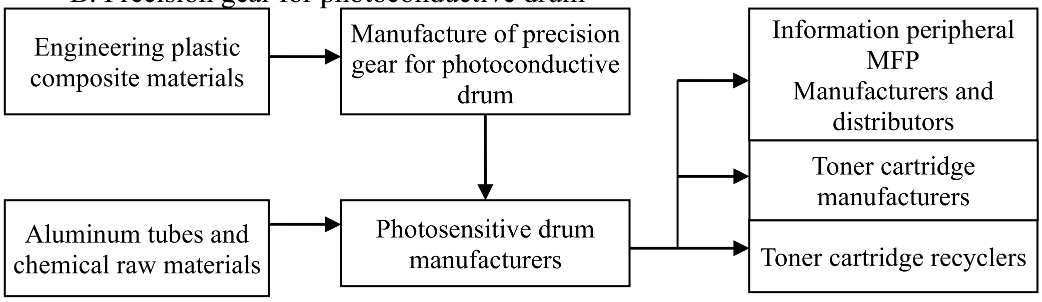
2. Linkage between the up-, mid-, and downstream of the industry

(1) Operation of consumables for multi function product

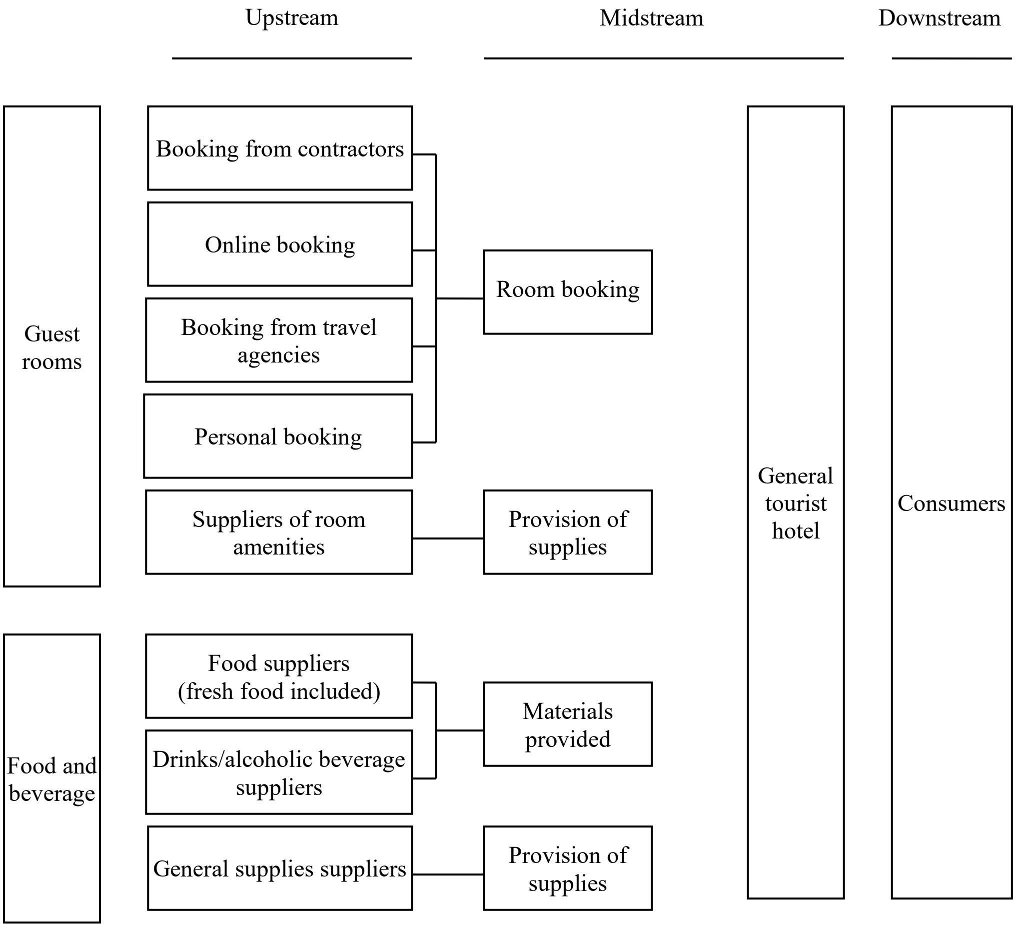
A. Toner cartridge



B. Precision gear for photoconductive drum



(2) Other operation: tourist hotel operation



3. Product development trends and competition

(1) Operation of consumables for multi function product

The MFP market is developing rapidly toward the trend of digitization and popularization of color, and the important consumables also tend to segmentation by chips, complexity, modularization, and patent protection. Japanese, European, and the US original manufacturers are taking advantage of these trends to build up their competitive advantages and increase barriers to market entry. The improvement and reputation of the Company's R&D and manufacturing capabilities and patented design capabilities in complex products in recent years have enabled the Company to the original manufacturer (OEM) and design (ODM).

The quality of the Company's consumables products is stable. Based on the long-term stable operation and reputation in the industry, coupled with the continuous investment in software and hardware devices, new product development, and patented design capabilities, the Company is superior than the competitors in the industry. In the color consumables market with higher technological difficulties, the Company is far superior to the competitors. Therefore, the Company is expected to maintain a leading position in the market of MFP consumables in the future.

In recent years, the price of the new low-end color printers and color MFPs introduced by the original manufacturers has been greatly reduced compared to the previous models. As a result, the color printers have gradually become popular in the market and the demand for consumables has expanded. Therefore, the Company has gradually shifted its development focus to this type of products.

(2) Other operation: tourist hotel operation

Consumers' use of consumer electronics products continues to deepen, and they highly rely on technology products to deal with daily life, while using smartphones to shop, search, and inquire, which has become the new normal of travel. As the percentage of smartphone users approaching 100%, the number of customers who use the Internet to make purchases continues to increase. Internet marketing and mobile devices will become increasingly inseparable, and social networking sites will also be combined with the online shopping market. Therefore, the continuous optimization and improvement of online payment and the official website platform will become one of the essential tools for hotels to create new business opportunities. On the other hand, the public mainly receives news and consumption information through the Internet. As a result, information is received into small groups and into different groups, and the speed of change in consumer preferences will become faster and faster. Therefore, the differentiation and customization of products (services) will also have an increasingly significant impact on the development of the domestic consumer market. In addition, food safety issues have prompted consumers to pay more attention to food safety issues and change their consumption habits to value natural ingredients, environmental friendliness, and corporate social responsibility. Therefore, LOHAS and sustainable environmental protection appeal and the attitude toward corporate social responsibility will become one of the key factors to create business opportunities and influence consumers' purchasing decisions.

The competition in the domestic tourism industry has become increasingly fierce. Various hotel groups have launched new hotel brands to expand the market and differentiate themselves with different positioning. In addition to traditional tourist hotels, there are small hotels with design and cultural creativity, or hotels combining health examination and plastic surgeries to position the market one after another. Facing the increasingly intensified competition in the industry, the Company will leverage the price differentiation and segment sales strategies to develop products with diversified market attributes to capture market share. The Company will regard service quality as the foundation of brand competition, with continuous improvement and replenishment of soft- and hardware service of the hotel, to solidify the existing customer sources and actively develop response strategies for domestic travel and overseas customer sources, to improve overall revenue and performance.

(3) Overview of technologies and R&D

4. Operation of consumables for multi function product

(1) R&D expenses in the most recent two years

Unit: NT$ thousand

Year	2021	2022
Sales revenue	4,724,369	5,491,663
R&D expenses	152,083	137,292
R&D expenses/sales revenue	3.22%	2.50%

Source: Financial statements audited and attested by CPAs

(2) The results of the research and development of various new products are as follows

Product category	Toner cartridge (piece)	Precision gear for photoconductive drum
2021	16	3
2022	23	3

(3) Long- and short-term business development plans

5. Operation of consumables for multi function product

In recent years, the Company has continued to invest in the market of peripheral consumables such as toner cartridges for photocopiers, printers and MFPs, and OPC photosensitive gears. With the business goal of "providing consumers with another best choice than OEM," and in the face of rapid changes in the domestic and foreign markets and economy, the long-term and short-term plans are formulated as follows:

(1) Long-term plans

A. Expand market share, expand different sales channels, and enhance the breadth and depth of sales.
B. Actively enter the niche market of full-color toner cartridges and develop the self-made capabilities for important components and chips.
C. Development is a strategic application for both customers and suppliers.
D. Integrate human resources and strengthen talent recruitment and training.
E. Expand the management and utilization of intellectual property rights.
F. Expand sales to other regions other than the main markets of Western Europe and North America to expand market influence.
G. Look for chance of mergers and acquisitions to expand market access.
H. Look for cross-disciplinary industries to exert the ability of precision molds.
I. Develop and establish a product line that meets environmental regulations to fulfill environmental sustainability and social responsibilities.
J. Self-owned brands: in view of the floods of competitors thought in the color laser toner cartridge market but without absolute dominant brand in the sub-brand market, to continue the quality leading edge as the MFP toner cartridge professional manufacturer, and strengthen the growth of General Plastics, the Company has actively invested in the strong marketing of its own brand since the second half of 2008. Through the integrated marketing of the well-rounded approach to deploy the global positioning, enabled its own brand Cartridge Web ("CW") to occupy a place in the market in the shortest time. The results as of now are as follows:

(A) A logistics warehouse is established in the U.S. with a dedicated marketing team responsible for marketing and customer service in the Americas to achieve the real-time service without time difference. Meanwhile, the Company overcomes the bottleneck of multinational brand marketing, by integrating the logistics, cash flow and online payment mechanism, and constructs an exclusive website with both functions and images, so that buyers around the world can easily connect and understand the complete product mix.

(B) The logistics warehouse is constructed in the Netherlands, to quickly satisfy the service of European customers with the geographical advantage of being located in the European logistics center.

(C) CW actively participates in industry exhibitions (Americas, Europe, and China) for continuous exposure. The original booth design has attracted the attention of many potential buyers. Through face-to-face contact with potential customers, CW is recruiting regional agents, direct online merchants and large-scale retailer. CW has multiple advantages:

a. Supported by GPI quality assurance, supplemented by certification of ISO9001/14001, STMC and CE; meanwhile, the "Made in Taiwan" high-tech products have been recognized by all consumers for many years with good reputations, and they are more confident to use.
b. Diversified designs to provide consumers with different choices with the same shape and body. Customers can decide whether to use the CW brand, neutral packaging or customized exclusive packaging based on the

attributes of their channels. The Company can meet the needs of customers at different levels.

c. Emphasis is placed on 100% new and compatible product design. GPI also has the mass production capacity. Although the cost is higher than that of the general recyclers, the quality is relatively guaranteed because of the use of new key components, and it is not limited to the difficulty of recycling the cartridges made by the original manufacturers.

(D) With diversified marketing techniques, in addition to the brand website and industry exhibitions, CW is also exposed in professional industry magazines on a monthly basis. The innovative design techniques are used to deepen customer impression and increase brand visibility.

(E) Adopt patent avoidance designs that respect intellectual property rights, so that products can be clearly differentiated and segmented from counterfeiters who copy the original design in the market.

(F) HP and Samsung are the largest mainstream products in the market. CW has launched and sold the series of products based on the concept of recycling and environmental protection, and expanded its product lines at the same time.

Fourteen years after its launch, the CW has been in a clear and firm direction. It has laid a solid foundation in the industry through the benefits exerted from the integrated marketing. The additional revenue and customers brought by the approach are now stable and growing with prosperity. Looking to the future, in addition to building up the strength of the brand and developing the market, we will not forget to regard the high-quality products and customer-oriented service of the Company as the support for our expansion into the world.

(2) Short-term plans

A. Improve the production capacity and cost reduction capabilities of the partners.
B. Enhance product quality and added value.
C. Enhance the efficiency of EPM (Enterprise Project Management) integration.
D. Global logistics planning and proximity to customers.
E. The application of business intelligence (BI) software assists in market analysis and judgment.
F. Revitalize the official website, attract business opportunities from different industries, and exert capabilities of precision molds.
G. Identify and deploy business opportunities for array inkjet printers.
H. Leverage Katun's global distribution network to introduce new products.
I. Leverage the synergies of General Plastic/Katun R&D and procurement IP to improve Katun's operational efficiency.
J. Introduced the new enterprise resource planning system (SAP) to expand the dimension and fineness of management information.

2. Other operation: tourist hotel operation

(1) Long-term plans

A. Prudent control of operating costs and maximization of sales channels to increase operating profits.
B. The hotel's software and hardware facilities are strengthened in stages, and customers' satisfaction and frequency of use will be increased with innovative marketing packaging, exquisite service, and a comfortable and elegant staying environment.
C. Maintain and develop business visitors; increase the ratio of lodging and additional spending amount to maintain the high benefits brought about by the business customer base.
D. Continue to develop new marketable products to improve software services and strive to improve customer satisfaction.
E. Continue to invest in and improve related technology products in the hotel.

(2) Short-term plans

A. Actively participate in the domestic business development activities planned by the Tourism Bureau, MOTC and the Tourism and Travel Bureau of Taichung City to strive for marketing exposure and cooperation opportunities.
B. To cope with the increasing growth of digital business opportunities, the domestic

and international online room reservation systems are enhanced to provide exclusive lodging package.

C. Continue to design attractive sightseeing tours for different customer sources, and cooperate with cross-industry alliances for joint marketing to provide various product choices, thereby enrich the tours, and achieve increased corporate exposure.

D. Improve service quality to gain customers' loyalty to the brand, to consolidate existing customer sources and actively expand customer sources from new industries.

E. Develop an exclusive membership system to increase customers' recognition of the hotel and opportunities for returning consumptions.

F. Strengthen professional talent training, value employee training and welfare, and give employees visions, to provide better service quality for jointly enhancement of corporate value.

G. Continue to exert corporate social responsibility and plan activities from the perspective of local care and feedback.

II. Overview of market, production and sales

(I) Market analysis

1. Geographic areas where the main products (services) are provided (supplied)

(1) Geographic areas where the main products (services) are provided (supplied) - parent-only

Sale area	2022 (NT$ thousand)	Proportion (%)
The U.S.	632,997	42.56 %
The Netherlands	327,569	22.02 %
Germany	101,726	6.84 %
Japan	90,820	6.11 %
Taiwan	57,891	3.89 %
The UK	55,638	3.74 %
Italy	48,093	3.23 %
Mexico	25,138	1.69 %
China	22,067	1.48 %
Poland	21,983	1.48 %
Other countries	103,439	6.96 %
Total	1,487,361	100.00 %

(2) Geographic areas where the main products (services) are provided (supplied) - consolidated

Sale area	2022 (NT$ thousand)	Proportion (%)
The U.S.	1,470,826	25.79 %
The Netherlands	910,754	15.97 %
Italy	535,024	9.38 %
France	480,506	8.43 %
Mexico	447,183	7.84 %
The UK	402,687	7.06 %
Germany	389,418	6.83 %
Spain	270,947	4.75 %
Taiwan	231,700	4.06 %

Sale area	2022 (NT$ thousand)	Proportion (%)
Brazil	208,535	3.65 %
Other countries	355,627	6.24 %
Total	5,703,207	100.00 %

2. Main competitors
   (1) Operation of consumables for multi function product
   According to the research survey of the Material and Chemical Research Laboratories of ITRI, due to the limitation of original patents and development of technologies, the development of the domestic toner cartridge industry is dominated by peripheral parts and components, such as scrapers, rollers, and toner, with the maturing development; for the main body, the empty cartridges, only General Plastic Global and Chip manufacturers conduct mass production domestically; while the major foreign manufacturers including Print Rite, G&G, CET Heng (Beijing Zhonghen).
   In terms of photosensitive drum gears, there is no domestic competitor. There are a few foreign photosensitive drum gear manufacturers in Japan, but most of them provide OEM to manufacturers and are not deeply involved in after market. There are several gear makers in mainland China as the main competitors, affecting the market in mainland China.
   (2) Other operation: tourist hotel operation
   Taichung Harbor Hotel is located in Wuqi District, Taichung City. Its main competitors are the Capital Hotel, which is currently under the foreclosure due to poor performance; the competitors in the downtown area are the Howard Hotel Taichung and Windsor Hotel Taichung nearby as the business travelers' accommodation tend to be subject to distance and transportation. For domestic travelers, the Splendor Hotel and the Evergreen Laurel Hotel (Taichung) are mainly clustered for their peripheral functions and sightseeing features.

3. Market share
   (1) Operation of consumables for multi function product
   Based on the 2022 turnover of the listed original manufacturers, the total global value of consumables for MFPs (photocopiers and multi-function photocopiers) is estimated to be about JPY1,378 billion; the Company's sales of consumables in 2022 are estimated to account for about 2.67% of the global market. (This is the estimates based on the information collected internally by the Company)
   (2) Other operation: tourist hotel operation
   The market positioning of Taichung Harbor Hotel is to become the most outstanding and popular international four-star hotel in the middle of Taiwan (Taichung, Changhua, Yunlin, and Chiayi) and western costal travel zone. The targets include the business visitors, consumers to shopping malls, tourists and local visitors in Taichung Harbor Processing Export Zone, industrial parks around Taichung Harbor, and the business center of Wuqi Districts. The design is simple and elegant, to create a comfortable, graceful, and tranquil space to refresh the body and soul. All the guests are treated with sincere hospitality, be they for business trip or vocation. Currently, the Company is still actively expanding the visibility and fame, while seeking to promote the prosperity of the local economy, and fully participate in the development of the tourism industry in middle of Taiwan.
4. Demand and supply conditions for the market in the future, the market's growth potential
   (1) Operation of consumables for multi function product
   A. Demands
   Although the concept of paperless and the popularity of tablets and other devices have caused the market to remain at a low level for several years, the Covid-19 global pandemic in 2020 severely impacted the entire corporate office market, but also relatively revitalized the home office market. Small and medium MFPs with multi-function printing have become the main driving force in the market, leading the development of the toner cartridge market in this segment. In nutshell, the global demand for toner cartridges shows the following trends.

(A) The online content is enriched, and the export demand is maintained.

In recent years, due to the significant increase in the speed of Internet communication, mobile devices have become popular. Although most of the information does not need to be printed out, the speed of the increase in information is tens of thousands of times faster than it was a decade ago. It is inevitable that some information will need to be printed out for reading or sign-off. In addition, the content of online pages has become richer and the intended uses has become increasingly diversified. Therefor, the demand for print output continues to drive the demand for consumables.

(B) Global sales of high-end photocopiers are gradually being replaced by mid-range MFPs

The high-end photocopier market has matured, and the performance and speed of mid-range MFPs have been improving year by year, so the demand for the products has gradually shifted to mid-range MFPs as replacement.

(C) Lower prices for medium- and low-speed color laser printers boosted demand.

(D) Mobile devices have driven printing demand to professional export shops. Photocopying equipment has become a must-have for convenience stores everywhere and driven the demand.

B. Supply analysis

In terms of the supply of photocopiers, the positions of the major manufacturers are stable with little change. In terms of the supply of printers, the competition has been fierce in recent years, which in turn has driven the increase in the demand for toner cartridges.

(A) Increased printer functionality and reduced price

In recent years, printer production has matured. In order to capture the market share, major manufacturers have engaged in price wars one after another, which in turn drives the market demand and continues to increase the consumption of toner cartridges.

(B) Stable competition in the photocopier supply market

Photocopiers are a mature product in the market. Each major brand has a high and stable share of the market. The sales of consumables and services involve distribution channels and brand image, with high barriers of entry for new players; in the supply market, only moderate changes in market shares among each major manufacturers.

(C) After Market is growing

In the past, consumables such as toner cartridges were controlled by the original manufacturers, and most consumers had no second choice. However, as the market for toner cartridges continues to expand, the after market players have joined the market. If products from the after market are of stable quality, which is bound to increase its market share in the toner cartridge market.

(D) A promising market for recycled toner cartridges

The concept of environmental protection has been emphasized by the market. Due to the high consumption of toner cartridges worldwide, the recycling of toner cartridges in this regard has attracted the attention of the market. The market of recycled toner cartridges has a considerable development potential.

(E)Rise of counterfeit toner cartridges in China

It is a problem encountered by the original manufacturers that causes a certain degree of damage to the original manufacturers. In recent years, the original manufacturers have continued to take aggressive actions to prosecute Chinese manufacturers and importers of counterfeit products.

(2) Other operation: tourist hotel operation

Located close to Taichung Harbor, Gaomei Wetland, and Mitsui Outlet Park Taichung Harbor, Taichung Harbor Hotel serves the demand for accommodation of domestic and foreign tourists, local and foreign engineers in the neighboring industrial parks and related construction projects, and domestic business travelers visiting Chang-Bin Industrial Park for business. As the government continues to promote tourism, open the door to tourists from Southeast Asian countries, and promote Taiwan's tourism, the number of tourists from all countries will increase, and the hotel market will have a promising prospect. If the current Taichung Harbor Free Economic Pilot Zones can be successfully implemented in the future, the business travelers brought by the unimpeded flow of goods, and even exchange activities of individual, group travelers, or religious group may be transported by sea. The development of the hotels in the coastal tourism area in the middle of Taiwan can still be expected.

5. Competitive edges
   (1) Operation of consumables for multi function product
      A. Possessing solid capabilities of R&D and design, and rich human resources.
      B. Strict control over the quality to recreate the operating performance
      C. Diversification of product mixes
      D. Continuous investment in software and hardware, to increase the product competitiveness.
      E. Good relationship with the up- and downstream manufacturers with close collaborations.
      F. Solid operation for a long time with good reputation.
   (2) Other operation: tourist hotel operation
      A. With the overall development and investment of the Taichung Harbor District, the continuous promotion of tourism in Taiwan to visitors from South Korea and Japan, independent tours of tourists from Europe and the United States, and the rich cultural and natural landscapes of the Taichung Coastal Area, there is more room for development in the future.
      B. Location is an important profit factor for international tourism hotels. The Company is located in Taichung Harbor and the commercial center of Wuqi District, Taichung. There are abundant financial and commercial functions nearby. In the neighborhood, there are Tai No.61 Western Coast Expressway, Sha-Lu Railway Station and Qingshui Railway Station. It only takes about 15 minutes to drive to Taichung International Airport, and about 40 minutes to drive to Taiwan High Speed Rail Taichung Station. Taichung Harbor Hotel has the advantage of fast and international connection.
      C. A professional management team is stationed. Professional managers are responsible for daily operational management and provide professional and high-quality services.
      D. Location and service advantages: Combination of sea harbor and airport, and convenient transportation, exquisite service provided by elegant and considerate employees, humanistic, in-depth tourism and other characteristics.
6. Positive and negative factors affecting the Company's future development outlook and countermeasures
   (1) Operation of consumables for multi function product
      A. Positive factors for the future development
         (A) The prospect of the global MFP and information peripheral equipment industry is optimistic.
         (B) The deep and broad product line mixes provide customers with the convenience of one-stop shopping.
         (C) The patented design, manufacturing capabilities and reputation not only widen the distance from the competitors, but also win OEM and ODM orders.
         (D) The introduction of advanced equipment from Europe, the United States, and Japan will improve production efficiency, product quality, reduce manpower burden, and reduce manufacturing costs, thereby making the Company's products more competitive.
         (E) Control the source of marketing channels and work closely with world-renowned toner manufacturers, major photosensitive drum manufacturers, and major distributors.
      B. Negative factors for the future development and countermeasures
         (A) Issue of the intellectual property rights

            With the increasing awareness of intellectual property protection in various countries, if the landmine of patent is accidentally stepped on, the patent owner will be entitled to recourse for royalties; if the patented technology is used, the royalty must be paid first.

            Countermeasures:

a. The Company set up the patent team in 1998 to develop and sell products with proprietary patents; as of December 2022, the Group has obtained 125 patents granted in Europe, the United States or Taiwan, with another 20 patents are pending for review or application. The Company will keep on applying for patents actively in the future to protect its own interests and avoid patent recourse issues, also serving as basis for the license exchange with competitor or original makers.

b. The international competition for intellectual property rights is no longer a mere infringement forensic issue. It has evolved into a business that discourages the growth of competitors. In addition to ensuring that the products themselves do not infringe patents, General Plastic has also begun to prevent major international manufacturers from adopting the aforementioned business practices.

(B) It is a capital-, technology-, and labor-intensive industry that requires great capital and human resources.

Due to the rapid introduction of new products and the popularization of digital, modular, complex, and color products, the Company needs huge funds and strong R&D backing to continue to introduce patents and updated design and process technology to prevent products from being eliminated and ensure the Company's leadership.

Countermeasures:

a. In terms of capital, the Company's shares has been listed, which is sufficient to obtain diversified funds, so that the Company's capital is from public and multinational in order to respond to the rapid growth of the enterprise. The Company will also leverage the diversified channels for raising funds to control the sources of funds and obtain long-term funds with relatively low cost.

b. Regarding talents, due to the rapid development of the Company, the demand for R&D talents and marketing talents has increased. In addition to recruiting external talents, the Company also provides systems such as internal training, internal rotation, improvement proposal system, and employee bonus to retain professional talents.

c. In terms of technology, in addition to improving chip R&D and in-house manufacturing capabilities, it is also actively looking for strategic alliances in toner technology.

(2) Other operation: tourist hotel operation

A. Positive factors for the future development

(A) The continuous development and deployment of the government's major national industrial policy - wind power generation.

(B) Under the Tourism Bureau's policy of "Diversified Deployment with Global Vision," efforts are made to make Taiwan the heart of Asian tourism by implementing domestic and foreign promotions, developing diverse Taiwan tourism products, improving the domestic tourism environment, and creating more tourism business opportunities.

(C) The completion of the second phase of Mitsui Outlet Taichung Port continues to attract domestic tourists, and the opening of the future Museum of Marine Biology and Aquarium will help the hotel to develop domestic travelers and business customers.

(D) Due to the impact of the pandemic, Taiwanese continue to arrange domestic tours for both weekends and weekdays Coupled with the hardware and software upgrades of the nearby attractions, the domestic leisure travel market in Taichung City is intensified.

(E) The continuous development of nearby real estate will gradually form the center of the lifestyle and business district, which is beneficial to increase the demand for visitors and the local exposure.

B. Negative factors for the future development

(A) As the Company's hotel has established for nine years, and the equipment is getting out of date, some travelers choose to stay at the newly established hotels or bed and breakfast designed specifically in downtown of Taichung

City.

(B) New hotels are being launched in the market or existing hotels are being refurbished and redecorated in Taichung Harbor Area to meet the needs of tourists and provide business rooms.

(C) There are many small business hotels in Taichung City. Due to their convenient transportation, complete facilities, thoughtful service, and low prices, they have attracted many travelers who value privacy or have a budget concern.

(D) The increase in manpower and maintenance costs will affect the hotel's operating performance.

C. Negative factors for the future development and countermeasures

(A) Evaluate and plan the replacement of equipment over 10 years old and create memorable points in the consumer's experience and journey.

(B) Continue to establish the Company's service culture and concept of hospitality. Under the slogan of "Comfort, Elegance, and Attentive Hospitality," the Company offers "exquisite and thoughtful localized service" to increase the rate of returning customers.

(C) Continue the promotion in Taichung Harbor, nearby industrial and commercial areas, and organize cultural tourism tours and preferential programs to attract reservations.

(D) Leverage the online room booking system and various online reservation travel agencies to provide real-time and more cost-effective room reservation services and increase potential rooms.

(E) More flexible guest room project are planned, and the cooperative relations and word of mouth with well-known travel bloggers is established domestically and internationally to increase the Company's occupancy rate.

(F) Cooperate with credit card companies to introduce preferential programs for cardholders, increase the source of customers at restaurants and room guests, to increase the Company's revenue from guest rooms and food and beverage.

(G) Selecting energy-saving equipment and compliance with the Company's energy-saving and carbon-reduction policies to be environmentally friendly and cost-saving.

(II) Major usages and production processes of main products

1. Operation of consumables for multi function product

(1) Usage of main products

A. Color photocopier cartridges, color printer cartridges, monochrome photocopiers cartridges, and monochrome printer cartridges:

The toner are filled by world-renowned toner plants to form "finished toner cartridges" that can be directly used in various photocopiers, fax machines, or printers.

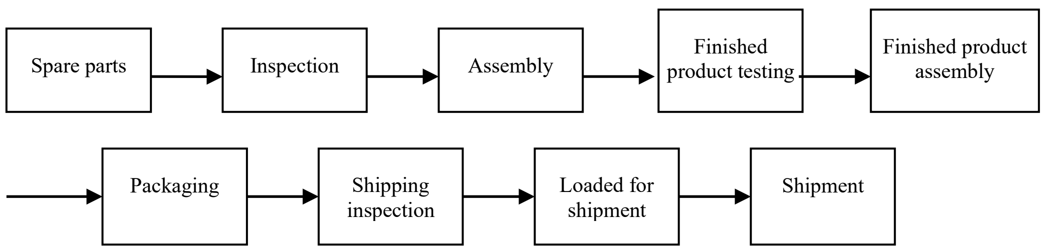
B. Precision gear for photoconductive drum

It is supplied to world-renowned OPC photosensitive drum manufacturers to be assembled in the OPC photosensitive drum, which can be used in the imaging mechanism for various photocopiers, printers or fax machines.

C. Others:

Provision of recyclable consumables for photocopiers, printers, and fax machines.

(2) Production process



2. Other operation: tourist hotel operation

The main product operation approach include guest room rental, provision of food and beverage, meeting rooms, gymnasium, SPA and other related facilities, all of which are aimed at the greatest satisfaction of guests.

(III) Supply situation for the company's major raw materials

1. Operation of consumables for multi function product

The main products produced by the Company are the toner cartridge bodies and accessories. The main raw materials of the Company's products are plastic raw materials, packaging materials, imaging components, chips, toner and foam. In terms of raw material procurement amount, the amount of raw materials purchased in 2022 increased by 4.63% compared to 2021. In terms of material usage, domestic procurement accounts for about 58.53%. Whether it is domestically purchased or imported from abroad, the supply of goods is quite stable.

2. Other operation: tourist hotel operation

The Company mainly engages in guest room rental and catering services. The main raw materials are customer supplies and fresh food. There are many substitutes for these spare parts and food ingredients, and the supply market is not oligopolistic or monopolistic, so the material supply is stable.

(IV) Customers accounting for 10 percent or more of the Company's total purchases (sales) amount in the 2 most recent fiscal years and the amounts sold to each and the percentage of total purchase (sales) accounted for by each

1. Suppliers accounting for 10 percent or more of the Company's total purchase amount in the 2 most recent fiscal years and the amounts sold to each and the percentage of total purchase accounted for by each

2021				2022				2023 up to the previous quarter			
Name	Amount (NT$ thousand)	Ratio to the net purchase of whole year	Relationship with the issuer	Name	Amount (NT$ thousand)	Ratio to the net purchase of whole year	Relationship with Relationship	Name	Amount (NT$ thousand)	Percentage of net purchase up to the preceding quarter of the current fiscal year (%)	Relationship with Relationship
Supplier A	446,811	17.24	None	Supplier A	504,491	16.40	None	Supplier A	79,482	12.76	None
Supplier B	265,841	10.25	None	Supplier B	412,518	13.41	None	Supplier B	75,047	12.05	None
-	-	-	-	Supplier C	362,693	11.79	None	Supplier C	69,302	11.13	None
Others	1,879,666	72.51		Others	1,796,078	58.40		Others	399,066	64.06	
Total	2,592,318	100.00		Total	3,075,780	100.00		Total	622,897	100.00	

2. Customers accounting for 10 percent or more of the Company's total sales amount in the 2 most recent fiscal years and the amounts sold to each and the percentage of total sales accounted for by each

2021				2022				2023 up to the previous quarter			
Name	Amount (NT$ thousand)	Percentage of annual net sales (%)	Relationship with the issuer	Name	Amount (NT$ thousand)	Percentage of annual net sales (%)	Relationship with the issuer	Name	Amount (NT$ thousand)	Percentage of net sales up to the preceding quarter of the current fiscal year (%)	Relationship with the issuer
	-	-	None		-	-	None		-	-	None
	-	-	None		-	-	None		-	-	None
Others	4,924,208	100.00		Others	5,703,207	100.00		Others	1,369,524	100.00	
Total	4,924,208	100.00		Total	5,703,207	100.00		Total	1,369,524	100.00	

(V) Production Volume and Value in the Most Recent 2 Fiscal Years

Unit for production capacity and volume: thousand pcs; unit for production value: NT$ thousand
Cost unit of room: thousand rooms; unit of production volume for food and beverage: thousand people

Year / Production volume and value / Main products	2021			2022		
	Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
Cartridge of color copier	4,439	4,217	487,644	10,187	9,678	541,067
Cartridge of color printer	688	654	69,946	1,162	1,104	75,379
Cartridge of monochrome copiers	2,019	1,918	110,145	2,376	2,257	111,672
Cartridge of monochrome printer	1,600	1,520	118,475	1,411	1,340	97,284
Precision gear for photoconductive drum	9,836	9,344	40,977	4,318	4,102	32,756
Consumables of medical purpose	256	243	24,209	74	70	4,186
Others	13,303	12,638	252,762	12,999	12,349	246,978
Cost of guest rooms	-	54	49,902	-	55	54,258
Cost of food and beverage	-	85	15,601	-	102	18,547
Other costs	-	-	3,599	-	-	4,645
Total	32,141	30,673	1,173,260	32,526	31,057	1,186,772

(VI) Sales Volume and Value in the Most Recent 2 Fiscal Years

Unit for sales volume: thousand pcs; unit for sales value: NT$ thousand
Sales unit of room revenue: thousand rooms; unit of sales volume for food and beverage: thousand people

Year / Sales volume and value / Main products	2021				2022			
	Domestic sales		Export		Domestic sales		Export	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Cartridge of color copier	230	34,216	4,331	2,414,145	211	28,725	5,347	3,097,091
Cartridge of color printer	30	6,617	790	314,541	46	9,939	886	331,735
Cartridge of monochrome copiers	191	17,487	2,304	774,862	121	13,866	2,262	898,017
Cartridge of monochrome printer	13	612	2,314	677,456	15	709	2,121	684,480
Precision gear for photoconductive drum	2	14	9,165	55,300	29	231	4,658	43,375
Consumables of medical purpose	767	16,440	693	5,160	145	6,295	-	-
Others (Note 1)	34	919	1,463	421,423	502	732	2,564	381,668
Incomes from guest rooms	54	153,539	—	—	55	163,876	-	-
Incomes from food and beverage	85	27,556	—	—	102	34,300	-	-
Other revenue (Note 2)	—	3,921	—	—	-	7,283	-	885
Total	1,406	261,321	21,060	4,662,887	1,226	265,956	17,838	5,437,251

Note 1: Others include the sale of raw materials and toner cartridge accessories
Note 2: Other income includes lease income, other food and beverage service income, and incomes from products.

III. The number of employees employed for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report, their average years of service, average age, and education levels

Year		2021	2022	The current year up to March 31
Number of employees	Direct	325	341	343
	Indirect	588	581	587
	Total	913	922	930
Average age		41.06	41.00	41.03
Average years of service		10.84	10.77	10.81
Education Distribution Ratio (%)	PhD.	0.44	0.43	0.43
	Master degree	8.00	8.57	8.93
	College	38.66	39.18	39.48
	Senior high school	39.32	39.18	38.52
	Under senior high school	13.58	12.64	12.64

IV. Disbursements for environmental protection

(I) Any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and any violations of environmental protection laws or regulations found in environmental inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken: none.

(II) Measures being or to be taken in the future (including the estimated amount of possible loss, disposition and compensation; if a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided): none.

V. Labor relations

(I) List any employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests.

1. Employee benefit plans, continuing education, and training

   The formulation and promotion of various benefits of the Company are mainly to maintain the welfare of employees and establish a healthy organization. In addition, the Employee Welfare Committee organized by the employees makes the employees more willing to participate in the planning and execution of practical activities. In addition to the organization and operation of the Employee Welfare Committee, other related benefits are as follows:

   (1) Bonuses are distributed monthly based on production and operating conditions.
   (2) Employees are enrolled in Labor and National Health Insurance upon onboarding.
   (3) The Company provides dormitory free of charge for employees living far away.
   (4) The Company provides free lunch in the cafeteria, and also provides dinner or meal allowance to employees if overtime.
   (5) The year-end party is held at the end of the year.
   (6) The Company encourages employees to pursue further education and arranges trainings inside and outside the Plants from time to time.
   (7) Regular health examination are held on a yearly basis.

2. Retirement systems and the implementation thereof

   (1) An employee may apply for voluntary retirement under any of the following conditions:

      A. Where the employee attains the age of fifty-five and has worked for fifteen years.

B. Where the employee has worked for more than twenty-five years.
C. Where the employee attains the age of sixty and has worked for ten years.

(2) An employee shall not force a worker to retire unless any of the following situations has occurred:
A. Where the employee attains the age of sixty-five.
B. Where the worker is unable to perform his/ her duties due to mentally or physically disability, head of his/her department may request the approval by the Chairman for his/her retirement.

The Company may request the central competent authority to adjust the age prescribed in Subparagraph 1 of the preceding paragraph if the specific job entails risk, requires substantial physical strength or otherwise of a special nature; provided, however, that the age shall not be reduced below fifty-five.

The mentally or physically disability referred in subparagraph 2, shall comply with the disability from Level 1 to Level 10 of the Labor Insurance.

(3) The standards to grant the labor pension are as below
A. For the tenure before the application of the Labor Standards Act, the calculation shall comply with the applicable laws and regulations at the time; where no applicable law and regulation is available, the regulations specified by the entity or the negotiation between the employer and employee shall be followed.
B. For the tenure after the application of the Labor Standards Act, two bases are given for each full year of service rendered. But for the rest of the years over 15 years, one base is given for each full year of service rendered. The total number of bases shall be no more than 45. The length of service is calculated as half year when it is less than six months and as one year when it is more than six months. As set forth in Subparagraph 2 of Paragraph 1 of Article 5, an additional 20% on top of the amount calculated according to the preceding subparagraph shall be given to workers forced to retire due to disability incurred from the execution of their duties. The standard for the base of pension refers to the average one-month wage when the retirement is approved.
C. For employees eligible for retirement under the Labor Pension Act, the Company contributes 6% of their monthly wages to their individual pension accounts on a monthly basis.
D. Pension fund
(A) The Company has set up the Labor Pension Reserve Supervisory Committee since July 1987 and appropriated the pension fund pursuant to laws.
(B) The Company has engaged actuaries to calculate and account such in accordance with the regulations of the Financial Supervisory Commission since 2000.
E. Employees onboarded after July 1, 2005, the Labor Pension Act shall be complied with

(4) The implementation is as follows
For employees on-board before June 30, 2005 (inclusive), the Company may select them based on their wishes. For those with the old system pension, the Company shall contribute the pension on a monthly basis, i.e. at least 2% of the monthly salary for each employee with the old system pension are credited to the special labor pension account to protect the rights and interests of employees; for employees onboarded from July 1, 2005, the Company is required by law to contribute no less than 6% of their monthly wages as labor pension on a monthly basis, to be paid to in the individual pension account. The Company has made full contribution of pension in 2022. Currently, 180 (37.82%) employees are eligible for the old labor pension system; another 296 employees (62.18%) are eligible for the new pension system, with a total contribution of NT$19,463,216 (New system: NT$11,786,647 + Old system: NT$7,676,569)

3. Agreements between labor and management and various employee rights protection measures

All regulations of the Company are complied with laws, and the relationship between labor and management is harmonious. Employees may report any opinions they have at work to their supervisors. They may also reflect such by telephone, letter, or e-mail, to maintain good interaction between employers and employees. The quarterly labor-management meetings are held to communicate and coordinate matters such as the Company's overview and the promotion of labor-management harmony.

(II) List any losses suffered by the company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken.

The Company values employee benefits and maintains harmonious labor-management relations. There have been no major labor disputes in the past two years and up to the publication date of the annual report, so there is no risk of related losses.

VI. Cyber security management

(I) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management.

1. Information security risk management framework

   The Company has assigned an information security officer, at least one information security personnel, and appropriate equipment to plan, monitor, and execute information security management in accordance with the laws and regulations of the relevant government departments. The Information Department is responsible for planning, coordinating, and executing information security measures for information security risk management of information system access, network, and servers; the programs of information security management and solutions are promoted every year based on the information security plans, and reported to the responsible security officer. The internal audit unit performs the review to ensure that the information security policy is implemented.

2. Cyber security policy and specific management programs

   (1) All personnel of the Company are responsible for maintaining information security and shall comply with the information security management regulations of the Company.

   (2) Formulate the internal audit plan for the information security management system, regularly review all personnel and the use of equipment within the scope of the information security management system, while formulating and implementing corrective and preventive measures according to the audit report.

   (3) The responsible unit for information security shall adjust and establish in accordance with the government's cyber security management policy, governmental laws and regulations, technologies, and the latest development of the Company's business.

   (4) The permission to use the information and network system is clearly regulated to prevent unauthorized access.

   (5) Establish the management mechanisms for system servers and network usage to coordinate the allocation and utilization of resources.

   (6) Before new systems and equipment are built and onboarded, risks and security factors must be taken into consideration to prevent situations that endanger information security.

   (7) Establish physical and environmental security protection measures for the data center, and perform related maintenance and services on a regular basis.

   (8) Establish business continuity management/ backup/ restore drills to ensure the continuous operation of the Company's business.

   (9) Conduct information security training on a regular basis to disseminate information security policies and related implementation regulations.

   (10) If there is a need for sub-contracting when performing the Company's outsourced business, the information security risk related to the sub-contracted business shall be assessed. Outsourced contractors were also required to supervise and manage subcontractors in accordance with information security-related regulations.

   (11) In the process of managing internal and external projects, the information security requirements related to the projects shall be clearly defined and stated to ensure the confidentiality, integrity and availability of internal and external project information, and to reduce the leakage of sensitive information (including personal information) and risk of non-compliance with laws and regulations.

3. Resources invested in cyber security management

From 2020 to 2022, the Company continued to invest resources in information security-related fields. Resource invested include improving the governance and technical infrastructure, strengthening information security defense equipment, intelligence monitoring and analysis, incident response exercises, and education and training, to comprehensively improve information security capabilities.

(II) List any losses suffered by the company in 2022 and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken: none.

VII. Important Contracts

As of now, the Company has not entered any important contract.

Six. Overview of financial status

I. Condensed Balance Sheet and Statement of Comprehensive Income for the Most Recent Five Years

(I) Condensed Balance Sheet

1. Parent-Only Condensed Balance Sheet

Unit: NT$ thousand

Item (Year)		Financial Information for the Most Recent Five Years				
		2018	2019	2020	2021	2022
Current asset		705,187	676,750	560,091	721,996	674,582
Property, Plant and Equipment		539,817	737,379	840,991	945,390	1,098,113
Intangible Assets		13,894	19,290	32,413	51,702	40,978
Other assets		3,967,589	3,867,325	3,740,479	3,764,105	4,425,895
Total assets		5,226,487	5,300,744	5,173,974	5,483,193	6,239,568
Current liabilities	Before distribution	1,026,475	1,337,959	1,659,987	1,847,865	2,011,025
	After distribution	1,281,652	1,644,172	1,787,576	2,103,043	2,291,720 (Note 2)
Non-current liabilities		768,109	503,144	348,552	360,443	255,100
Total liabilities	Before distribution	1,794,584	1,841,103	2,008,538	2,208,308	2,266,125
	After distribution	2,049,761	2,147,316	2,136,127	2,463,486	2,546,820 (Note 2)
Equity attributable to the owners of the parent company		3,431,903	3,459,641	3,165,435	3,274,885	3,973,443
Share capital		1,275,887	1,275,887	1,275,887	1,275,887	1,275,887
Additional paid-in capital	Before distribution	1,239,317	1,239,317	1,239,317	1,239,799	1,213,799
	After distribution	1,239,317	1,239,317	1,239,317	1,213,799	1,213,799
Retained earnings	Before distribution	833,731	937,353	764,496	972,201	1,424,384
	After distribution	578,554	631,140	636,907	742,541	1,143,689 (Note 3)
Other equity		82,968	7,084	(114,265)	(212,520)	59,373
Treasury shares		—	—	—	—	—
non-controlling interest		—	—	—	—	—
Total equity	Before distribution	3,431,903	3,459,641	3,165,435	3,274,885	3,973,443
	After distribution	3,176,726	3,153,428	3,037,846	3,019,707	3,692,750 (Note 3)

Note1: All financial information above are audited by the CPAs.
Note2: The cash dividends for 2022 were approved by the Board on March 21, 2023.
Note3: The appropriation of statutory retained earnings for 2022 has been approved by the board of directors and is pending resolution at the shareholders' meeting.

2. Condensed Consolidated Balance Sheet

Unit: NT$ thousand

Item	Year	Financial Information for the Most Recent Five Years 2018	2019	2020	2021	2022	2023 up to March 31
Current asset		2,840,819	2,514,546	2,295,753	2,707,320	3,231,340	3,150,005
Property, Plant and Equipment		1,306,816	1,395,247	1,472,345	1,575,044	1,747,251	1,774,917
Intangible Assets		2,130,431	1,973,406	1,782,286	1,645,363	1,690,492	1,651,540
Other assets		458,197	1,098,736	973,073	856,426	1,153,042	1,126,220
Total assets		6,736,263	6,981,935	6,523,457	6,784,153	7,822,125	7,702,682
Current liabilities	Before distribution	1,990,075	2,303,646	2,552,011	2,852,675	2,878,573	3,126,705
	After distribution	2,245,252	2,609,859	2,679,600	3,107,853	3,159,268 (Note 2)	3,126,705 (Note 2)
Non-current liabilities		1,314,285	1,218,648	806,011	656,593	970,109	770,687
Total liabilities	Before distribution	3,304,360	3,522,294	3,358,022	3,509,268	3,848,682	3,897,392
	After distribution	3,559,537	3,828,507	3,485,611	3,764,446	4,129,377 (Note 2)	3,897,392 (Note 2)
Equity attributable to the owners of the parent company		3,431,903	3,459,641	3,165,435	3,274,885	3,973,443	3,805,290
Share capital		1,275,887	1,275,887	1,275,887	1,275,887	1,275,887	1,275,887
Additional paid-in capital	Before distribution	1,239,317	1,239,317	1,239,317	1,239,317	1,213,799	1,213,799
	After distribution	1,239,317	1,239,317	1,239,317	1,239,317	1,213,799	1,213,799
Retained earnings	Before distribution	833,731	937,353	764,496	972,201	1,424,384	1,268,892
	After distribution	578,554	631,140	636,907	742,541	1,143,689 (Note 3)	1,268,892 (Note 3)
Other equity		82,968	7,084	(114,265)	(212,520)	59,373	(115,130)
Treasury shares		—	—	—	—	—	—
non-controlling interest		—	—	—	—	—	—
Total equity	Before distribution	3,431,903	3,459,641	3,165,435	3,274,885	3,973,443	3,805,209
	After distribution	3,176,726	3,153,428	3,037,846	3,019,707	3,692,748 (Note 3)	3,805,209 (Note 3)

Note1: All financial information of each year above are audited by the CPAs, and the financial information for Q1 of the current year is reviewed by the CPAs

Note2: The cash dividends for 2022 were approved by the Board on March 21, 2023.

Note3:The appropriation of statutory retained earnings for 2022 has been approved by the board of directors and is pending resolution at the shareholders' meeting.

(II) Statement of Comprehensive Income

1. Parent-Only Statement of Comprehensive Income

Unit: NT$ thousand

Item \ Year	Financial Information for the Most Recent Five Years				
	2018	2019	2020	2021	2022
Operating Revenue	1,446,996	1,540,790	1,039,286	1,481,043	1,487,361
Gross Profit	617,591	698,379	415,788	491,473	570,960
Operating Income	328,251	415,914	185,606	225,567	281,961
Non-operating income and expenses	(235,677)	22,177	(15,794)	196,282	485,571
Net profit before tax	92,574	438,091	169,812	421,849	767,532
Net income for the period from continuing operations	41,462	352,096	148,632	336,590	678,609
Loss from discontinued operations	—	—	—	—	—
Net income (loss) for the period	41,462	352,096	148,632	336,590	678,609
Other comprehensive income (loss) for the period (net of Income Tax)	99,055	(69,180)	(136,625)	(99,551)	275,127
Total comprehensive income for the period	140,517	282,916	12,007	237,039	953,736
Net income attributable to owners of parent	41,462	352,096	148,632	336,590	678,609
Net income (loss) attributable to non-controlling interests	—	—	—	—	—
Total comprehensive income attributable to owners of parent	140,517	282,916	12,007	237,039	953,736
Total comprehensive income, attributable to non-controlling interests	—	—	—	—	—
Earnings per share	0.36	2.76	1.16	2.64	5.32

Note 1: All financial information above are audited by the CPAs.

2. Consolidated Statement of Comprehensive Income

Unit: NT$ thousand

Item \ Year	Financial Information for the Most Recent Five Years					2023 up to March 31
	2018	2019	2020	2021	2022	
Operating Revenue	6,791,267	6,294,771	4,239,384	4,924,208	5,703,207	1,369,524
Gross Profit	2,195,653	2,234,971	1,595,788	1,953,227	2,220,844	560,901
Operating Income	374,497	469,235	61,914	422,310	501,051	152,077
Non-operating income and expenses	(258,258)	(24,892)	135,076	39,980	287,419	766
Net profit before tax	116,239	444,343	196,990	462,290	788,470	152,843
Net income for the period from continuing operations	41,462	352,096	148,632	336,590	678,609	125,203
Loss from discontinued operations	—	—	—	—	—	—
Net income (loss) for the period	41,462	352,096	148,632	336,590	678,609	125,203
Other comprehensive income (loss) for the period (net of Income Tax)	99,055	(69,180)	(136,625)	(99,551)	275,127	(12,661)
Total comprehensive income for the period	140,517	282,916	12,007	237,039	953,736	112,542
Net income attributable to owners of parent	41,462	352,096	148,632	336,590	678,609	125,203
Net income (loss) attributable to non-controlling interests	—	—	—	—	—	—
Total comprehensive income attributable to owners of parent	140,517	282,916	12,007	237,039	953,736	112,542
Total comprehensive income, attributable to non-controlling interests	—	—	—	—	—	—
Earnings per share	0.36	2.76	1.16	2.64	5.32	0.98

Note 1: All financial information of each year above are audited by the CPAs, and the financial information for Q1 of the current

year is reviewed by the CPAs

(III) Names of CPAs and audit opinion thereof

Year	Name of CPA	Audit Opinion
2018	Huang, Zhi-Ping and Yen, Wen-Bi, EY Taiwan	Unqualified opinion
2019	Huang, Zhi-Ping and Yen, Wen-Bi, EY Taiwan	Unqualified opinion
2020	Huang, Zhi-Ping and Huang,Yu -Ting, EY Taiwan	Unqualified opinion
2021	Huang, Zhi-Ping and Huang,Yu -Ting, EY Taiwan	Unqualified opinion
2022	Huang,Yu -Ting and Yen,Wen- Pi, EY Taiwan	Unqualified opinion

II. Financial Analysis for the Most Recent Five Years

(I) Financial Analysis for the Most Recent Five Years (Parent-Company Only) - IFRSs Adopted

Item (Note 2)	Fiscal year (Note 1)	Financial Information for the Most Recent Five Years				
		2018	2019	2020	2021	2022
Financial structure (%)	Debt to assets ratio	34.33	34.73	38.82	40.27	36.31
	Ratio of long-term capital to property, plant and equipment	778.04	537.09	417.58	383.59	384.36
Solvency (%)	Current ratio	68.69	50.58	33.74	39.07	33.54
	Quick ratio	45.33	33.44	18.50	28.21	23.47
	Times interest earned	4.74	26.55	12.74	31.28	39.07
Operating performance	Accounts receivable turnover (times)	5.22	5.84	5.03	5.89	4.55
	Average collection days	69.92	62.50	72.56	61.96	80.21
	Inventory turnover (times)	3.42	3.53	2.54	4.30	4.55
	Accounts payable turnover (times)	8.39	8.92	6.58	9.72	10.99
	Average collection days	106.72	103.39	143.70	84.88	80.21
	Property, plant and equipment turnover (times)	2.71	2.41	1.31	1.65	1.45
	Total asset turnover (times)	0.28	0.29	0.19	0.27	0.25
Profitability	Return on total assets (%)	1.19	6.94	3.05	6.52	11.85
	Return on equity (%)	1.54	10.21	4.48	10.45	18.72
	Ratio of income before tax to paid-in capital (%) (Note 7)	7.25	34.33	13.30	33.06	60.15
	Net profit margin (%)	2.86	22.85	14.30	22.72	45.62
	Earnings per share (NT$)	0.36	2.76	1.16	2.64	5.32
Cash flows	Cash flow ratio (%)	14.68	36.99	12.55	13.53	19.06
	Cash flow adequacy ratio (%)	30.76	39.99	32.62	28.16	30.96
	Cash reinvestment ratio (%)	1.87	5.46	(2.48)	3.02	2.74
Leverage	Operating leverage	1.26	1.19	1.36	1.74	1.36
	Financial leverage	1.08	1.04	1.08	1.06	1.07

The causes of changes in the financial ratios in the most recent 2 fiscal years (increase or decrease is 20% or more) are described as below:
1. Increase in times interest earned: mainly due to the increase in profit.
2. Decrease in accounts receivable turnover (times)
3. Increase in average collection days: mainly due to the increased average accounts receivable.
4. Increase in return on assets: mainly due to the increase in total assets.
5. Increase in return on equity: mainly due to the increase in profit.
6. Increase in ratio of income before tax to paid-in capital: mainly due to the increased profit.
7. Increase in net profit margin: mainly due to the increase in profit.
8. Increase in earnings per share: mainly due to the increase in profit.
9. Increase in cash flow ratio: mainly due to the increase in the net cash flow from operating activities.
10. Decrease in operating leverage: mainly due to the increased operating costs and decreased operating profit.

Note 1: All financial information above are audited by the CPAs.

(II) Financial Analysis for the Most Recent Five Years (Consolidated) - IFRSs Adopted

Item (Note 2)	Fiscal year (Note 1)	Financial Information for the Most Recent Five Years					2023 up to March 31
		2018	2019	2020	2021	2022	
Financial structure (%)	Debt to assets ratio	49.05	50.44	51.47	51.72	49.20	50.59
	Ratio of long-term capital to property, plant and equipment	363.18	315.53	261.70	247.27	257.34	233.57
Solvency (%)	Current ratio	142.74	109.15	89.95	94.90	112.25	100.74
	Quick ratio	100.62	69.77	58.39	60.94	67.14	62.97
	Times interest earned	3.71	9.86	6.26	18.09	36.48	10.17
Operating performance	Accounts receivable turnover (times)	9.72	6.01	5.08	6.55	7.12	6.41
	Average collection days	37.55	60.73	71.85	55.72	51.26	56.94
	Inventory turnover (times)	8.59	4.69	2.97	3.19	3.00	2.57
	Accounts payable turnover (times)	12.64	6.94	5.86	6.75	6.87	7.36
	Average collection days	42.49	77.82	122.89	114.42	121.66	142.02
	Property, plant and equipment turnover (times)	4.88	4.65	2.95	3.23	3.43	3.11
	Total asset turnover (times)	1.12	0.91	0.62	0.74	0.78	0.70
Profitability	Return on total assets (%)	1.25	5.71	2.64	5.38	9.72	6.92
	Return on equity (%)	1.54	10.21	4.48	10.45	18.72	12.87
	Ratio of income before tax to paid-in capital (%) (Note 7)	9.11	34.82	15.43	36.22	61.79	9.81
	Net profit margin (%)	0.61	5.59	3.50	6.83	11.89	9.14
	Earnings per share (NT$)	0.36	2.76	1.16	2.64	5.32	0.98
Cash flows	Cash flow ratio (%)	7.03	30.58	15.49	21.31	15.93	2.89
	Cash flow adequacy ratio (%)	31.01	44.16	41.13	41.86	43.79	45.61
	Cash reinvestment ratio (%)	2.41	17.01	3.82	18.53	7.12	3.04
Leverage	Operating leverage	2.13	1.85	7.73	2.01	1.85	1.61
	Financial leverage	1.12	1.11	2.54	1.06	1.08	1.08

The causes of changes in the financial ratios in the most recent 2 fiscal years (increase or decrease is 20% or more) are described as below:
1. Increase in times interest earned: mainly due to the increase in profit.
2. Increase in return on assets: mainly due to the increase in profit.
3. Increase in return on equity: mainly due to the increase in profit.
4. Increase in ratio of income before tax to paid-in capital: mainly due to the increased profit.
5. Increase in net profit margin: mainly due to the increase in profit.
6. Increase in earnings per share: mainly due to the increase in profit.
7. Decrease in cash flow ratio: mainly due to the decrease in the net cash flow from operating activities.
8. Decrease in cash reinvestment ratio: mainly due to the decreased net cash inflow from operating activities, and the increased property, plant and equipment and working capital.

Note 1: All financial information of each year above are audited by the CPAs, and the financial information for Q1 of the current year is reviewed by the CPAs .

Note 2: As of the publication date of the annual report, if there is any information of the TWSE or OTC listed company for the most recent fiscal year has been audited and attested, or reviewed by the CPAs.

Note 3: The following formulas for the calculation of the financial ratios shall be listed below this table in the annual report:

1.Financial structure
(1) Debt to assets ratio = total liabilities / total assets.
(2) Ratio of long-term capital to property, plant and equipment = (total equity + non-current liabilities) / net property, plant and equipment.

2.Solvency:
(1) Current ratio = current assets / current liabilities.
(2) Quick ratio = (current assets - inventory - prepaid expenses) / current liabilities.
(3) Times interest earned = earnings before tax and interest expenses / current interest expenses.

3.Operating performance:
(1) Accounts receivable (including accounts receivable and notes receivable arising from business activities) turnover = net sales / average accounts receivable balance (including accounts receivable and notes receivable arising from business activities).

(2) Average collection days = 365 / accounts receivable turnover.
(3) Inventory turnover = cost of goods sold / average inventory.
(4) Accounts payable (including accounts payable and notes payable arising from business activities) turnover = cost of goods sold / average accounts payable balance (including accounts payable and notes payable arising from business activities).
(5) Average days in sales = 365 / inventory turnover.
(6) Property, plant and equipment turnover = net sales / average net property, plant and equipment.
(7) Total asset turnover = net sales / average total assets.

4.Profitability:
(1) Return on total assets = (net income + interest expenses * (1 - effective tax rate)) / average total assets.
(2) Return on equity = net income after tax / average net equity.
(3) Net profit margin = net income after tax / net sales.
(4) Earnings per share = (net income after tax - preferred stock dividends) / weighted average number of shares outstanding. (Note 4)

5.Cash flow
(1) Cash flow ratio = net cash flows from operating activities / current liabilities.
(2) Net cash flow adequacy ratio = 5-year sum of net cash flow from operating activities / 5-year sum of (capital expenditures + increases in inventory + cash dividends).
(3) Cash reinvestment ratio = (cash from operating activities - cash dividends) / (gross property, plant and equipment + long-term investments + other non-current assets + working capital). (Note 5)

6.Leverage
(1) Operating leverage = (net operating revenue – variable operating costs and expenses) / operating income. (Note 6)
(2) Financial leverage = operating income / (operating income – interest expenses).

Note 4: Special attention should be paid to the following when calculating earnings per share by the above equation:
1.The weighted average quantity of outstanding common shares shall be taken as the standard, not the quantity of outstanding shares at the end of the year.
2.If there is any cash capital increase or treasury stock transaction, take the circulation periods into account when calculating the weighted average quantity of outstanding shares.
3. If there is any capitalization of retained earnings or capital surplus, the annual and semi-annual earnings per share of past years shall be retrospectively adjusted pro rata to the size of the capital increase, without considering the issuance period of the capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, the dividend for the fiscal year (whether it has been distributed or not) shall be deducted from the net income after tax or added to the net loss after tax. If the preferred shares are non-cumulative, the dividend shall be deducted from the net income after tax if there is net income after tax and no adjustment is required in case there is loss.

Note 5: Special attention shall be paid to the following when making the calculations for cash flow analysis:
1.Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2.Capital expenditures refers to the annual cash outflow used in capital investment.
3.Increase in inventory is counted only when the balance at the end of the period is greater than the balance at the beginning of the period. If the inventory has decreased at the end of the year, it is counted as zero.
4.Cash dividends include the cash dividends of common stock and preferred stock.
5.Gross property, plant and equipment refers to the total property, plant and equipment without deduction of accumulated depreciation.

Note 6: The issuer shall categorize the operating costs and operating expenses into fixed ones and variable ones in accordance with their properties. If the categorization is subject to estimation or subjective judgment, attention shall be paid to ensure that it is done rationally and consistently.

Note 7: If the Company’s shares have no par value or the par value per share is not NT$10, the paid-in capital involved in the calculation of the above ratio shall be replaced by the equity attributable to owners of the parent company on the balance sheet.

III. Latest Review Report of the Audit Committee for the Financial Report of the Most Recent Year

GENERAL PLASTIC INDUSTRIAL CO., LTD.
Review Report of the Audit Committee

The Board of Directors has duly prepared the Company's Business Report, Financial Statements (including Consolidated Financial Statements) and Proposal for Earnings Distribution for the FY2022. The financial statements have been audited by the attesting CPAs Aero Huang and Martin Yen of Ernst &Young Taiwan, and an Auditor's Report has been issued thereon.

The Company's Business Report, Financial Statements (including Consolidated Financial Statements) and Proposal for Earnings Distribution for the FY2022 were reviewed by the Audit Committee and found to be in order. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, the accompanying report has is hereby prepared and presented for review.

Yours faithfully,

General Plastic Industrial Co., Ltd.
2023 Annual General Shareholders' Meeting

Audit Committee Convener:

March 21, 2023

IV. Financial statement for the most recent fiscal year, including an auditor's report prepared by a certified public accountant, and 2-year comparative balance sheet, statement of comprehensive income, statement of changes in equity, cash flow chart, and any related footnotes or attached appendices.

Please refer to pages 98 to 193

V. Parent-only financial recent of the most recent year audited and attested by the CPAs but not including the statements of major accounting items.

Please refer to pages 194 to 277

VI. If the company or its affiliates have experienced financial difficulties in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, the annual report shall explain how said difficulties will affect the company's financial situation: none.

Seven. Review and analysis of financial position and financial performance, and a listing of risks

I. Financial position

(I) Comparison and analysis table of financial position - consolidated

Year / Item	2022	2021	Difference	
			Amount	%
Current asset	3,231,340	2,707,320	524,020	19.36
Property, Plant and Equipment	1,747,251	1,575,044	172,207	10.93
Intangible Assets	1,690,492	1,645,363	45,129	2.74
Other assets	1,153,042	856,426	296,616	34.63
Total assets	7,822,125	6,784,153	1,037,972	15.30
Current liabilities	2,878,573	2,852,675	25,898	0.91
Non-current liabilities	970,109	656,593	313,516	47.75
Total liabilities	3,848,682	3,509,268	339,414	9.67
Equity attributable to the owners of the parent company	3,973,443	3,274,885	698,558	21.33
Share capital	1,275,887	1,275,887	0	0.00
Additional paid-in capital	1,213,799	1,239,317	(25,518)	(2.06)
Retained earnings	1,424,384	972,201	452,183	46.51
Other equity	59,373	(212,520)	271,893	(127.94)
Total equity	3,973,443	3,274,885	698,558	21.33

The causes of changes in the financial ratios in the most recent 2 fiscal years are described as below (increase or decrease is 20% or more):

1. Increase in other assets: mainly due to the increased right-of-use assets
2. Increase in non-current liabilities: mainly due to the increased non-current lease liabilities.
3. Increase in the equity attributable to the owners of the parent company: mainly due to the increased profit.
4. Increase in retained earnings: mainly due to the increase in profit.
5. Increase in other equity: mainly due to the changes in exchange difference from the translation of financial statements of investment in foreign operations.
6. Increase in total return: mainly due to the increase in profit.

II. Financial performance

(I) Main reasons for any material change in operating revenues, operating income, or income before tax during the past 2 fiscal years

Unit: NT$ thousand

Item / Year	2022	2021	Increase/decrease	
			Amount	Percentage of change %
Net operating revenue	5,703,207	4,924,208	778,999	15.82
Operating costs	(3,482,363)	(2,970,981)	(511,382)	17.21
Gross Profit	2,220,844	1,953,227	267,617	13.70
Operating expenses	(1,719,793)	(1,530,917)	(188,876)	12.34
Net operating profit	501,051	422,310	78,741	18.65
Non-operating income and expenses	287,419	39,980	247,439	618.91
Net profit before tax	788,470	462,290	326,180	70.56
Income tax expense	(109,861)	(125,700)	15,839	(12.60)
Net profit of the period	678,609	336,590	342,019	101.61
Total other comprehensive income (net amount after tax)	275,127	(99,551)	374,678	(376.37)
Total comprehensive income for the period	953,736	237,039	716,697	302.35

The causes of increase or decrease (the increase or decrease is 20% or more)

1. Increase in non-operating income and expenses: mainly due to the gains from the sales of lands in Cambodia.
2. Increase in net profit before tax: mainly due to the gains from the sales of lands in Cambodia. .
3. Increase in net profit of the period: mainly due to the gains from the sales of lands in Cambodia.
4. Increase in total other comprehensive income: mainly due to the changes in exchange difference from the translation of financial statements of investment in foreign operations.
5. Increase in total comprehensive income of the period: mainly due to the gains from the sales of lands in Cambodia.

(II) Sales volume forecast and the basis therefor, and describe the effect upon the company's financial operations as well as measures to be taken in response

The Company's sales volume of toner cartridges and photosensitive drum precision gears in 2023 are expected to be 9,306 thousand pcs and 4,897 thousand pcs, respectively. The sales of guest rooms and food and beverage of Others - Tourist Hotel Division are estimated to be 52 thousand rooms and 87 thousand customers, respectively. The Company's existing production capacity and financial status are sufficient to meet the sales needs, and there is no significant effect. However, it is still necessary to strengthen product development, marketing and cost control to increase the Company's overall revenue and profitability.

III. Cash flows

(I) Analysis of liquidity for the most two recent yars

Item / Year	2022	2021	Percentage of increase (decrease) (%)
Cash flow ratio	15.93	21.31	(25.25)
Cash flow adequacy ratio	43.79	41.86	4.61
Cash reinvestment ratio	7.12	18.53	(61.58)
The causes of increase or decrease of 20% or more) 1. Decrease in cash flow ratio: mainly due to the decrease in the net cash flow from operating activities. 2. Decrease in cash reinvestment ratio: mainly due to the decreased net cash inflow from operating activities, and the increased property, plant and equipment and working capital.			

(II) Liquidity analysis for the coming year.

Unit: NT$ thousand

Beginning cash balance (1)	Expected net cash flow from operating activities (2)	Expected net cash flow from investing activities (3)	Expected net cash flow from financing activities (4)	Expected cash balance (deficits) (1)+(2)+(3+(4))	Remedial measures for cash deficits or supplementary measures to retain certain cash balance	
					Investing activities	Financing activities
131,855	591,242	(494,802)	97,323	325,618	–	–

IV. Effect upon financial operations of any major capital expenditures during the most recent fiscal year: none.

V. The reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improving re-investment profitability, and investment plans for the coming year.

(I) The most recent year

1. Information on reinvestees

Investor Name	Investee Name	Location	Main business	Original amount invested		Holding at the end of period			Profit or loss of the investee company	The profit or loss recognized by the Company	Remarks
				End of the period	End of the previous period	Shares	Ratio	Carrying amount			
GENERAL PLASTIC INDUSTRIAL CO.,LTD.	Jiou Fu Co., Ltd.	No. 388, Sec. 2, Dazhi Rd., Wuqi Dist., Taichung City	Real estate transaction, land development, and tourist hotels	$700,000	$700,000	70,000,000 shares	100%	$619,294	$64,566	$64,566	
GENERAL PLASTIC INDUSTRIAL CO.,LTD.	GPI USA, INC.	1105 Asoott Valley Dr Duluth, GA 30097	General international trading	$15,681	$15,681	60,000 shares	100%	$12,701	$(775)	$(1,105)	Note 2
GENERAL PLASTIC INDUSTRIAL CO.,LTD.	GPI Co.(SAMOA), Ltd.	Offshore chambers, P.O. Box 217, Apia, Samoa	Investment and holding	$595,932	$595,932	20,000,000 shares	100%	$888,506	$272,324	$272,324	
GENERAL PLASTIC INDUSTRIAL CO.,LTD.	GPIKT (BVI) CO., LTD	Sertus Chambers,3rd Floor ,Quastisky Building,Road Town,Tortola,British Virgin Island	Investment and holding	$30	$30	1,000 shares	100%	$31	$-	$-	
GENERAL PLASTIC INDUSTRIAL CO.,LTD.	GPIKT DE, INC.	3500 South Dupont Highway,Dover,Delaware 19901,USA	Investment and holding	$2,858,666	$2,858,666	971 shares	100%	$2,815,991	$69,055	$69,055	Note 1, Note 3
GENERAL PLASTIC INDUSTRIAL CO.,LTD.	TJ OFFICE SOLUTION CO., LTD	TJ's address: No.363, Street 590, Sangkat Boeung Kak Ti Pi, Khan Toul Kork, Phnom Penh, Cambodia.	Leases of copier	$9,648	$-	1,000 shares	100%	$4,454	$(2,278)	$(2,278)	
GENERAL PLASTIC INDUSTRIAL CO.,LTD.	WeKare Co., Ltd.	1F., No. 502, Sec. 1, Yongxing Rd., Wuqi Dist., Taichung City	Wholesale and retail of medical devices	$20,000	$20,000	2,000,000 shares	100%	$1,997	$(10,265)	$(10,431)	Note 2
GPIKT DE, INC.	KATUN HOLDINGS, LP.	1209 Orange Street, Wilmington, DE 19801, New Castle County	Investment and holding	$2,831,108	$2,831,108	211,621 shares	100%	$2,886,976	$186,385	Merged subsidiary for the treatment	

Note 1: The investment income of investees recognized in the current period includes the investment income of reinvested companies recognized by these companies.
Note 2: The investment income of the investees recognized in the current period include the investment income of these companies generated from the up-stream and down-stream transactions.
Note 3: If a public company has a foreign holding company that prepares consolidated financial statements as its primary financial statement in accordance with local laws and regulations, the disclosure of the foreign invested company information may be only these related to the holding company.

(II) Investment plan for the coming year: the investment plan will be arranged depending on the operational needs of the Company and the invested enterprise.

VI. Risks

(I) Effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future

1. Interest rate: the interest rate risk of the Company mainly comes from borrowings with floating interest rates and borrowings with fixed interest rates. However, the Company has a sound financial structure and maintains long-term cooperative relations with financial institutions with reasonable interest rate. Net interest income accounted for approximately 3.17% of the net income before tax in 2022, which has little impact on the Company's profit or loss. In addition, the Company will continue to observe the market interest rate trends in daily operations and make necessary adjustments.
2. Exchange rate: the Company's business activities are mainly denominated in USD. Therefore, fluctuations in exchange rates will have relative impacts on the Company. For purchases and sales denominated in foreign currencies, the recurring purchases and sales are offset against each other, for the certain hedging effect over the exchange rate fluctuations. If necessary, appropriate hedging instruments are adopted, such as sale of foreign exchange with forwards in advance, to reduce the effect of exchange rate fluctuations on the Company's profit and loss. The net foreign currency exchange gain accounted for about 8.50% of the pre-tax net profit in 2022, which had little impact on the Company's profit or loss. Since the exchange rate of TWD are in the range of great volatility, the Company will continuously assess proper hedging tools to lower the impacts from the exchange rate fluctuations.
3. Inflation: the Company will continue to monitor the changes in the external environment and conditions, flexibly adjust inventory and adjust product selling prices appropriately to avoid the impact of inflation on the Company's raw material costs and profits.

(II) Policy regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future

1. Currently, the Company is not engaged in any high-risk or highly leveraged investments.
2. When making endorsements and guarantees for others, the “Regulations Governing Making Endorsements and Guarantees” are complied with, and the approval upon the Board’s resolution must be obtained. Currently, the Company only makes endorsement and guarantee to the subsidiaries, and the amount of endorsement and guarantee does not exceed 100% of the Company’s net worth.
3. When loaning of funds to others, the “Regulations Governing Loaning of Funds to Others” are complied with, and the approval upon the Board’s resolution must be obtained. Due to the need of short-term financing; the fund loaned does not exceed 40% of the Company’s net worth. Between the foreign companies in which 100% of shares with voting right held by the subsidiaries directly or indirectly, the total amount of loaned funds shall not exceed 200% of the lender’s net worth, and 100% for the lender’s net worth for each individual loan.
   There were no instances of lending funds to others in 2022.
4. When engaging in derivative trading, the “Operational Procedures for Acquisition and Disposal of Assets” are strictly complied with. The aim of all foreign exchange forwards tradings is to hedge the exchange risks of the foreign currency accounts receivable held, but not for unnecessary investments.

(III) Future R&D plans and expected expenses invested in R&D

In 2023, the Company is expected to develop black and color toner cartridges and photosensitive roller sets for Canon, Toshiba, Ricoh, Sharp, Kyocera and Konica Minolta series. In the development of brand cooperation. The new development of the photosensitive gears extends to the transmission gears in printers, and currently under the joint development with a local European brand. Under the tide of the circular economy, in addition to expanding the use of recycled materials in new products, we have also developed cartridges that are easy for users to recycle. It is expected to launch two of these products this year. For chips, the investments in the R&D of highly difficult chips will be made with partners, provide solutions for regenerating chips from the original makers to extend product coverage and enhance the Company's competitiveness; the R&D expenditure is expected to be NT$163,138 thousand.

(IV) Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad

The Company has cooperated with the government policies and regulations of the competent authority. So far, there is no material effect on the finance and business.

(V) Effect on the company's financial operations of developments in science and technology as well as industrial changes

The Company is committed to the acquisition and R&D of new products and technologies. In addition to strategic cooperation with domestic and foreign research units from time to time, the R&D Department also keeps track of the pulse of relevant technologies and patents on the market. The Company has established the regulations of information management to implement the internal control system and maintain the information security policies. The Information Department’s operations comply with the procedures required by the Company for the implementation, to ensure the completeness and security of data. During the most recent fiscal year and as they stood on the date of publication of the annual report, there was no developments in science and technology or industrial change affecting materially to the Company’s finance and business.

(VI) Effect on the company's crisis management of changes in the company's corporate image

The Company has been committed to maintaining its corporate image and complying with regulations over the years. As of now, no circumstance affecting the corporate image has occurred.

(VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken: as of the publication date of the annual report, there has been no plans for merger and acquisition

(VIII) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken: the Company is constructing the new operating headquarter will continue to focus on the vertical integration of the Group's units of global procurement, development, production, and logistics, and the Company will further improve the management to maintain the internal high responsive capability to the external market, improve management efficiency, and streamline related expenses; it is expected to be used by the end of 2023 (depending on the actual on-site conditions).

(IX) Risks associated with any consolidation of sales or purchasing operations

1. Purchases: the Company's largest purchaser accounted for 16.40 % of the total purchases in 2022. Therefore, there is no risk of consolidation of purchases.
2. Sales: the Company did not have sales to a single customer that accounted for 10% or more of the net sales in 2022, so there is no risk of concentration of sales.

(X) Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken: none.

(XI) Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: not applicable

(XII) Major litigious, non-litigious or administrative disputes that: (1) involve the company and/or any company director, any company supervisor, the general manager, any person with actual responsibility for the firm, any major shareholder holding a stake of greater than 10 percent, and/or any company or companies controlled by the company; and (2) have been concluded by means of a final and unappealable judgment, or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report

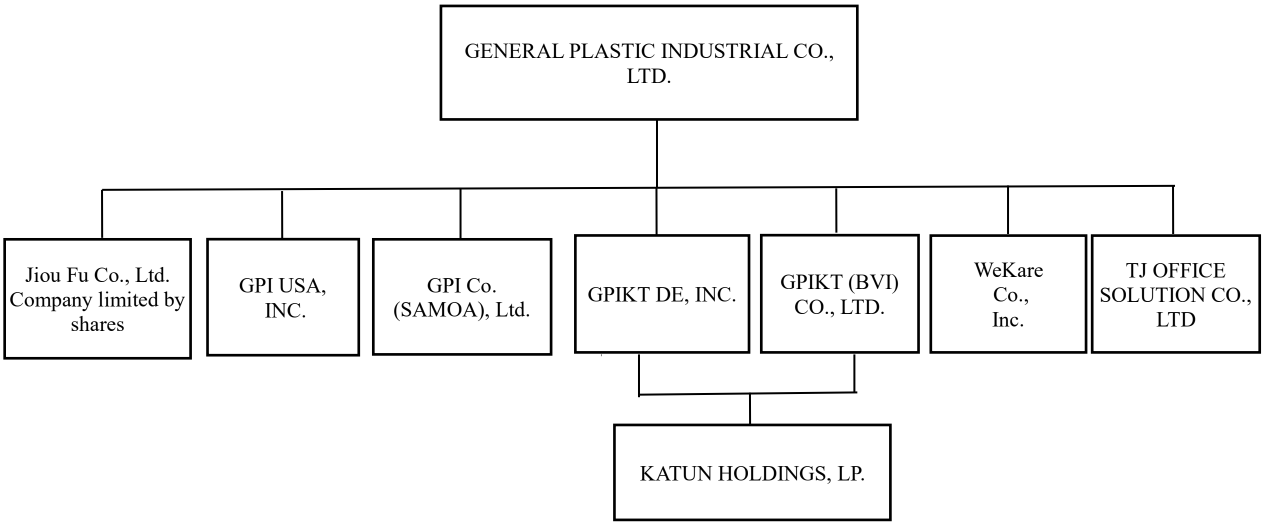
(XIII) Other important risks, and mitigation measures being or to be taken: none.

VII. **Other important matters:** none

Eight: Special Items to be Included

I. Information related to the company's affiliates (Note)

(I) Organizational chart of affiliates



(II) Name, date of incorporation, address, paid-in capital and main business of each affiliates

Unit: NT$ thousand

Name of company:	Date of incorporation	Location	Original amount invested End of 2022	Shareholding Percentage	Main business
Jiou Fu Co., Ltd.	2006.10.18	No. 388, Sec. 2, Dazhi Rd., Wuqi Dist., Taichung City	$700,000	100%	Real estate transaction, land development, and tourist hotels
WeKare Co., Ltd.	2021.01.05	1F., No. 502, Sec. 1, Yongxing Rd., Wuqi Dist., Taichung City	$20,000	100%	Wholesale and retail of medical devices
GPI USA, INC.	92.04.25	1105 Asoott Valley Dr Duluth, GA 30097	$15,681	100%	General international trading
GPI CO. (Samoa) LTD.	2011.03.29	Offshore chambers, P.O.Box 217, Apia, Samoa	$595,932	100%	Investment and holding
GPIKT (BVI) CO., LTD	2017.8.21	Sertus Chambers,3rd Floor ,Quastisky Building,Road Town,Tortola,British Virgin Island	$30	100%	Investment and holding
GPIKT DE, INC.	2017.08.24	3500 South Dupont Highway,Dover,Delaware 19901,USA	$2,858,666	100%	Investment and holding
KATUN HOLDINGS, LP.	2018.01.08	1209 Orange Street, Wilmington, DE 19801, New Castle County	$2,831,108	100%	Investment and holding
TJ OFFICE SOLUTION CO., LTD	2021.12.23	TJ's address: No.363, Street 590, Sangkat Boeung Kak Ti Pi, Khan Toul Kork, Phnom Penh, Cambodia.	$9,648	100%	Leases of copier

(III) Information on directors, supervisors, and president of each affiliates

Name of company:	Title	Name or representative	Shareholding	
			Number of shares or amount of capital paid	Percentage
Jiou Fu Co., Ltd.	Chairman	Corporate Representative of General Plastic Industrial Co., Ltd.: Wang, Jui-Hung	70,000,000 shares	100%
	Director	Corporate Representative of General Plastic Industrial Co., Ltd.: Wang, Jui-Chi, Wang, Kuo-Ying	70,000,000 shares	100%
	Supervisor	Corporate Representative of General Plastic Industrial Co., Ltd.: Wang-Lai, Ming-Yue	70,000,000 shares	100%
WeKare Co., Ltd.	Chairman	Corporate Representative of General Plastic Industrial Co., Ltd.: Wang, Kuo-Ying	2,000,000 shares	100%
GPI USA, INC.	Director	Corporate Representative of General Plastic Industrial Co., Ltd.: Wang, Jui-Chi	60,000 shares	100%
GPI Co. (Samoa) LTD.	Director	Corporate Representative of General Plastic Industrial Co., Ltd.: Wang, Kuo-Ying	20,000,000 shares	100%

Name of company:	Title	Name or representative	Shareholding	
			Number of shares or amount of capital paid	Percentage
GPIKT (BVI) CO., LTD.	Director	Corporate Representative of General Plastic Industrial Co., Ltd.: Wang, Jui-Hung	1,000 shares	100%
GPIKT DE, INC.	Director	Corporate Representative of General Plastic Industrial Co., Ltd.: Wang, Kuo-Ying	971 shares	100%
KATUN HOLDINGS, LP.	Chairman Director Director Director Director Director	Corporate representative of GPIKT DE, INC.: Wang, Kuo-Ying Corporate representative of GPIKT DE, INC.: Wang, Jui-Hung Corporate representative of GPIKT DE, INC.: Wang, Jui-Chi Corporate representative of GPIKT DE, INC.: Huang, Huai-De Corporate representative of GPIKT DE, INC.: Wang, Yi-Ting Corporate representative of GPIKT DE, INC.: Robert Moore	211,621 shares	100%
TJ OFFICE SOLUTION CO., LTD	Chairman	Corporate Representative of General Plastic Industrial Co., Ltd.: Wang, Kuo-Ying	1,000 shares	100%

(IV) Operational overview of each affiliated enterprise

Unit: NT$ thousand

Name of company:	Paid-in Capital	Total Assets	Total liabilities	Net worth	Operating Revenue	Operating Income (loss)	Profit and loss of the period (after tax)	Earnings per Share (NT$) (after tax)
Jiou Fu Co., Ltd.	700,000	680,815	61,520	619,295	205,942	63,847	64,566	—
GPI USA, INC.	15,681	13,725	116	12,609	1,810	(725)	(775)	—
GPI Co. (Samoa) LTD.	595,932	895,206	6,700	888,506	-	(13,906)	272,324	—
GPIKT (BVI) CO., LTD	30	31	-	31	-	-	-	—
GPIKT DE, INC.	2,858,666	3,149,556	247,152	2,902,404	-	(97,303)	69,055	—
KATUN HOLDINGS, LP	2,831,108	3,069,920	1,573,253	1,496,667	4,926,984	279,109	186,385	—
WeKare Co., Ltd.	20,000	3,925	1,221	2,704	5,224	(10,264)	(10,265)	—
TJ OFFICE SOLUTION CO., LTD	9,648	4,959	505	4,454	885	(2,451)	(2,278)	—

(V) Reports on affiliations: please refer to page 98.

Note: the information on affiliates are disclosed as the information of reinvestees in the notes to financial statements.

II. Private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: none

III. Holding or disposal of shares in the company by the company's subsidiaries during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: none

IV. Other matters that require additional description: none

V. Any situation listed in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: none

REPRESENTATION LETTER

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

Hereby certified.

GENERAL PLASTIC INDUSTRIAL CO., LTD.

Wang, Jui-Hung
Chairman

March 21, 2023

Independent Auditors' Report Translated from Chinese

To GENERAL PLASTIC INDUSTRIAL CO., LTD.

Opinion

We have audited the accompanying consolidated balance sheets of GENERAL PLASTIC INDUSTRIAL CO., LTD. and its subsidiaries (the "Group") 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 (together "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 Group as of December 31, 2022 and 2021, and its 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 and became effective 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 *Auditors' Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of other auditor(s), 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.

Rights and Obligations of Inventory

As of December 31, 2022, the amount of net inventories of the Group was NTD1,253,372 thousand, which represented 16% of the total consolidated assets and was significant to the financial statements. The Group specializes in manufacturing and selling toner cartridges of photocopiers, laser printers and OPC Drum Gears. In order to respond to customer demands quickly, shorten the delivery time and reduce freight cost, the Group established shipping warehouses or some outsourcing warehouses in several countries. Because the rights and obligations of inventory is not easy to verify, we identified rights and obligations of inventory as a key audit matter. Our audit procedures include, but are not limited to, understanding and testing the effectiveness of internal control procedures for inventory, including the management records of shipping and receiving inventories; assessing the management's inventory count plan, observing inventory count at a significant inventory location, performing confirmation procedure on inventories located the oversea warehouse, and testing cut-offs by examining relevant documents, such as shipping documents, export declarations, and invoices before and after the end of balance sheet date. We also considered the appropriateness of the disclosure of inventory in Note 6 to the consolidated financial statements.

Revenue Recognition

The primary source of income of the Group is derived from sale of OEM-compatible imaging consumables and supplies, such as toner cartridges and drum gears for office equipment. Based on the varying contract terms in different distribution channels and sales models, it is significant to determine the timing when the control of goods is transferred and performance obligation is satisfied for the consolidated financial statements. We identified revenue recognition as a key audit matter. Our audit procedures include, but are not limited to, understanding and testing the effectiveness of internal controls related to revenue recognition in the sales cycle; selecting samples to perform the test of details of the sales transactions; reviewing the performance obligations of the orders or contracts and confirming the timing of performance obligation satisfaction against the related supporting documents to verify the correctness of the timing of revenue recognition; performing the cut-off testing for periods before and after the balance sheet date; and conducting analytical procedures for goods sold based on product types, regions, monthly sales revenue, and gross margin. We also considered the appropriateness of the disclosure of operating revenue in Note 6 to the consolidated financial statements.

Goodwill impairment

As of December 31, 2022, the carrying value of goodwill amounted to NTD1,040,085 thousand, which represented 14% of the total assets. The Company performed impairment testing on the cash-generating units according to the International Financial Reporting Standards. The recoverable amount of the cash-generating units has been determined based on the value in use because their fair value cannot be reliably measured. The impairment testing indicated that the value in the use of certain cash-generating units was higher than their carrying amount. Because the carrying amounts of goodwill were significant to the Group, the determination of value in use was complex, as it involved significant management judgment when making assumptions about cash flow forecasts.We identified goodwill impairment as a key audit matter. Our audit procedures include, but are not limited to, evaluating the management's assessment approaches and assumptions of value in use; evaluating the reasonableness of key assumptions used by management, such as growth rates, discount rates, gross margin, and evaluating the reasonableness of key components of discount rates, such as cost of equity, company-specific risk premium and market risk premium by comparing them to other companies of similar size with the cash-generating units; interviewing management and assessing the reasonableness of assumptions used in their financial forecast, such as cash flows, gross margin, growth rates, the overall market and economic conditions; comparing the actual financials to date with previous forecast financials and analyzing the Group's historical data and performance to assess the reasonableness of the cash flow forecast. We also assessed the adequacy of the disclosures related to the result of impairment test and assumption's sensitivity in Notes 4 and 6 to the consolidated financial statements.

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

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

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 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 Group.

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 Group. 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 Group 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 Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with 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.

Others

We have audited and expressed an unqualified opinion on the parent company only financial statements of the Group as of and for the years ended December 31, 2022 and 2021.

Huang, Yu Ting

Yen, Wen Pi

Ernst & Young, Taiwan

March 21, 2023

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated 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.

English Translation of the Consolidated Financial Statements Originally Issued in Chinese

GENERAL PLASTIC INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		As of December 31,			
		2022		2021	
Assets	Notes	Amount	%	Amount	%
Current assets					
Cash and cash equivalents	4, 6(1)	$679,675	9	$767,703	11
Financial assets measured at amortized cost, current	4, 6(2), 8	299,069	3	63,632	1
Notes receivable, net	6(3)	431	-	143	-
Accounts receivable, net	6(3)	752,056	10	758,555	11
Other receivable		170,678	2	143,055	2
Current tax assets	4	30,906	-	5,514	-
Inventories	4, 6(4)	1,253,372	16	931,658	14
Prepayments		45,106	1	37,012	1
Other current assets		47	-	48	-
Total current assets		3,231,340	41	2,707,320	40
Non-current assets					
Financial assets at fair value through other comprehensive income, non-current	4, 6(5)	99,016	1	89,230	1
Property, plant and equipment	4, 6(6), 8	1,747,251	23	1,575,044	23
Right-of-use assets	4, 6(18)	496,608	6	148,657	2
Investment property, net	4, 6(7)	391,774	5	431,012	6
Intangible assets	4, 6(8)	650,407	8	708,066	11
Goodwill	4, 6(9)	1,040,085	14	937,297	13
Deferred tax assets	4, 6(22)	102,583	1	159,721	3
Other non-current assets		63,061	1	27,806	1
Total non-current assets		4,590,785	59	4,076,833	60
Total assets		$7,822,125	100	$6,784,153	100

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

(continued)

English Translation of the Consolidated Financial Statements Originally Issued in Chinese
GENERAL PLASTIC INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS (Continued)
December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars)

		As of December 31,			
		2022		2021	
Liabilities and Equity	Notes	Amount	%	Amount	%
Current liabilities					
Short-term loans	4, 6(10)	$1,465,000	19	$1,115,000	16
Short-term notes and bills payable	4, 6(11)	150,779	2	319,714	5
Financial liabilities for hedging, current	4	1,534	-	320	-
Contract liabilities, current	6(17)	12,639	-	8,440	-
Notes payable		351	-	623	-
Accounts payable		492,420	6	520,865	8
Other payables	6(12)	498,796	7	499,353	7
Current tax liabilities	4	74,908	1	54,485	1
Provisions, current	4, 6(13)	16,578	-	24,235	-
Lease liabilities, current	4, 6(18)	66,698	1	107,287	2
Current portion of long-term loans	4, 6(14)	95,000	1	198,905	3
Other current liabilities		3,870	-	3,448	-
Total current liabilities		2,878,573	37	2,852,675	42
Non-current liabilities					
Long-term loans	4, 6(14)	171,250	2	305,429	5
Provisions, non-current	4, 6(13)	21,730	-	26,487	-
Deferred tax liabilities	4, 6(22)	259,413	3	206,876	3
Lease liabilities, non-current	4, 6(18)	447,062	6	36,721	1
Net defined benefit liabilities, non-current	4, 6(15)	63,921	1	75,010	1
Other non-current liabilities		6,733	-	6,070	-
Total non-current liabilities		970,109	12	656,593	10
Total liabilities		3,848,682	49	3,509,268	52
Equity attributable to the parent company					
Capital					
Common stock	6(16)	1,275,887	16	1,275,887	19
Additional paid-in capital	6(16)	1,213,799	16	1,239,317	18
Retained earnings	6(16)				
Legal reserve		514,355	6	480,826	7
Special reserve		212,520	3	114,265	2
Unappropriated earnings		697,509	9	377,110	5
Total retained earnings		1,424,384	18	972,201	14
Other components of equity					
Exchange differences on translation of foreign operations		60,844	1	(213,286)	(3)
Unrealized gains or losses from financial assets measured at fair value through other comprehensive income		(13,994)	-	(12,611)	-
Gains or losses on hedging instruments		12,523	-	13,377	-
Total other components of equity		59,373	1	(212,520)	(3)
Total equity		3,973,443	51	3,274,885	48
Total liabilities and equity		$7,822,125	100	$6,784,153	100

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

English Translation of the Consolidated Financial Statements Originally Issued in Chinese
GENERAL PLASTIC INDUSTRIAL CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2022 and 2021
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

		For the Years Ended December 31,			
	Notes	2022	%	2021	%
Operating revenues	4, 6(17), 7	$5,703,207	100	$4,924,208	100
Operating costs	6(4)(19), 7	(3,482,363)	(61)	(2,970,981)	(60)
Gross profit from operations		2,220,844	39	1,953,227	40
Operating expenses	6(19)				
Selling and marketing expenses		(555,058)	(10)	(481,249)	(10)
General and administrative expenses		(1,024,347)	(18)	(910,841)	(18)
Research and development expenses		(137,292)	(2)	(152,083)	(3)
Expected credit impairment (losses) gains	6(3)	(3,096)	-	13,256	-
Total operating expenses		(1,719,793)	(30)	(1,530,917)	(31)
Operating Income		501,051	9	422,310	9
Non-operating income and expenses	6(20)				
Interest income		14,839	-	5,784	-
Other income		21,560	-	142,290	3
Other gains and losses		290,870	5	(81,328)	(2)
Finance costs		(39,850)	-	(26,766)	-
Total non-operating income and expenses		287,419	5	39,980	1
Income from continuing operatins before income tax		788,470	14	462,290	10
Income tax expense	4, 6(22)	(109,861)	(2)	(125,700)	(3)
Net income		678,609	12	336,590	7
Other comprehensive income (loss)					
Items that may not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans	6(21)	4,042	-	(1,620)	(1)
Unrealized (losses) gains from investments in equity instruments measured at fair value through other comprehensive income	6(21)	(1,383)	-	365	-
Income tax related to items that may not be reclassified subsequently	6(21)(22)	(808)	-	324	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	6(21)	341,277	6	(123,507)	(3)
Gains or losses on hedging instruments	6(21)	(854)	-	186	-
Income tax related to items that may be reclassified subsequently	6(21)(22)	(67,147)	(1)	24,701	1
Total other comprehensive income (loss), net of income tax		275,127	5	(99,551)	(3)
Total comprehensive income		$953,736	17	$237,039	4
Net income attributable to:					
Stockholders of the parent		$678,609		$336,590	
Non-controlling interests		-		-	
		$678,609		$336,590	
Comprehensive income attributable to:					
Stockholder of the parent		$953,736		$237,039	
Non-controlling interests		-		-	
		$953,736		$237,039	
Earnings per share (NTD)	4, 6(23)				
Earnings per share-basic		$5.32		$2.64	
Earnings per share-diluted		$5.28		$2.62	

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

English Translation of the Consolidated Financial Statements Originally Issued in Chinese

GENERAL PLASTIC INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the Years Ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

			Retained Earnings			Other Components of Equity			
	Common Stock	Additional Paid-in Capital	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gains or Losses from Financial Assets Measured at Fair Value through Other Comprehensive Income	Gains or Losses on Hedging Instruments	Total Equity
Balance as of January 1, 2021	$1,275,887	$1,239,317	$467,490	$ -	$297,006	$(114,480)	$(12,976)	$13,191	$3,165,435
Appropriations and distributions of earnings, 2020:									
Legal reserve	-	-	13,336	-	(13,336)	-	-	-	-
Special reserve	-	-	-	114,265	(114,265)	-	-	-	-
Cash dividends	-	-	-	-	(127,589)	-	-	-	(127,589)
Net income in 2021	-	-	-	-	336,590	-	-	-	336,590
Other comprehensive income (loss), net of income tax in 2021	-	-	-	-	(1,296)	(98,806)	365	186	(99,551)
Total comprehensive income (loss)	-	-	-	-	335,294	(98,806)	365	186	237,039
Balance as of December 31, 2021	$1,275,887	$1,239,317	$480,826	$114,265	$377,110	$(213,286)	$(12,611)	$13,377	$3,274,885
Balance as of January 1, 2022	$1,275,887	$1,239,317	$480,826	$114,265	$377,110	$(213,286)	$(12,611)	$13,377	$3,274,885
Appropriations and distributions of earnings, 2021:									
Legal reserve	-	-	33,529	-	(33,529)	-	-	-	-
Special reserve	-	-	-	98,255	(98,255)	-	-	-	-
Cash dividends	-	-	-	-	(229,660)	-	-	-	(229,660)
Cash dividends from additional paid-in capital	-	(25,518)	-	-	-	-	-	-	(25,518)
Net income in 2022	-	-	-	-	678,609	-	-	-	678,609
Other comprehensive income (loss), net of income tax in 2022	-	-	-	-	3,234	274,130	(1,383)	(854)	275,127
Total comprehensive income(loss)	-	-	-	-	681,843	274,130	(1,383)	(854)	953,736
Balance as of December 31, 2022	$1,275,887	$1,213,799	$514,355	$212,520	$697,509	$60,844	$(13,994)	$12,523	$3,973,443

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

English Translation of the Consolidated Financial Statements Originally Issued in Chinese
GENERAL PLASTIC INDUSTRIAL CO., LTD. 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:		
Net income before tax	$788,470	$462,290
Adjustments to reconcile net income before tax to net cash provided by (used in) operating activities:		
Depreciation	230,900	225,631
Amortization	136,334	130,310
Expected credit impairment losses (gains)	3,096	(13,256)
Loss (gain) for market price decline, obsolete and slow-moving inventories	9,331	(16,102)
Financial costs	39,850	26,766
Interest income	(14,839)	(5,784)
Gain on disposal of property, plant and equipment	(391)	(1,947)
Loss on disposal of intangible assets	289	47
Gain on disposal of investment property	(334,454)	-
Property, plant and equipment transferred to expenses	19,977	12,906
Other income recognized from loan forgiveness	-	(60,701)
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable and notes receivable	75,550	(123,291)
Increase in other receivables	(8,977)	(73,882)
Increase in inventories	(233,172)	(139,281)
Increase in prepayments	(5,720)	(9,006)
Decrease (increase) in other current assets	2	(19)
Increase in other non-current assets	(14)	-
Increase (decrease) in derivative financial liability for hedging, current	1,146	(756)
Increase (decrease) in contract liabilities	4,197	(3,577)
Decrease in notes payable	(272)	(17,141)
(Decrease) increase in accounts payable	(101,047)	192,405
(Decrease) increase in other payables	(34,530)	138,669
Decrease in provisions	(17,472)	(17,601)
Increase in other current liabilities	422	1,381
Increase in other non-current liabilities	-	169
Decrease in defined benefit liabilities	(7,047)	(1,779)
Cash generated from operations	551,629	706,451
Interest received	11,351	9,498
Interest paid	(22,704)	(27,202)
Income tax paid	(81,621)	(80,769)
Net cash provided by operating activities	458,655	607,978

	For the Years Ended December 31,	
	2022	2021
Cash flows from investing activities:		
(Increase) decrease in financial assets measured at amortized cost	(226,078)	20,585
Acquisition of financial assets measured at fair value through other comprehensive income	-	(69,032)
Acquisition of property, plant and equipment	(239,091)	(154,954)
Proceeds from disposal of property, plant and equipment	1,444	1,702
Disposal of investment property	407,366	-
Acquisition of intangible assets	(10,642)	(42,069)
Increase in refundable deposits	(18,598)	(1,037)
Increase in prepayments for equipment	(31,298)	(11,606)
Net cash used in investing activities	(116,897)	(256,411)
Cash flows from financing activities:		
Increase in short-term loans	8,235,000	4,900,500
Decrease in short-term loans	(7,885,000)	(4,750,500)
Increase in short term notes and bills payable	1,483,045	1,413,042
Decrease in short term notes and bills payable	(1,651,980)	(1,413,125)
Proceeds from long-term loans	-	265,000
Repayments of long-term loans	(238,084)	(333,635)
Repayments of the leaseing principal	(167,160)	(182,197)
Cash dividends paid	(255,178)	(127,589)
Increase in refundable deposits received	18	-
Net cash used in financing activities	(479,339)	(228,504)
Effect of exchange rate changes on cash and cash equivalents	49,553	(13,181)
Net (decrease) increase in cash and cash equivalents	(88,028)	109,882
Cash and cash equivalents at beginning of period	767,703	657,821
Cash and cash equivalents at end of period	$679,675	$767,703

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

1. History and organization

GENERAL PLASTIC INDUSTRIAL CO., LTD. (“the Company”) was incorporated in July 1978 and has changed its main business activities a number of times to adapt to the economic development. The Company is mainly engaged in manufacturing and selling of toner cartridges of photocopiers, laser printers, OPC drum gears and other related business.

The Company completed the retroactive handing of public issuance procedures with the consent of the competent securities authorities in May 2000. The Company's shares were listed on the OTC on December 25, 2001 and were listed on the Taiwan Stock Exchange on June 16, 2003.The principal place of business of the Company is located at No.50, Tzu-Chiang Rd., Wu-Chi District, Taichung City, Taiwan.

The principal operating activities of the Company and its subsidiaries (“the Group”) are set out in detail in Note 14.

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

The consolidated financial statements of the Group for the years ended December 31, 2022 and 2021 were authorized for issue in accordance with a resolution of the Board of Directors’ meeting on March 21, 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. The adoption of these 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	January 1, 2023
b	Definition of Accounting Estimates – Amendments to IAS 8	January 1, 2023
c	Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	January 1, 2023

The abovementioned standards and interpretations that are applicable for annual periods beginning on or after January 1, 2023 have no material impact on the Group.

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

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 "Insurance Contracts"	January 1, 2023
c	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	January 1, 2024
d	Lease Liability in a Sale and Leaseback– Amendments to IFRS 16	January 1, 2024
e	Non-current Liabilities with Covenants– Amendments to IAS 1	January 1, 2024

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC, the local effective dates are to be determined by FSC. These new or amended standards and interpretations have no material impact on the Group.

4. Summary of significant accounting polices

(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").

(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 ("NTD") unless otherwise stated.

(3) Basis of Consolidation

Preparation principle of consolidated financial statement

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,
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 Company 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 Company 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 Business	Percentage of ownership (%) December 31, 2022	December 31, 2021
The Company	CHI FU INVESTMENT CO., LTD.	To reinvest in a variety of production businesses	- (Note10)	100%
The Company	JIOU FU CO., LTD.	Property trading, land development business and tourist hotel	100%	100%
The Company	GPI USA, INC.	General import and export trade business	100%	100%
The Company	GPI CO. (SAMOA) LTD.	Investment holding	100%	100%
The Company	GPIKT DE, INC.	Investment holding	100%	100%
The Company	GPIKT (BVI) CO., LTD	Investment holding	100%	100%
The Company	WEKARE CO., LTD.	Selling of medical supplies	100%	100%-
The Company	TJ OFFICE SOLUTION CO., LTD	Photocopiers rental	100%	100%
GPIKT DE, INC.	Katun Holdings, LP.	Investment holding	100%	100%
Katun Holdings, LP.	Katun Corporation	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	100%	100%
Katun Corporation	Katun EuroHoldings, LLC (USA)	Investment holding	100%	100%
Katun Corporation	Katun EuroHoldings II, LLC (USA)	Investment holding	100%	100%
Katun Corporation	PNA Holdings Mexico, S.A. de C.V.	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	98% (Note 1)	98% (Note 1)
Katun Corporation	KDM Employment Services, S.A. de C.V.	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	98% (Note 2)	98% (Note 2)
Katun Corporation	Katun (Bermuda) Ltd.	Investment holding	100%	100%
Katun Corporation	Katun Corporation Taiwan branch	RD, Procurement and Supply Planning Service	100%	100%
Katun Corporation	Katun Asia Pte Ltd. (Singapore)	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	100%	100%
Katun Asia Pte Ltd. (Singapore)	Katun (Shanghai) Trading Co., Ltd.	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	100% (Note 9)	100% (Note 9)
Katun EuroHoldings, LLC (USA)	Coöperatieve Katun DutchHoldco U.A.	Investment holding	65% (Note 3)	65% (Note 3)
Coöperatieve Katun DutchHoldco U.A.	Katun (E.D.C.) B.V.	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	100%	100%
Coöperatieve Katun DutchHoldco U.A.	Katun Benelux B.V.	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	100%	100%
Coöperatieve Katun DutchHoldco U.A.	Katun Germany GmbH	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	100%	100%
Coöperatieve Katun DutchHoldco U.A.	Katun U.K. Ltd.	Distributors of cartridges and consumables for printers, photocopiers, fax machines and	100%	100%

Investor	Subsidiary	Main Business	Percentage of ownership (%) December 31, 2022	December 31, 2021
		multi-function machine		
Coöperatieve Katun DutchHoldco U.A.	Katun France S.A.R.L.	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	99.8% (Note 4)	99.8% (Note 4)
Coöperatieve Katun DutchHoldco U.A.	Katun Spain S.A.	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	100%	100%
Coöperatieve Katun DutchHoldco U.A.	Katun Portugal S.A.	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	100%	100%
Coöperatieve Katun DutchHoldco U.A.	Katun Italy S.R.L.	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	99.999% (Note 5)	99.999% (Note 5)
Coöperatieve Katun DutchHoldco U.A.	Katun Brasil Comercio de Suprimentos, Pecas e Equipamentos Ltda.	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	99.9997% (Note 6)	99.9997% (Note 6)
Coöperatieve Katun DutchHoldco U.A.	Katun Switzerland AG	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	100%	100%
Katun (Bermuda) Ltd.	Katun Uruguay S.R.L.	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	99.5413% (Note 7)	99.5413% (Note 7)
Katun (Bermuda) Ltd.	Katun Argentina SRL	Distributors of cartridges and consumables for printers, photocopiers, fax machines and multi-function machine	94.1713% (Note 8)	94.1713% (Note 8)
Katun (Bermuda) Ltd.	Katun Delaware LLC (USA)	Investment holding	100%	100%

Note. 1: Katun (Bermuda) Ltd. holds 2% ownership of PNA Holdings Mexico, S. A. de C.V..

Note. 2: PNA Holdings Mexico, S. A. de C.V. holds 2% ownership of KDM Employment Services, S. A. de C.V..

Note. 3: Katun EuroHoldings Π, LLC (USA) holds 35% ownership of Coöperatieve Katun DutchHoldco U.A..

Note. 4: Katun (E.D.C) B.V. holds 0.2% ownership of Katun France S.A.R.L..

Note. 5: Katun Germany GmbH holds 0.001% ownership of Katun Italy S.R.L..

Note. 6: Katun Delaware LLC (USA) holds 0.0003% ownership of Katun Brasil Comercio de Superimentos, Pecas e Equipamentos Ltda.

Note. 7: Katun Delaware LLC (USA) holds 0.4587% ownership of Katun Uruguay S.R.L..

Note. 8: Katun Delaware LLC (USA) holds 5.8287% ownership of Katun Argentina SRL.

Note. 9: The Board of Directors approved the resolution to establish a wholly owned subsidiary – Katun (Shanghai) Trading Co., Ltd. to develop new business. The registration was completed on 2 June 2021.

Note. 10: The Board of Directors approved the resolution on 25 March 2022 to work on dissolution and liquidation of CHI FU INVESTMENT CO., LTD. and remitted capital back to the parent.

(4) Foreign currency transactions

The Group's consolidated financial statements are presented in NTD, 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 foreign currencies 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 foreign currencies are translated using the exchange rates as of 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 is part of a reporting entity's net investment in a foreign operation are recognized initially in other comprehensive income and reclassified from equity to profit or loss upon 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 NTD at the closing rate of exchange prevailing at the reporting date, and their income and expenses are translated at an average exchange rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On 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. When partial disposal involves the loss of control of a subsidiary that includes a foreign operation and when the retained interest after partial disposal of an interest in a joint venture or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation, the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss upon the disposal of a foreign operation.

On 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. On partial disposal of an associate or joint venture 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;
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;
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 comprise cash on hand, demand deposits and short-term, highly liquid time deposits or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(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 assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as notes receivable, accounts receivable 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.

<u>*Financial asset measured at fair value through other comprehensive income*</u>

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:

    (i) 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.

(ii) 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 represent a recovery of part of the cost of investment.

B. Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial asset measured at amortized cost.

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;
(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 measures 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 receivable 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.

(9) Derivative instrument and hedge accounting

The Group uses derivative instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as financial assets or liabilities at fair value through profit or loss except for derivatives that are designated as and effective hedging instruments which are classified as financial assets or liabilities for hedging.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of hedges, which is recognized in either profit or loss or equity according to types of hedges used.

The Group's expecting transaction complies with cash flow hedge. For the effective portion of the hedge, changes in the fair value of the hedging instrument are recognized in other comprehensive income. For the ineffective portion of the hedge, changes in the fair value of the hedging instrument (if any) is recognized directly in P&L.
The accumulated gains and losses recorded in equity should be reclassified to P&L in the same period or periods when the hedged expected future cash flows affect P&L. A hedged forecast transaction for a non-financial asset or a nonfinancial liability for which fair value hedge accounting is applied, the carrying value of that item must be adjusted for the accumulated gains or losses recognized directly in equity.

When a forecast transaction or a firm commitment is expected not to occur, the accumulated gain or loss under equity needs to be reclassified to profit or loss. If the hedging instrument has been sold, terminated, canceled, or implemented and not replaced or extended, or the originally designated risk management objective has been canceled, the amount recognized under equity should be put in equity before the forecast transaction or a firm commitment affect profit or loss.

(10) 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.

(11) Inventories

The inventory value includes costs incurred in bringing the inventory to its present location and condition. Raw materials and goods are stated at weighted average of actual purchase costs; finished goods and work in progress are stated at the cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity. Inventories are valued at lower of cost and net realizable value item by item. 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. Allowance are also estimated and recognized appropriately for slow moving and damaged inventories.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

(12) Property, plant and equipment

Property, plant and equipment are 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 recognizes 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 useful lives of the following assets:

Item	Estimated useful lives
Buildings	5～50 years
Machinery and equipment	3～20 years
Transportation equipment	5～12 years
Office equipment	3～10 years
Other equipment	2～12 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 from 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. The differences resulted from previous estimation are regarded as changes in accounting estimates.

(13) Investment property

The Group's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, investment properties are measured using the cost model in accordance with the requirements of IAS 16 *Property, plant and equipment* for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

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

Item	Estimated economic lives
Buildings	5～35 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Group transfers to or from investment properties when there is a change in use for these assets. Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(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.

<u>The Group as a lessee</u>

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 of 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.

<u>The Group as a lessor</u>

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 of 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 which fail to meet the recognition criteria are not capitalized and expenditure are reflected in profit or loss in the period incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful 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 fisal 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 is treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit (CGU) level. The assessment of indefinite useful life is reviewed annually to determine whether the indefinite useful life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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:

	Computer software	Customer Relationships	Trademarks	Patents	Goodwill
Useful lives	1~10 years	10 years	11 years	6~ 26 years	Indefinite
Method of Amortization	Amortized on a straight- line basis	Amortized on a straight- line basis	Amortized on a straight- line basis	Amortized on a straight- line basis	No amortization
Acquired from	Exterally acquired	Exterally acquired	Exterally acquired	Exterally acquired	Exterally 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 completes impairment testing for an indivdual asset or the CGU to which the individual assets belong. 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. 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.

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

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

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

(17) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(18) Revenue recognition

The Group's revenue being recognized when control of the products or rendering of services is transferred to the customers to satisfy the performance obligation. The accounting policies are explained as follows:

Sale of goods

The Group manufactures and sells products. Sales are recognized when control of the products is transferred to the customers and the products are delivered to the customers (the customers obtains the right and carrying value of the products). For certain sales of products transactions, they are usually accompanied by volume discounts (based on the accumulated total sales amount for a specified period). Therefore, revenue from these sales is recognized based on the price specified in the contract, net of the estimated volume discounts to the 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 Group provides its customer with a warranty with the purchase of the products. The warranty provides assurance that the products will operate as expected by the customers. And the warranty is accounted in accordance with IAS 37.

Other operating revenues

The Group provides rooms, catering and other related services and acknowledges the revenues when providing services or sales to customers. Contractual assets are included when the services provided by the Group exceed the amount payable by the client, if payments due by customers in excess of the services provided by the Group are classified as contractual liabilities.

A. Room accommodation is recognized as revenue during the financial reporting period in which the service is provided to the customer. The customer pays the contract price according to the agreed payment schedule.
B. Catering services are recognized when food and beverages are sold to customers. The transaction price of the catering service is charged to the customer immediately upon purchase of the catering service.
C. Others are recognized when all or most of the profit-making process has been completed and realized or can be realized, and the relevant costs are recognized according to the principle of matching revenue.

In the contract signed by the Group with the customer. The period between the transfers of products or services and collects the payments is no longer than one year; therefore, there is no significant financing component to the accounts receivable.

(19) 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.

(20) 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.

(21) Post-employment benefits

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

For the defined contribution plan, the Company will make a monthly contribution and recognize expenses for the current period of no less than 6% of the monthly wages of the employees subject to the plan.

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

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.

(22) Income taxes

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

<u>Current income tax</u>

Current income tax assets and liabilities for the current and prior periods are measured 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 directly in other comprehensive income or 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 income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts in financial statement at the reporting date.

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, carryforward 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 carryforward 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 tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(23) Business combinations and goodwill

Business combinations are accounted for using acquisition method. The consideration transferred, the identifiable assets acquired and liabilities assumed are measured at acquisition date fair value. For each business combination, the acquirer measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and are classified under administrative expenses.

When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at the acquisition-date fair value. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with IFRS 9 Financial Instruments either in profit or loss or as a change to other comprehensive income. However, if the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured as the amount of the excess of the aggregate of the consideration transferred and the non-controlling interest over the net fair value of the identifiable assets acquired and the liabilities assumed. If this aggregate is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

When disposing a cash-generating unit to which goodwill has been allocated, the carrying amount of the disposed unit shall include the goodwill associated with the operation. Goodwill disposed of in this circumstance is measured based on the relative recoverable amounts of the operation being disposed of and the portion of the cash-generating unit retained.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions at the end of the reporting period that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities. 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:

Investment property

Certain properties of the Group comprise a portion that is held to earn rentals or for capital appreciation and another portion that is owner-occupied. If these portions could be sold separately, the Group accounts for the portions separately as investment property and property, plant and equipment. If the portions could not be sold separately, the property is classified as investment property in its entirety only if the portion of owner-occupied is not significant to total property.

(2) Estimates and assumptions

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

A. 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.

B. 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 counties 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 entities' 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.

C. Accounts receivable - estimation of impairment loss

The Group estimates the impairment loss of accounts receivable at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that are expected to receive (by evaluating forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Please refer to Note 6 for more details.

D. Inventory valuation

Estimates of net realizable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of December 31,	
	2022	2021
Cash on hand	$1,007	$771
Checking and savings accounts	678,668	766,932
Total	$679,675	$767,703

(2) Financial assets measured at amortized cost (gains)

	As of December 31,	
	2022	2021
Bank deposits - time deposits	$ 285,399	$51,052
Other receivables - pledged	13,670	12,580
Total	$299,069	$63,632
Current	$299,069	$63,632

As of December 31, 2022 and 2021, the Group had bank deposits of NTD13,670 thousand and NTD12,580 thousand, respectively, pledged to the banks as collateral. Please refer to Note 8 for more details on pledged assets and Note 12 for more details on credit risk.

(3) Accounts receivable and expected credit impairment losses (gains)

A. Accounts receivable

	As of December 31,	
	2022	2021
Accounts receivable	$800,301	$800,835
Less: loss allowance	(48,245)	(42,280)
Subtotal	$752,056	$758,555

The Group's collection period typically ranges from 30 to 120 days. The total carrying amount as of December 31, 2022 and 2021 were NTD800,301 thousand and NTD800,835 thousand, respectively. Please refer to Note 12 for more details on credit risk.

B. Expected credit impairment losses (gains)

	For the years ended December 31,	
	2022	2021
Operating expense- expected credit impairment losses (gains)		
Accounts receivable	$3,096	$(13,256)

The Group measures the loss allowance of its receivables (including notes receivable and accounts receivable) based on the lifetime expected credit losses. The assessment of the loss allowance is as follows:

(a) As of December 31, 2022

The gross carrying amount and the fully recognized loss allowance assessed individually for counterparties in certain regions were both NTD22,268 thousand.

Matrix to measure credit losses:

	Not yet due (note)	Overdue					
		<=30 days	31-60 days	61-90 days	91-120days	>=121 days	Total
Gross carrying amount	$ 659,274	$ 60,052	$16,031	$16,221	$5,250	$21,636	$778,464
Loss ratio	0.55%~0.58%	0.58%~5.07%	0.58%~26.76%	0.58%~61.68%	0.58%~79.98%	93%~100%	
Lifetime expected credit losses	(3,655)	(455)	(96)	(119)	(28)	(21,624)	(25,977)
Carrying amount	$655,619	$59,597	$15,935	$16,102	$5,222	$12	$752,487

Note: The Group's notes receivable are not overdue.

(b) As of December 31, 2021

The gross carrying amount and the fully recognized loss allowance assessed individually for counterparties in certain regions were both NTD21,313 thousand.

Matrix to measure credit losses:

	Not yet	Overdue					
	due (note)	<=30 days	31-60 days	61-90 days	91-120days	>=121 days	Total
Gross carrying amount	$691,798	$65,800	$4,613	$1,083	$543	$15,828	$779,665
Loss ratio	0%-0.7%	0.4%-0.7%	0.7%-3.5%	0.7%-27%	0.7%-100%	100%	
Lifetime expected credit losses	(4,625)	(454)	(48)	(8)	(4)	(15,828)	(20,967)
Carrying amount	$687,173	$65,346	$4,565	$1,075	$539	$-	$758,698

Note: The Group's notes receivable are not overdue.

The movement in the provision for impairment of notes receivable and accounts receivable for the years ended of December 31, 2022 and 2021 were as follows:

	Notes receivable	Accounts receivable
January 1, 2022	$-	$42,280
Addition for the current period	-	3,096
Write-off	-	(1,400)
Effect of exchange rate changes	-	4,269
December 31, 2022	$-	$48,245
January 1, 2021	$-	$71,100
Reversal for the current period	-	(13,256)
Write-off	-	(17,646)
Effect of exchange rate changes	-	2,082
December 31, 2021	$-	$42,280

(4) Inventories

	As of December 31,	
	2022	2021
Raw materials	$103,265	$64,125
Work in progress	24,694	27,489
Finished goods	41,435	46,814
Merchandises	1,083,978	793,230
Total	$1,253,372	$931,658

	For the years ended December 31,	
	2022	2021
The cost of inventories sold	$3,428,105	$2,921,073
Reversal of write-down of inventories	9,331	(16,102)

The reversal of write-down of inventories was due to destocking.

(5) Financial assets measured at fair value through other comprehensive income

	As of December 31,	
	2022	2021
Investments in equity instruments measured at fair value through other comprehensive income, non-current:		
Unlisted stocks	$99,016	$89,230

(6) Property, plant and equipment

	As of December 31,	
	2022	2021
Property, plant and equipment	$1,747,251	$1,575,044

	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment awaiting inspection	Total
Cost:								
As of January 1, 2022	$775,149	$819,032	$336,760	$28,156	$155,766	$144,672	$201,191	$2,460,726
Additions	42,327	3,936	11,498	2,856	45,909	21,960	108,825	237,311
Disposals	-	(219)	(31,510)	(3,742)	(16,632)	(16,590)	-	(68,693)
Transfers	-	226	2,824	-	-	12,388	(226)	15,162
Effect of exchange rate changes	-	-	357	392	18,009	(4,594)	-	14,164
As of December 31, 2022	$817,476	$822,975	$319,929	$27,662	$203,052	$157,786	$309,790	$2,658,670
Depreciation and impairment:								
As of January 1, 2022	$-	$361,976	$279,232	$16,179	$124,587	$103,708	$-	$885,682
Depreciation	-	25,194	11,265	2,606	13,951	9,409	-	62,425
Disposals	-	(219)	(31,510)	(3,295)	(16,510)	(16,106)	-	(67,640)
Transfers	-	-	19,331	-	-	-	-	19,331
Effect of exchange rate changes	-	-	197	433	8,774	2,217	-	11,621
As of December 31, 2022	$-	$386,951	$278,515	$15,923	$130,802	$99,228	$-	$911,419
Cost:								
As of January 1, 2021	$775,149	$812,625	$352,265	$28,225	$151,022	$141,414	$79,492	$2,340,192
Additions	-	6,313	12,051	593	12,763	19,325	120,613	171,658
Disposals	-	-	(31,585)	(527)	(6,921)	(13,080)	-	(52,113)
Transfers	-	94	759	-	3,150	(764)	1,086	4,325
Additions through business combinations	-	-	3,308	277	134	-	-	3,719
Effect of exchange rate changes	-	-	(38)	(412)	(4,382)	(2,223)	-	(7,055)
As of December 31, 2021	$775,149	$819,032	$336,760	$28,156	$155,766	$144,672	$201,191	$2,460,726

	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment awaiting inspection	Total
Depreciation and impairment:								
As of January 1, 2021	$-	$336,865	$277,078	$13,740	$125,980	$114,184	$-	$867,847
Depreciation	-	25,111	19,674	2,838	9,271	4,863	-	61,757
Disposals	-	-	(31,481)	(527)	(6,798)	(13,062)	-	(51,868)
Transfers	-	-	12,298	-	-	156	-	12,454
Additions through business combinations	-	-	1,682	144	64	-	-	1,890
Effect of exchange rate changes	-	-	(19)	(16)	(3,930)	(2,433)	-	(6,398)
As of December 31, 2021	$-	$361,976	$279,232	$16,179	$124,587	$103,708	$-	$885,682
Net carrying amount:								
As of December 31, 2022	$817,476	$436,024	$41,414	$11,739	$72,250	$58,558	$309,790	$1,747,251
As of December 31, 2021	$775,149	$457,056	$57,528	$11,977	$31,179	$40,964	$201,191	$1,575,044
As of January 1, 2021	$775,149	$475,760	$75,187	$14,485	$25,042	$27,230	$79,492	$1,472,345

Components of buildings that have different useful lives are the main building structure, utility and structure reinforcement constructions and others, which are depreciated over 50 years, 10 years and 15 years, respectively.

Please refer to Note 8 for details of property, plant and equipment pledged as collateral.

(7) Investment property

	Land	Buildings	Total
Cost:			
As of January 1, 2022	$373,003	$134,382	$507,385
Disposals	(72,912)	-	(72,912)
Effect of exchange rate changes	37,307	14,737	52,044
As of December 31, 2022	$337,398	$149,119	$486,517
Depreciation and impairment:			
As of January 1, 2022	$-	$76,373	$76,373
Depreciation	-	9,714	9,714
Effect of exchange rate changes	-	8,656	8,656
As of December 31, 2022	$-	$94,743	$94,743
Cost:			
As of January 1, 2021	$383,409	$138,273	$521,682
Effect of exchange rate changes	(10,406)	(3,891)	(14,297)
As of December 31, 2021	$373,003	$134,382	$507,385
Depreciation and impairment:			
As of January 1, 2021	$-	$69,153	$69,153
Depreciation	-	9,272	9,272
Effect of exchange rate changes	-	(2,052)	(2,052)
As of December 31, 2021	$-	$76,373	$76,373
Net carrying amount:			
As of December 31, 2022	$337,398	$54,376	$391,774
As of December 31, 2021	$373,003	$58,009	$431,012
As of January 1, 2021	$383,409	$69,120	$452,529

A. The Group has entered into commercial property leases on its investment properties with terms of 5 years. These leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

	For the years ended December 31,	
	2022	2021
Rental income from investment property	$12,516	$11,319
Less:		
Direct operating expenses from investment property generating rental income	(166)	(280)
Direct operating expenses from investment property not generating rental income	(106)	(46)
Total	$12,244	$10,993

B. As of December 31, 2022, GPI CO. (Samoa), Ltd., ("SAMOA") a subsidiary of the Company, owned land and buildings in the amount of USD10,561,050 and USD1,773,516, respectively, which were registered in the name of Wang Kuoying, who has Cambodian nationality, as the real estate buyer and registered owner. Thus, both parties have entered into an agreement to register real estate under other's names to bind their rights and obligations. Mr. Wang Kuoying has also signed a waiver to relinquish ownership of the land, housing and buildings.

C. The Board of Directors of SAMOA approved the disposal of land in Phnom Penh, Cambodia on June 9, 2022 for USD13,670 thousand. The transaction was completed and payment was collected on September 12, 2022. Please refer to Note 6(20) for details of the disposal and Note 13 for related disclosure.

D. Investment properties held by the Group are not measured at fair value but for which the fair value are disclosed. The fair value measurements of the investment properties are categorized at Level 3. The fair value has been determined based on valuations performed by an independent appraiser and measured via Comparison Method and Land Development Analysis Approach. As of December 31, 2022 and 2021, the Group's investment properties amounted to NTD1,219,090 thousand and NTD1,385,562 thousand, respectively.

(8) Intangible assets

	Computer software	Customer relationships	Trademarks and trade names	Patent	Other intangible assets	Total
Cost:						
As of January 1, 2022	$189,034	$639,717	$474,602	$11,017	$7,790	$1,322,160
Additions	10,044	-	369	229	-	10,642
Disposals	(2,234)	-	-	(1,016)	-	(3,250)
Transfers	4,598	-	-	499	(313)	4,784
Others	-	-	-	-	2,013	2,013
Effect of exchange rate changes	11,148	67,017	51,880	-	23	130,068
As of December 31, 2022	$212,590	$706,734	$526,851	$10,729	$9,513	$1,466,417
Amortization and impairment:						
As of January 1, 2022	$138,680	$286,318	$181,557	$3,372	$4,167	$614,094
Amortization	17,131	69,112	46,926	665	2,500	136,334
Disposals	(2,234)	-	-	(727)	-	(2,961)
Transfers	4,598	-	-	-	-	4,598
Others	-	-	-	-	2,013	2,013
Effect of exchange rate changes	10,307	30,488	21,137	-	-	61,932
As of December 31, 2022	$168,482	$385,918	$249,620	$3,310	$8,680	$816,010

	Computer software	Customer relationships	Trademarks and trade names	Patent	Other intangible assets	Total
Cost:						
As of January 1, 2021	$171,033	$660,318	$488,047	$19,049	$7,500	$1,345,947
Additions	$40,219	-	316	1,241	293	42,069
Disposals	(18,484)	-	(63)	(9,273)	-	(27,820)
Effect of exchange rate changes	(3,734)	(20,601)	(13,698)	-	(3)	(38,036)
As of December 31, 2021	$189,034	$639,717	$474,602	$11,017	$7,790	$1,322,160
Amortization and impairment:						
As of January 1, 2021	$143,372	$229,774	$141,968	$11,316	$1,667	$528,097
Amortization	16,794	65,571	44,116	1,329	2,500	130,310
Disposals	(18,437)	-	(63)	(9,273)	-	(27,773)
Effect of exchange rate changes	(3,049)	(9,027)	(4,464)	-	-	(16,540)
As of December 31, 2021	$138,680	$286,318	$181,557	$3,372	$4,167	$614,094

Net carrying amount:						
As of December 31, 2022	$44,108	$320,816	$277,231	$7,419	$833	$650,407
As of December 31, 2021	$50,354	$353,399	$293,045	$7,645	$3,623	$708,066
As of January 1, 2021	$27,661	$430,544	$346,079	$7,733	$5,833	$817,850

Please refer to Note 6(19) for recognition of amortization expenses of intangible assets.

(9) Impairment testing of goodwill

For impairment testing, the book value of goodwill cash generating units acquired through business combination is as follows:

	For the years ended December 31,	
	2022	2021
Opening balance	$937,297	$964,436
Effect of exchange rate changes	102,788	(27,139)
Closing balance	$1,040,085	$937,297

Katun Holdings, LP's cash generating unit

The recoverable amount of the cash generating unit has been determined based on a value in use calculation using cash flow projections from financial budgets approved by management covering a five-year period. The projected cash flows have been updated to reflect the change in demand for products and services. The pre-tax discount rate applied to cash flow projections was 15% on December 31, 2022 and cash flows beyond the five-year period were extrapolated using a 2% growth rate on December 31, 2022, which was the same as the long-term average growth rate for the electronics industry. As a result of this analysis, management considered that the goodwill of the cash generating units in the amount of NTD1,040,085 thousand has not been repaired.

Key assumptions used in value-in-use calculations

The calculation of value-in-use for unit is most sensitive to the following assumptions:

A. Gross margin
B. Discount rates
C. Market share during the budget period
D. Growth rate used to extrapolate cash flows beyond the budget period

Gross margins – Gross margins are based on average values achieved in the five years preceding the start of the budget period.

Discount rates – Discount rates reflect the current market assessment of the risks specific to each cash-generating unit (including the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted). The discount rate was estimated based on the weighted average cost of capital (WACC) for the Group, taking into account the particular situations of the Group and its operating segments. The WACC includes both the cost of liabilities and cost of equities. The cost of equities is derived from the expected returns of the Group's investors on capital, where the cost of liabilities is measured by the interest bearing loans that the Group has obligation to settle. Specific risk relating to the operating segments is accounted for by considering the individual beta factor which is evaluated annually and based on available market information.

Market share assumptions – These assumptions are important to the Management when using industry data to estimate growth rates (as noted below) and assessing how the unit's market position would change, relative to its competitors over the budget period.

Growth rate estimates – Rates are based on published data of industry research.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of the cash-generating unit, management believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

(10) Short-term loans

A. As of December 31, 2022

	As of December 31,2022	Interest Rates (%)
Unsecured bank loans	$1,005,000	1,1749%~1.95%
Secured bank loans	460,000	2.050%
Total	$1,465,000	

B. As of December 31, 2021

	As of December 31,2022	Interest Rates (%)
Unsecured bank loans	$815,000	0.26%~1.25%
Secured bank loans	300,000	0.91%
Total	$1,115,000	

The Group's unused short-term lines of credits amounted to NTD2,423,750 thousand and NTD2,073,410 thousand as of December 31, 2022 and 2021, respectively. Please refer to Note 8 for details of the assets pledged as collateral for these loans.

Note: The Group received USD$ 2,172 thousand under the Payroll Protection Program (PPP) with the Small Business Administration (SBA) of the United States Federal government in response to the pandemic for the year ended December 31, 2020. The proceeds used to pay payroll costs and rent expense as provided for under the Payroll Protection Program (PPP) may be partially or fully forgiven. If the loan is not forgiven, the loan amount will be repaid, and interest will be due from the date of the loan until the loan is repaid. The SBA approved the Company's loan forgiveness application on June 18, 2021, and the amount was recorded as other income during the year ended December 31, 2021. And Note 6(20) for more details on other income.

(11) Short-term notes and bills payable

	As of December 31,	
	2022	2021
Secured commercial paper payable	$21,000	$-
Unsecured commercial paper payable	130,000	320,000
Less: discount on commercial paper payable	(221)	(286)
Net amount	$150,779	$319,714
Interest rates (%)	1,908%~2.05%	0.928%~0.938%

(12) Other payables

	As of December 31,	
	2022	2021
Payroll	$183,476	$159,515
Payables on remuneration to employees	30,243	20,040
Restoration costs payable	-	34,416
Payables on remuneration to directors and supervisors	13,500	11,561
Other payables	271,577	273,821
Total	$498,796	$499,353

(13) Provisions

	Maintenance warranties	Sales returns and discounts	Onerous lease contract	Employee benefit	Total
As of January 1, 2022	$4,647	$8,110	$11,478	$26,487	$50,722
Utilized	(123)	2,436	(12,164)	3,112	(6,739)
Reclassified	-	-	-	(8,623)	(8,623)
Effect of exchange rate changes	504	1,004	686	754	2,948
As of December 31, 2022	$5,028	$11,550	$-	$21,730	$38,308
Current - as of December 31, 2022	$5,028	$11,550	$-	$-	$16,578

	Maintenance warranties	Sales returns and discounts	Onerous lease contract	Employee benefit	Total
Non-current - as of December 31, 2022	$-	$-	$-	$21,730	$21,730
As of January 1, 2021	$3,716	$5,965	$30,969	$29,445	$70,095
Utilized	1,048	2,339	-	8,179	11,566
Reclassified	-	-	(18,835)	(8,153)	(26,988)
Effect of exchange rate changes	(117)	(194)	(656)	(2,984)	(3,951)
As of December 31, 2021	$4,647	$8,110	$11,478	$26,487	$50,722
Current - as of December 31, 2021	$4,647	$8,110	$11,478	$-	$24,235
Non-current - as of December 31, 2021	$-	$-	$-	$26,487	$26,487

Maintenance warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management's judgement and other known factors.

Sales returns and discounts

Sales returns and discounts were estimated based on historical experiences and other known reasons and were recognized against revenue at the time of goods sold. The aforementioned estimates of sales returns and discounts are based on the premises that it is highly likely a significant reversal in the amount of cumulative revenue recognized will not occur.

Onerous lease contract

An onerous contract is defined when the inevitable cost of meeting the contractual obligation exceeds the expected economic benefit to be received under the contract. The Group accrued a provision of onerous lease contract based on the unavoidable cost of fulfilling the lease contract.

Employee benefit

A provision of employee benefit is an estimate of the related liabilities prepared by the Group for the employee's reserve funds or the employee's additional pension benefits.

(14) Long-term loans

	As of December 31,	
	2022	2021
Secured loans	$150,000	$253,084
Unsecured loans	116,250	251,250
Subtotal	$266,250	$504,334
Less: current portion	(95,000)	(198,905)
	$171,250	$305,429
Interest rates (%)	1.49%~1.856%	0.93%~1.35%
Maturity date	Successively due from February 2024	Successively due from February 2024

As of December 31, 2022 and 2021, the Group's unused credit of long-term loans amounted to NTD100,000 thousand and NTD514,300 thousand, respectively.

Please refer to Note 8 for details of the assets pledged as collateral pledged for these loans .

(15) 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 has made monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. Pension benefits for employees of overseas subsidiaries and branches 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 NTD27,271 thousand and NTD22,966 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 assesse the balance in the designated labor pension fund. If the amount is inadequate to pay pensions to the workers retiring in the same year, the Company and its domestic subsidiaries are required to make up the difference in one appropriation before the end of March the following year.

The Company expects to contribute NTD922 thousand to its defined benefit plan during the 12 months beginning after December 31, 2022.

The weighted average duration of the defined benefits plan obligation as of December 31, 2022 and 2021 were both 14 years.

Pension costs recognized in profit or loss are as follows:

	For the years ended December 31,	
	2022	2021
Current period service costs	$100	$319
Net interest on the net defined benefit liabilities (assets)	562	278
Total	$662	$597

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

	As of December 31,	
	2022	2021
Present value of defined benefit obligation	$129,918	$134,265
Plan assets at fair value	(65,997)	(59,255)
Net defined benefit liabilities, non-current	$63,921	$75,010

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

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability (asset)
As of January 1, 2021	$140,884	$(65,715)	$75,169
Current period service costs	319	-	319
Net interest expense (income)	521	(243)	278
Subtotal	141,724	(65,958)	75,766
Remeasurements of the net defined benefit liabilities (assets):			
Actuarial gains and losses arising from changes in financial assumptions	(6,635)	-	(6,635)
Experience adjustments	9,161	-	9,161
Return on plan assets	-	(906)	(906)
Subtotal	2,526	(906)	1,620
Benefits paid	(9,985)	9,985	-
Contributions by employer	-	(2,376)	(2,376)
As of December 31,2021	$134,265	$(59,255)	$75,010
Current period service costs	100	-	100
Net interest expense (income)	1,007	(445)	562
Subtotal	135,372	(59,700)	75,672
Remeasurements of the net defined benefit liabilities (assets):			
Actuarial gains and losses arising from changes in financial assumptions	13,789	-	13,789
Experience adjustments	(13,286)	-	(13,286)
Return on plan assets	-	(4,544)	(4,544)
Subtotal	503	(4,544)	(4,041)
Benefits paid	(5,957)	5,957	-
Contributions by employer	-	(7,710)	(7,710)
As of December 31,2022	$129,918	$(65,997)	$63,921

The following significant actuarial assumptions are used in determining the Group's defined benefit plan:

	As of December 31,	
	2022	2021
Discount rate	1.39%	0.75%
Expected rate of salary increases	3.00%	1.50%

Sensitivity analysis for significant assumptions are shown below:

	For the years ended December 31,			
	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%	$-	$(8,380)	$-	$(8,301)
Discount rate decrease by 0.5%	9,204	-	9,943	-
Future salary increase by 0.5%	9,008	-	9,815	-
Future salary decrease by 0.5%	-	(8,294)	-	(8,290)

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

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

(16) Equity

A. Common stock

As of January 1, 2021, the Company's authorized capital was NTD2,000,000 thousand divided into 200,000 thousand shares with par value of NTD10 each. The paid in capital stocks were NTD1,275,887 thousand divided into 127,589 thousand shares with par value of NTD10 each. There have been no changes as of December 31, 2022.

B. Additional paid-in capital

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

	As of December 31,	
	2022	2021
Share Premium	$1,200,346	$1,225,864
Employee stock	13,453	13,453
Total	$1,213,799	$1,239,317

C. Distribution of retained earnings and dividend policies

(a) According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

(i) Paymaent of tax;
(ii) Offsetting accumulated deficits, if any;
(iii) Setting aside 10% for legal reserve;
(iv) Appropriating or reversing special reserve in compliance with the Company Act or Securities and Exchange Act;
(v) The distribution of the remaining portion, if any, will be proposed by the Board of Directors and resolved in the shareholders' meeting.

The Company's policy of distribution is base on capital expenditure, business expansion and sustainable development. The board of directors shall propose the distribution plan and resolve in the shareholders' meeting. The shareholders' dividends shall be more than 10% of distributable earnings. The cash dividends shall not be less than 10% of total shareholders' dividends. The Company may choose not to distribute earnings if the earnings are insufficient to fund appropriation of a NTD0.5 dividend per share.

(b) Pursuant to the Company Act, the company ia required to set aside amount to legal reserve until the accumulated legal reserve equals total paid-in capital. The legal reserve can be used to make up the deficit. When a 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 shareholders.

(c) Details of the 2022 and 2021 earnings distribution and dividends per share as resolved by the Board of Director's meeting and the shareholders' meeting held on March 21, 2023 and June 16, 2022, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NTD)	
	2022	2021	2022	2021
(Reversal) special reserve	$(98,255)	$98,255		
Legal reserve	68,184	33,529		
Cash dividends	280,695	229,660	$2.2	$1.8

Please refer to Note 6(19) for details of employees' compensation and remuneration to directors and supervisors.

(17) Operating revenues

	For the years ended December 31,	
	2022	2021
Revenue from contracts with customers		
Sale of goods	$5,491,663	$4,770,670
Other operating revenue	211,544	153,538
Total	$5,703,207	$4,924,208

Information of revenues from contracts with customers during the years ended Decmeber 31, 2022 and 2021 are as follows:

A. Disaggregation of revenue

For the year ended December 31, 2022:

	Office equipment supplies department	Other department	Total
Sale of goods	$5,491,663	$-	$5,491,663
Others	-	211,544	211,544
Total	$5,491,663	$211,544	$5,703,207
Timing of revenue recognition:			
At a point in time	$5,491,663	$-	$5,491,663
Over time	-	211,544	211,544
Total	$5,491,663	$211,544	$5,703,207

For the year ended December 31, 2021:

	Office equipment supplies department	International Tourist hotel department	Total
Sale of goods	$4,724,369	$-	$4,724,369
Rendering of services	-	199,839	199,839
Total	$4,724,369	$199,839	$4,924,208
Timing of revenue recognition:			
At a point in time	$4,724,369	$-	$4,724,369
Over time	-	199,839	199,839
Total	$4,724,369	$199,839	$4,924,208

B. Contract balances

Contract liabilities - current

	For the years ended December 31,	
	2022	2021
Sales of goods	$3,526	$1,202
Others	9,113	7,238
Total	$12,639	$8,440

(18) Leases

A. The Group as a lessee

The Group leases various properties, including real estate such as land and buildings, transportation equipment, office equipment and other equipment. The lease terms range from 1 to 7 years.

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

(a) 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	$8,201	$9,879
Buildings	444,581	116,010
Transportation equipment	15,387	14,492
Office equipment	28,439	8,276
Total	$496,608	$148,657

(ii) Lease liabilities

	As of December 31,	
	2022	2021
Current	$66,698	$107,287
Non-current	447,062	36,721
Total	$513,760	$144,008

Please refer to Note 6(20)(D) for the interest on lease liabilities recognized during the year ended December 31, 2022 and 2021 and refer to Note 12(5) Liquidity risk management for the maturity analysis for lease liabilities as of December 31, 2022 and 2021.

(b) Amounts recognized in the statement of comprehensive income

Depreciation charge for right-of-use assets

	For the years ended December 31,	
	2022	2021
Land	$1,678	$1,156
Buildings	144,310	142,380
Transportation equipment	7,155	7,922
Office equipment	5,618	3,144
Total	$158,761	$154,602

(c) Income and expenses relating to leasing activities

	For the years ended December 31,	
	2022	2022
The expenses relating to short-term leases	$15,875	$12,572
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	5,353	5,970

(d) Cash outflow relating to leasing activities

The Group's total cash outflows for leases for the years ended December 31, 2022 and 2021 were NTD167,160 thousand and NTD182,197 thousand, respectively.

B. The Group as a lessor

Please refer to Note 6(7) for details on the Group's owned investment properties. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	For the years ended December 31,	
	2022	2022
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	$12,516	$11,319

For operating leases entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining years as of December 31, 2022 and 2021 are as follows:

	As of December 31,	
	2022	2021
Not later than one year	$14,303	$7,825
Later than one year but not later than two years	14,304	-
Later than two years but not later than three years	17,879	-
Total	$46,486	$7,825

(19) Summarized statement of employee benefits, depreciation and amortization expenses by function for the years ended December 31, 2022 and 21:

Function / Nature	For the years ended December 31,					
	2022			2021		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	$215,325	$616,877	$832,202	$203,471	$591,280	$794,751
Labor and health insurance	22,395	34,411	56,806	22,436	34,191	56,627
Pension	9,135	18,798	27,933	8,722	14,841	23,563
Other employee benefits expenses	8,176	322,722	330,898	8,203	264,681	272,884
Depreciation	35,700	195,200	230,900	38,999	186,632	225,631
Amortization	324	136,010	136,334	248	130,062	130,310

Note: As of December 31, 2022 and 2021, the Group’s employees were 920 and 908, respectively; the number of directors who were not concurrently employees were both 4.

According to the Articles of Incorporation, at least 0.1% of profit of the current year is distributable as employees’ compensation and no more than 5% of profit of the current year is distributable as remuneration to directors and supervisors. However, the Company's accumulated losses shall have been covered. The aforementioned profit refers to the profit before tax in the current year after deducting the distribution of employee remuneration and the remuneration of directors and supervisors.

The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees’ compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders’ meeting. Information on the Board of Directors’ resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

For the years ended December 31, 2022 and 2021, the Group recognized employees' compensation and remuneration to directors and supervisors based on 6.2% and 3.6% of profit of current year, respectively. The details of employees' compensation and remuneration to directors and supervisors were as follows:

	For the years ended December 31,	
	2022	2022
Employees' compensation	$30,243	$20,040
Remuneration to directors and supervisors	13,500	11,561

A resolution was approved at a Board of Directors meeting held on 21 March 2023 to distribute NTD30,243 thousand and NTD13,500 thousand in cash as the employee's compensation and remuneration to directors and supervisors, respectively. There was no material differences between the estimated amount and the actual distribution of the employee's compensation and remuneration to directors and supervisors for the year ended December 31, 2022.

There was no material differences between the estimated amount and the actual distribution of the employee's compensation and remuneration to directors and supervisors for the year ended December 31, 2021.

(20) Non-operating income and expenses

A. Interest income

	For the years ended December 31,	
	2022	2021
Cash and cash equivalent	$7,874	$240
Financial assets measured at amortized cost	6,965	5,544
Total	$14,839	$5,784

B. Other income

	For the years ended December 31,	
	2022	2021
Rental income	$13,102	$11,916
Government subsidy (Note)	137	114,314
Others	8,321	16,060
Total	$21,560	$142,290

Note: The Company and its subsidiaries received one-off NTD82 thousand payroll subsidy and tax deduction under applicable local government requirements arising as a consequence of the Covid-19 pandemic for the year ended December 31, 2022.

The Company and its subsidiaries received one-off NTD114,314 thousand operation subsidy、payroll subsidy and rent concessions under applicable local government requirements arising as a consequence of the Covid-19 pandemic for the year ended December 31, 2021.

C. Other gains and losses

	For the years ended December 31,	
	2022	2021
Restoration Costs	$(37,598)	$(34,812)
Foreign exchange gains (losses), net	67,041	(30,674)
Miscellaneous expenditure	(8,037)	(17,742)
Gains on disposal of property, plant and equipment, net	391	1,947
Gains on disposal of investment property (Note)	269,362	-
Losses on intangible assets	(289)	(47)
Total	$290,870	$(81,328)

Note: The gains on disposal of investment property has deducted related disposal fees.

D. Finance costs

	For the years ended December 31,	
	2022	2021
Interest on loans from bank	$22,907	$16,288
Interest on lease liabilities	16,942	10,476
Imputed interest on deposit	1	2
Total	$39,850	$26,766

(21) Components of other comprehensive income (loss)

A. For the year ended December 31, 2022

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax benefit (expense)	Other comprehensive income, net of tax
Items that may not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit plans	$4,042	$-	$4,042	$(808)	$3,234
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(1,383)	-	(1,383)	-	(1,383)
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	341,277	-	341,277	(67,147)	274,130
Gains (losses) on hedging instruments	(854)	-	(854)	-	(854)
Total other comprehensive income (loss)	$343,082	$-	$343,082	$(67,955)	$275,127

B. For the year ended December 31, 2021

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax benefit (expense)	Other comprehensive income, net of tax
Items that may not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit plans	$(1,620)	$-	$(1,620)	$324	$(1,296)
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	365	-	365	-	365
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	(123,507)	-	(123,507)	24,701	(98,806)
Gains (losses) on hedging instruments	186	-	186	-	186
Total other comprehensive income (loss)	$(124,576)	$-	$(124,576)	$25,025	$(99,551)

(22) Income tax

A. The major components of income tax expense were as follows:

(a) Income tax expense recognized in profit or loss

	For the years ended December 31,	
	2022	2021
Current income tax expense (benefit):		
Current income tax charge	$87,435	$90,201
Adjustments in respect of current income tax of prior periods	(379)	886
Deferred income tax expense:		
Deferred income tax expense relating to origination and reversal of temporary differences	22,805	34,613
Total income tax expense	$109,861	$125,700

(b) Income tax relating to components of other comprehensive income

	For the years ended December 31,	
	2022	2021
Deferred income tax expense (benefit):		
Exchange differences on translation of foreign operations	$67,147	$(24,701)
Remeasurements of defined benefit plans	808	(324)
Income tax relating to components of other comprehensive income	$67,955	$(25,025)

(c) A reconciliation between tax expense and accounting profit multiplied by applicable tax rates were as follows:

	For the years ended December 31,	
	2022	2021
Accounting profit before tax from continuing operations	$788,470	$462,290
Tax calculated based on statutory tax rate	$170,594	$118,299
Tax effect of revenues exempt from taxation	(62,024)	-
Tax effect of expenses not deductible for tax purposes	-	4
Tax effect of deferred tax assets/liabilities	1,670	6,511
Adjustments in respect of current income tax of prior periods	(379)	886
Total income tax expense recognized in profit or loss	$109,861	$125,700

(d) Amounts and components of deferred tax assets (liabilities) were as follows:

(i) For the year ended December 31, 2022

	Beginning balance as of January 1, 2022	Recognized in profit or loss	Recognized in other comprehensive income	Recognized in equity (Note 1)	Effect of exchange rate changes	Ending balance as of December 31, 2022
Temporary differences						
Exchange differences on translation of foreign operations-GENERAL PLASTIC INDUSTRIAL CO., LTD	$56,012	$-	$(67,147)	$-	$-	$(11,135)
Investments accounted for using the equity method-GENERAL PLASTIC INDUSTRIAL CO., LTD	16,976	(10,631)	-	-	-	6,345
Investments accounted for using the equity method-GPIKT DE, INC.	(71,982)	(38,735)	-	-	(9,013)	(119,730)
Gains (losses) on financial assets at fair value through profit or loss	112	292	-	-	18	422
Unrealized intragroup profits and losses	19,236	4,152	-	-	1	23,389
Unrealized foreign exchange gains or losses	320	498	-	-	-	818
Allowance for doubtful accounts	7,503	987	-	-	869	9,359
Allowance to reduce inventory to market value	3,799	1,632	-	-	245	5,676
Defined benefit liability non-current	15,002	(1,410)	(808)	-	-	12,784
Unused taxable losses	20,239	(837)	-	-	816	20,218
Unrealized sales revenue	128	(82)	-	-	-	46
Depreciation	(142)	97	-	-	(13)	(58)
Accrued expenses	13,950	2,437	-	-	1,600	17,987
Other deferred tax assets	707	295	-	-	86	1,088
Other deferred tax liabilities	(185)	-	-	-	70	(115)
Deferred tax assets acquired from a business combination	2,410	(2,599)	-	-	189	-
Deferred tax liabilities acquired from a business combination	(134,393)	21,099	-	-	(14,128)	(127,422)
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	3,153	-	-	-	345	3,498
Deferred tax benefit (expense)		$(22,805)	$(67,955)	$-	$(18,915)	
Net deferred tax assets (liabilities)	$(47,155)					$(156,830)
Reflected in balance sheet as follows:						
Deferred tax assets	$159,721					$102,583
Deferred tax liabilities	$(206,876)					$(259,413)

Note 1: Samoa, one of the subsidiaries of the Company, reinvested in micro-banks, which has been presented in the consolidated statements of changes in equity through unrealized losses from financial assets measured at fair value through other comprehensive income.

(ii) For the year ended December 31, 2021

	Beginning balance as of January 1, 2021	Recognized in profit or loss	Recognized in other comprehensive income	Recognized in equity (Note 1)	Effect of exchange rate changes	Ending balance as of December 31, 2021
Temporary differences						
Exchange differences on translation of foreign operations-GENERAL PLASTIC INDUSTRIAL CO., LTD	$31,311	$-	$24,701	$-	$-	$56,012
Investments accounted for using the equity method-GENERAL PLASTIC INDUSTRIAL CO., LTD	38,435	(21,459)	-	-	-	16,976
Investments accounted for using the equity method- GPIKT DE, INC.	(25,733)	(47,515)	-	-	1,266	(71,982)
Gains (losses) on financial assets at fair value through profit or loss	311	(193)	-	-	(6)	112
Unrealized intragroup profits and losses	5,074	14,163	-	-	(1)	19,236
Unrealized foreign exchange gains or losses	412	(92)	-	-	-	320
Allowance for doubtful accounts	8,110	(399)	-	-	(207)	7,503
Allowance to reduce inventory to market value	4,832	(986)	-	-	(47)	3,799
Sales discounts and allowances	296	(296)	-	-	-	-
Defined benefit liability non-current	15,034	(355)	324	-	(1)	15,002
Unused taxable losses	20,745	(279)	-	-	(227)	20,239
Unrealized sales revenue	3,373	(3,244)	-	-	(1)	128
Depreciation	(11)	(133)	-	-	2	(142)
Accrued expenses	5,482	8,720	-	-	(252)	13,950
Other deferred tax assets	908	(177)	-	-	(24)	707
Other deferred tax liabilities	-				(185)	(185)
Deferred tax assets acquired from a business combination	6,503	(3,956)	-	-	(137)	2,410
Deferred tax liabilities acquired from a business combination	(160,244)	21,588	-	-	4,263	(134,393)
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	3,244	-	-	-	(91)	3,153
Deferred tax benefit (expense)		$(34,613)	$25,025	$-	$4,352	
Net deferred tax assets (liabilities)	$(41,919)					$(47,155)
Reflected in balance sheet as follows:						
Deferred tax assets	$144,069					$159,721
Deferred tax liabilities	$(185,988)					$(206,876)

Note 1: Samoa, one of the subsidiaries of the Company, reinvested in micro-banks, which has been presented in the consolidated statements of changes in equity through unrealized losses from financial assets measured at fair value through other comprehensive income.

B. The unused accumulated taxable losses of the Group were as follows:

Year	Taxable losses for the period	Unused taxable losses As of December 31, 2022	2021	Expiration year (Note)
2008	$18,493	$-	$3,422	(Note)
2009	22,394	19,426	22,537	(Note)
2010	5,331	5,331	5,365	(Note)
2011	16,088	6,024	6,062	(Note)
2013	96,573	-	29,711	2023
2014	51,010	16,209	51,010	2024
2015	37,492	37,109	37,492	2025
2016	18,509	18,502	18,509	2026
2017	17,879	17,879	17,879	2027
2020	210,438	-	210,438	2030
2021	2,290	2,290	2,257	2026
2022	4,889	4,889	-	2027
		$127,659	$404,682	

Note: The loss deduction of Katun U.K. has no expiration year as long as the trade continues.

C. Unrecognized deferred tax assets

As of December 31, 2022 and 2021, temporary differences not recognized as deferred tax assets amounted to NTD97,360 thousand and NTD399,230 thousand, respectively.

D. The assessment of income tax return

As of December 31, 2022, the assessment of the income tax returns of the Company and its domestic subsidiaries is as follows:

	The assessment of income tax returns
GENERAL PLASTIC INDUSTRIAL CO., LTD.	Assessed and approved up to 2020
Subsidiary-JIOU FU CO., LTD.	Assessed and approved up to 2020
Subsidiary-CHI FU CO., LTD.	Assessed and approved up to 2020

As of December 31, 2022, the income tax returns of the Company's foreign subsidiaries have been filed up to 2021.

(23) Earnings per share

Basic earnings per share amounts are calculated by dividing net 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 profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible bonds) 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.

	For the years ended December 31,	
	2022	2021
A. Basic earnings per share		
Net income attributable to ordinary equity holders of the paren (in thousand of NTD)	$678,609	$336,590
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	127,589	127,589
Basic earnings per share (NTD)	$5.32	$2.64
B. Diluted earnings per share		
Net income attributable to ordinary equity holders of the parent (in thousand of NTD)	$678,609	$336,590
Net income attributable to ordinary equity holders of the parent after dilution (in thousand of NTD)	$678,609	$336,590
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	127,589	127,589
Effect of dilution:		
Employees compensation - stock (in thousands)	1,027	694
Weighted average number of ordinary shares outstanding after dilution (in thousands)	128,616	128,283
Diluted earnings per share (NTD)	$5.28	$2.62

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

7. Related party transactions

Significant transactions with related parties

(1) Key management compensation

	For the years ended December 31,	
	2022	2021
Short-term employee benefits	$85,397	$65,247
Defined benefit obligation	1,302	1,101
Total	$86,699	$66,348

8. Assets pledged as collateral

The following table lists assets of the Group pledged as collateral for leasing contracts of distribution center in north america and office, customs clearance of imported goods and bank loan:

	Carrying amount	
	As of December 31,	
Category	2022	2021
Financial assets measured at amortized cost	$13,670	$12,580
Property, plant and equipment - land and buildings	878,410	892,508
Total	$892,080	$905,088

9. Significant Contingent Liabilities and Unrecognized Commitments

(1) The Group has available amounts of NTD38,106 thousand and NTD28,713 thousand under unused letters of credit as of December 31, 2022 and 2021, respectively.

(2) The important contractual commitment

As of December 31, 2022, the details of the contracts the Group has signed but not yet completed, recognized as construction in progress, are as follows:

Contracting parties	Contract target	Total contract amount	Contract amount unpaid as of December 31, 2022
Company A	Plants and buildings	$105,039	$9,457
Company B	Plants and buildings	74,275	7,773
Company C	Plants and buildings	59,800	27,100
Company D	Plants and buildings	46,500	41,370
Company E	Plants and buildings	15,000	7,809
Company F	Plants and buildings	11,144	7,801

10. Significant losses from disasters

None.

11. Significant subsequent events

None.

12. Financial instruments

(1) Categories of financial instruments

Financial assets	As of December 31,	
	2022	2021
Financial assets measured at amortized cost:		
Financial assets measured at amortized cost, current	$299,069	$63,632
Cash and cash equivalents (excluding cash on hand)	678,668	766,932
Notes receivable and accounts receivable	752,487	758,698
Other receivables	170,678	143,055
Subtotal	1,900,902	1,732,317
Financial assets measured at fair value through other comprehensive income, non-current	$99,016	$89,230
Total	$1,999,918	$1,821,547

Financial liabilities	As of December 31,	
	2022	2021
Financial liabilities at amortized cost:		
Short-term loans	$1,465,000	$1,115,000
Short-term notes and bills payable	150,779	319,714
Accounts payable	492,771	521,488
Lease liabilities	513,760	144,008
Other payables	498,796	499,353
Long-term loans (including current portion)	95,000	504,334
Subtotal	3,216,106	3,103,897
Derivative financial liability for hedging	1,534	320
Total	$3,217,640	$3,104,217

(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 risks comprise foreign currency risk, interest rate risk and other price risk (such as equity instrument).

In practice, it is rarely the case that a single risk variable will change independently from other risk variables; there are usually interdependencies between risk variables. However 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 currency different from the Group’s functional currency) and the Group’s net investments in foreign subsidiaries.

The Group's main revenues and expenses are foreign currency transactions and are exposed to the risk of foreign currency exchange rate fluctuations. To hedge exchange rate risks resulting in reduced value and future cash flow fluctuations, the Group uses financial instruments such as forward exchange contracts to hedge the foreign currency risk that may arise from some expected and highly probable risks. The above hedging operation only reduces part of the financial impact caused by exchange rate changes.

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 of the end of the reporting period.

The Group’s foreign currency risk is mainly related to the volatility in the exchange rates for USD and EURO. Sensitivity analysis as follows:

When NTD strengthens/weakens against foreign currency USD by 1%, the profit for the years ended December 31, 2022 and 2021 decreases/increases by NTD4,313 thousand and NTD2,170 thousand, respectively.

When NTD strengthens/weakens against foreign currency EURO by 1%, the profit for the years ended December 31, 2022 and 2021 decreases/increases by NTD1,199 thousand and NTD514 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of 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 bank borrowings with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of 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 NTD1,731 thousand and NTD1,619 thousand, respectively.

Equity price risk

The fair value of the Group's unlisted equity securities is susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's unlisted equity securities are classified under investments 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.

Please refer to Note 12(9) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(4) Credit risk management

Credit risk is the risk that a counterparty 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 receivable and notes receivable) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain counter parties' 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, the accounts receivables of top ten customers accounted for 15% and 16% of the total accounts receivable of the Group, respectively. The credit concentration risk of other accounts receivable is insignificant.

Credit risk of bank deposits, fixed income securities and other financial instruments is managed by the Group's treasury department 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 rating. Consequently, there is no significant credit risk for these counter parties.

(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 of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of December 31, 2022					
Short-term loans	$1,465,000	$-	$-	$-	$1,465,000
Short-term notes and bills payable	150,779	-	-	-	150,779
Accounts payable	492,771	-	-	-	492,771
Other payables	497,036	-	-	-	497,036
Lease liabilities	99,611	163,197	135,969	173,308	572,085
Long-term loans	98,931	171,927	-	-	270,858
As of December 31, 2021					
Short-term loans	$1,115,000	$-	$-	$-	$1,115,000
Short-term notes and bills payable	319,714	-	-	-	319,714
Accounts payable	521,488	-	-	-	521,488
Other payables	499,353	-	-	-	499,353
Lease liabilities	138,538	34,994	8,746	3,274	185,597
Long-term loans	203,623	308,647	-	-	512,270

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for year ended December 31, 2022:

	Short-term loans	Short-term notes and bills payable	Long-term loans (including current portion)	Leases liabilities	Total liabilities from financing activities
As of January 1, 2022	$1,115,000	$319,714	$504,334	$144,008	$2,083,056
Cash flows	350,000	(168,935)	(238,084)	(167,160)	(224,179)
Non-cash changes	-	-	-	516,363	516,363
Effect of exchange rate changes	-	-	-	20,549	20,549
As of December 31, 2022	$1,465,000	$150,779	$266,250	$513,760	$2,386,789

Reconciliation of liabilities for year ended December 31, 2021:

	Short-term loans	Short-term notes and bills payable	Long-term loans (including current portion)	Leases liabilities	Total liabilities from financing activities
As of January 1, 2021	$1,026,747	$319,797	$572,969	$296,033	$2,215,546
Cash flows	150,000	(83)	(68,635)	(182,197)	(160,925)
Non-cash changes	(60,701)	-	-	28,724	28,724
Effect of exchange rate changes	(1,046)	-	-	1,448	(289)
As of December 31, 2021	$1,115,000	$319,714	$504,334	$144,008	$2,083,056

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

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 following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

(a) The carrying amount of cash and cash equivalents, account 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 certificates, bonds and futures etc.) at the reporting date.

(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 Taipei Exchange, 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 amounts of the Group's financial assets and financial liabilities are measured at amortized cost approximate their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12(9) for fair value measurement hierarchy for financial instruments of the Group.

(8) Derivative financial instruments

The related information of the Group’s derivative financial instruments not yet settled as of December 31, 2022 and December 31, 2021 is as follows:

Forward currency contracts

The Group entered into forward currency contracts to manage its exposure to financial risk due to purchases of inventory and sales in GBP, EUR and USD. These contracts are designated as hedging instruments. The table below lists the information related to forward currency contracts:

As of December 31, 2022

Items	Notional amount (in thousands)	Contract period
Sell EUR / Buy USD	EUR 1,200 / USD 1,230	October 2022 to March 2023
Buy EUR / Sell GBP	EUR 300 / GBP 260	October 2022 to March 2023

As of December 31, 2021

Items	Notional amount (in thousands)	Contract period
Sell EUR / Buy USD	EUR 1,800 / USD 2,047	October 2021 to April 2022
Buy EUR / Sell GBP	EUR 457 / GBP 390	October 2021 to April 2022

(9) Fair value measurement hierarchy

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 were as follows:

As of December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	$-	$-	$99,016	$99,016

As of December 31, 2021

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets measured at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	$-	$-	$89,230	$89,230

Transfers between Level 1 and Level 2 during the period

For the years ended December 31, 2022 and 2021, there were no transfers between Level 1 and Level 2 fair value measurements.

The detail movement of recurring fair value measurements in Level 3

Reconciliation for recurring fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Assets	
	Measured at fair value through other comprehensive income	
	Stocks	
	2022	2021
Beginning balance	$89,230	$21,592
Current acquisition (disposal)	-	69,032
Effect of exchange rate changes	9,786	(1,394)
Ending balance	$99,016	$89,230

Information on significant unobservable inputs to valuation of fair value measurements categorized within Level 3 of the fair value hierarchy

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 analysis of the input to fair value
Financial assets: Financial assets measured at fair value through other comprehensive income Stocks	Market approach	discount for lack of marketability	10%~30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group’s equity by NTD9,902 thousand

As of December 31, 2021

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity analysis of the input to fair value
Financial assets: Financial assets measured at fair value through other comprehensive income Stocks	Market approach	discount for lack of marketability	10%~30%	The higher the discount for lack of marketability, the lower the fair value of the stocks	10% increase (decrease) in the discount for lack of marketability would result in increase (decrease) in the Group’s equity by NTD8,923 thousand

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Group's Finance Department 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 properties (please refer to Note 6(7))	$-	$-	$1,219,090	$1,219,090

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 properties (please refer to Note 6(7))	$-	$-	$1,385,562	$1,385,562

(10) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies were listed below:

	As of December 31, 2022		
	Foreign currencies (thousands)	Exchange rate	NTD (thousands)
Financial assets			
Monetary items:			
USD	$28,549	30.6600	$875,312
EUR	16,705	32.5200	543,247
MXN	63,067	4.3997	277,476
Monetary items:			
USD	$14,481	30.6600	$443,987
EUR	13,017	32.5200	423,313

	As of December 31, 2021		
	Foreign currencies (thousands)	Exchange rate	NTD (thousands)
Financial assets			
Monetary items:			
USD	$21,210	27.6300	$586,032
EUR	17,229	31.1200	536,166
MXN	63,439	4.3363	275,091
Financial liabilities			
Monetary items:			
USD	$13,356	27.6300	$369,026
EUR	15,578	31.1200	484,787

Since the functional currencies of entities of the Group vary, the Group is not able to disclose the information of exchange gains and losses of monetary financial assets and liabilities by each significant assets and liabilities denominated in foreign currencies. The Group recognized NTD67,041 thousand and NTD(30,674) thousand for foreign exchange gain (loss) for the years ended December 31, 2022 and 2021, respectively.

(11) 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 shareholder 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 shareholders, return capital to shareholders or issue new shares.

(12) Covid-19 influence

The outbreak of Covid-19 pandemic had led to lockdowns, travel restrictions, temporary close-down and other measures in the areas of the Group and the clients to slow down further spread of the virus. The sales of the Group were mainly in the Europe and the U.S. Currently, most lockdowns had been lifted for most regions, and the business had been recovered. It is expected that the pandemic's impact on the business and financial performance will be softened; consequently, it's expected the operation of the Group will gradually return to normal level.

13. Additional disclosures

A. Information of significant transactions

A. Loans to others: The following transactions were written off when the consolidated financial statements were prepared.

No	Lender	Borrower	Financial statement account	Related parties	Maximum balance for the period	Ending balance (By resolution of the Board of Directors)	Amount Actually Drawn	Interest rate (%)	Nature of financing	Transaction amount	Reasons for short-term financing	Allowance for doubtful account	Collateral		Financing limits for a single borrowing company (Note)	Limits on total loans granted (Note)
													Item	value		
1	JIOU FU CO., LTD.	GENERAL PLASTIC INDUSTRIAL CO., LTD.	Other receivables	Yes	$200,000	$200,000	$55,000	2.05%	The need for short-term financing	$-	Operating Purposes	$-	No	$-	$247,718	$247,718
2	GPI CO. (Samoa) Ltd.	GENERAL PLASTIC INDUSTRIAL CO., LTD.	Other receivables	Yes	$306,600 (USD 10,000,000)	$306,600 (USD 10,000,000)	$-	2.05%	The need for short-term financing	$-	Operating Purposes	$-	No	$-	$355,402	$355,402

Note: 1.The Company's total lending amounts shall be limited to 80% of the Company's net value.

2.If the Company provides financing to a corporation or entity it already had a business transaction with, the total lending amount shall be limited to 40% of the Company’s net value; and the individual lending amount shall not exceed the total transaction amount between the two parties in the latest year. The transaction amount referred to above shall mean the higher of purchase or sales amount between the two parties.

3.The total lending amounts shall not exceed 40% of the Company’s net value when providing financing to companies that require short-term loans.

JIOU FU CO., LTD. : NTD619,295 thousand *40= NTD247,718 thousand

GPI CO. (Samoa) Ltd. : USD28,979,310*30.66*40%= NTD355,402 thousand

B. Endorsement/Guarantee provided to others for the year ended December 31, 2022:

No	Endorser/ guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees amount to a single party	Maximum balance for the period	Ending balance	Actual amount provided	Amount of endorsement/ guarantee collateralized by properties	Ratio of accumulated amount of guarantee provided to net equity of the latest financial statements	Limit on total endorsements/ guarantees amount provided (Note 1)	Parent company to subsidiary
		Company name	Relationship								
0	GENERAL PLASTIC INDUSTRIAL CO., LTD.	GPI CO. (Samoa) Ltd.	2	$3,973,443	$306,600 (USD 10,000,000)	$-	$-	$-	7.72%	$3,973,443	Yes
1	Katun Holdings, LP.	Katun Corporation	2	$1,496,668	$232,250 (USD7,575,000)	$232,250 (USD7,575,000)	$-	$-	5.85%	$1,496,668	Yes

Note: 1. a. The Company's total endorsement/guarantee amounts shall not exceed 100% of the Company's net value.

The guarantee limit for endorsement of a single enterprise shall not exceed 100% of the Company's net worth. In addition to the above limit regulations, the amount of endorsement guarantee shall not exceed the total amount of transactions with the Company in the most recent year.

b. The calculation of individual and total limits is as follows:

The Company: NTD 3,973,443 thousand *100%= NTD3,973,443 thousand

Katun Holdings, LP.: USD48,814,992*100%*30.66= NTD1,496,668 thousand

2. The total endorsement/guarantee amounts shall not exceed 100% of lending company's net value. The Group endorsement/guarantee to a single enterprise shall not exceed 100% of the Company's net value. The Group policy requires that if the total amount of the endorsement/guarantee reaches more than 50% of the Company's net value, it shall be reported to the shareholders' meeting to explain its necessity and rationality.
3. The net value of the Company referred to above are based on the latest audited or reviewed financial statements.

C. Securities held at the end of the period:

Held company	Securities type and name	Relationship with the securities issuer	Financial statement account	End of period				Note
				Shares/Units	Book value	Ownership (%)	Market price/ Fair value	
GPI CO. (Samoa) Ltd.	Stock KHMER CAPITAL MICROFINANCE INSTITUTION PLC.	Related party	Financial assets measured at fair value through other comprehensive income, non-current	3,800,000	$99,016	19%	$99,016	

D. Individual securities acquired or disposed of at costs or prices with accumulated amount at least of NTD300 million or 20% of the paid-in capital for the year ended December 31, 2022: None.

E. Acquisition of individual real estate at costs reaching NTD300 million or 20% of the paid-in capital for the year ended December 31, 2022: None.

F. Disposal of individual real estate at prices reaching NTD300 million or 20% of the paid-in capital for the year ended December 31, 2022:

Disposing company	Properties	Disposal date (Note1)	Acquired date	Carrying amount (Note2)	Transaction amount (Note3)	Collected or not	Gains on disposal (Note4)	Counter party	Relationship with the counter party	Purpose of disposal	Value measuring methodology	Others
GPI CO. (Samoa) Ltd.	Land	2022.06.09	2017.08.15 2018.04.05	$75,109 (USD2,447 thousand)	$407,366 (USD13,670 thousand)	Received in full	$269,362 (USD9,039 thousand)	Natural person	None	Utilization of assets	Appraisal report	None

Note: 1. GPI CO. (Samoa) Ltd., a subsidiary of the Company, signed the contract on June 9, 2022, and completed the transaction on September 12, 2022.
2. The carrying amount was calculated using the exchange rate of 30.66 on the balance sheet date.
3. The transaction amount and gains on disposal were calculated at the average exchange rate of 29.7989 for 2022.
4. The amount of gains on disposal of investment property has deducted related disposal fees.

G. Related party transactions for purchases and sales amounts reaching NTD100 million or 20% of the paid-in capital for the year ended December 31, 2022:

Company name	Counter-party	Relationship (Note1)	Transactions				Details of non-arm's length transaction		Notes and accounts receivable (payable)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Term	Unit price	Term	Balance	Percentage of total receivables (payable)	
GENERAL PLASTIC INDUSTRIAL CO., LTD.	Katun EDC (B.V.)	1	Sales	$329,921 (USD11,071,585)	5.78%	Regular	Regular	Regular	$107,512 (USD3,506,597)	14.29%	
GENERAL PLASTIC INDUSTRIAL CO., LTD.	Katun Corporation	1	Sales	$361,588 (USD12,134,271)	6.34%	Regular	Regular	Regular	$115,947 (USD3,781,706)	15.41%	
Katun Corporation	PNA Holding Mexico SA DE CV	2	Sales	$229,087 (USD7,687,762)	4.02%	Regular	Regular	Regular	$45,749 (USD1,492,149)	6.08%	
Katun Corporation	Katun Brasil Comercio De Suprimentos Peças E Equipamentos LTDA	2	Sales	$144,229 (USD4,840,063)	2.53%	Regular	Regular	Regular	$58,375 (USD1,903,962)	7.76%	
Katun Corporation	Katun EDC (B.V.)	2	Sales	$461,480 (USD15,486,462)	8.09%	Regular	Regular	Regular	$457,637 (USD14,926,202)	60.82%	
Katun EDC (B.V.)	Katun Benelux B.V.	2	Sales	$409,746 (USD13,750,384)	7.18%	Regular	Regular	Regular	$(16,746) (USD546,188)	(3.40)%	
Katun EDC (B.V.)	Katun Germany GMBH	2	Sales	$229,384 (USD7,697,746)	4.02%	Regular	Regular	Regular	$5,947 (USD193,959)	0.79%	
Katun EDC (B.V.)	Katun U.K. LTD.	2	Sales	$294,755 (USD9,891,459)	5,17%	Regular	Regular	Regular	$(20,211) (USD659,213)	(4.10)%	
Katun EDC (B.V.)	Katun France SARL	2	Sales	$392,166 (USD13,160,413)	6.88%	Regular	Regular	Regular	$7,392 (USD241,091)	0.98%	
Katun EDC (B.V.)	Katun Spain, SA	2	Sales	$216,945 (USD7,280,287)	3.80%	Regular	Regular	Regular	$11,505 (USD375,258)	1.53%	
Katun EDC (B.V.)	Katun Italy S.R.L.	2	Sales	$399,995 (USD13,423,147)	7.01%	Regular	Regular	Regular	$75,937 (USD2,476,747)	10.09%	

Note 1: The transaction relationships with the counterparties are as follows:
(1) Parent company to subsidiary.
(2) Subsidiary to another subsidiary.

H. Receivables from related parties reaching NTD100 million or 20% of paid-in capital for the year ended December 31, 2022:

Company name	Related Party	Relationship (Note1)	Ending Balance	Turnover rate (times)	Overdue receivables		Amount received in subsequent period	Allowance for bad debts	Note
					Amount	Measure			
GENERAL PLASTIC INDUSTRIAL CO., LTD.	Katun EDC (B.V.)	1	$107,512 (USD3,506,597)	2.94	-	-	-	$-	
GENERAL PLASTIC INDUSTRIAL CO., LTD.	Katun Corporation	1	$115,947 (USD3,781,706)	3.32	-	-	-	$-	
Katun Corporation	Katun EDC (B.V.)	2	$457,637 (Accounts receivable USD14,626,066 Other receivables USD300,136)	1.8 (Note2)	-	-	$265,238 (Accounts receivable USD8,650,957 Other receivables USD300,136)	$-	
Katun EDC (B.V.)	Coöperatieve Katun DutchHoldco U.A.	2	$130,115 (Other receivables USD4,243,808)	(Note2)	-	-	-	$-	

Note: 1. The transaction relationships with the counterparties are as follows:
(1) Parent company to subsidiary.
(2) Subsidiary to another subsidiary.
2. The calculation of turnover rate does not include other receivables - related parties.

I. Transactions of financial instruments and derivatives:

Please refer to Note 12(8) for more details.

J. Significant intercompany transactions between parent company and subsidiaries:

No (Note1)	Company name	Counter party	Nature of relationship (Note2)	Intercompany Transactions			
				Financial statements item	Amount	Terms	Percentage of consolidated total gross sales or total assets (%) (Note3)
0	General Plastic Industrial Co., Ltd.	Katun EDC (B.V.)	1	Sales	$329,921 (USD11,071,585)	T/T60 days	5.78%
0	General Plastic Industrial Co., Ltd.	Katun EDC (B.V.)	1	Accounts receivable	$107,512 (USD3,506,597)	T/T60 days	1.37%
0	General Plastic Industrial Co., Ltd.	Katun Corporation	1	Sales	$361,588 (USD12,134,271)	T/T60 days	6.34%
0	General Plastic Industrial Co., Ltd.	Katun Corporation	1	Accounts receivable	$115,947 (USD3,781,706)	T/T60 days	1.48%
1	Katun Corporation	PNA Holding Mexico SA DE CV	2	Sales	$229,087 (USD7,687,762)	T/T60 days	4.02%
1	Katun Corporation	PNA Holding Mexico SA DE CV	2	Accounts receivable	$45,749 (USD1,492,149)	T/T60 days	0.58%
1	Katun Corporation	Katun Brasil Comercio De Suprimentos Peças E Equipamentos LTDA	2	Sales	$144,229 (USD4,840,063)	T/T150 days	2.53%

No (Note1)	Company name	Counter party	Nature of relationship (Note2)	Intercompany Transactions			
				Financial statements item	Amount	Terms	Percentage of consolidated total gross sales or total assets (%) (Note3)
1	Katun Corporation	Katun Brasil Comercio De Suprimentos Peças E Equipamentos LTDA	2	Accounts receivable	$58,375 (USD1,903,962)	T/T150 days	0.75%
1	Katun Corporation	Katun EDC (B.V.)	2	Sales	$461,480 (USD15,486,462)	T/T60 days	8.09%
1	Katun Corporation	Katun EDC (B.V.)	2	Accounts receivable	$457,637 (USD14,926,202)	T/T60 days	5.85%
1	Katun Corporation	Katun EDC (B.V.)	2	Other income	$123,552 (USD4,146,207)	Note 4	2.17%
2	Katun EDC (B.V.)	Coöperatieve Katun DutchHoldco U.A.	2	Accounts receivable	$130,115 (USD4,243,808)	T/T60 days	1.66%
2	Katun EDC (B.V.)	Katun Benelux B.V.	2	Sales	$409,746 (USD13,750,384)	T/T60 days	7.18%
2	Katun EDC (B.V.)	Katun Benelux B.V.	2	Accounts receivable	$(16,746) (USD546,188)	T/T60 days	(0.21)%
2	Katun EDC (B.V.)	Katun Germany GMBH	2	Sales	$229,384 (USD7,697,746)	T/T60 days	4.02%
2	Katun EDC (B.V.)	Katun Germany GMBH	2	Accounts receivable	$5,947 (USD193,959)	T/T60 days	0.08%
2	Katun EDC (B.V.)	Katun U.K. LTD.	2	Sales	$294,755 (USD9,891,459)	T/T60 days	5.17%
2	Katun EDC (B.V.)	Katun U.K. LTD.	2	Accounts receivable	$(20,211) (USD659,213)	T/T60 days	(0.26)%
2	Katun EDC (B.V.)	Katun France SARL	2	Sales	$392,166 (USD13,160,413)	T/T60 days	6.88%
2	Katun EDC (B.V.)	Katun France SARL	2	Accounts receivable	$7,392 (USD241,091)	T/T60 days	0.09%
2	Katun EDC (B.V.)	Katun Spain, SA	2	Sales	$216,945 (USD7,280,287)	T/T60 days	3.80%
2	Katun EDC (B.V.)	Katun Spain, SA	2	Accounts receivable	$11,505 (USD375,258)	T/T60 days	0.15%
2	Katun EDC (B.V.)	Katun Italy S.R.L.	2	Sales	$399,995 (USD13,423,147)	T/T60 days	7.01%
2	Katun EDC (B.V.)	Katun Italy S.R.L.	2	Accounts receivable	$75,937 (USD2,476,747)	T/T60 days	0.97%

Note 1: The information of transactions between the Company and the consolidated subsidiaries should be noted in "Number" column.
(1) Number 0 represents parent company.
(2) The consolidated subsidiaries are numbered in order from number 1.

Note 2: The transaction relationships with the counterparties are as follows:
(1) Parent company to subsidiary.
(2) Subsidiary to subsidiary.

Note 3: Ratio of transaction amount to the consolidated income or assets is calculated as follows: for balance sheet accounts, the ratio is accounted as the ending balance to consolidated total assets; for income statement accounts, the ratio is based on interim accumulated amount to consolidated total revenue.

Note 4: Other income was the income that the company generated from providing management service.

B. Information of investees

Names, locations, main businesses and products, original investment amount, ownership, net income (loss) of investee company and investment income (loss) recognized as of December 31, 2022 (excluding investees in Mainland China):

Investor	Investee	Location	Main businesses and products	Original investment amount		Shares held at the end of period			Investment income (loss)	Investment income (loss) recognized by the Company	Note
				Ending balance	Prior ending balance	Number of shares	Ownership (%)	Book value			
GENERAL PLASTIC INDUSTRIAL CO., LTD	JIOU FU CO., LTD.	No. 388, Dazhi Road, Wu-chi Dist., Taichung City, Taiwan	Real Estate Trading, Land Development Business and Tourist Hotel	$700,000	$700,000	70,000,000 shares	100%	$619,294	$64,566	$64,566	
GENERAL PLASTIC INDUSTRIAL CO., LTD	GPI USA, INC.	1105 Asoott Valley Dr Duluth, GA 30097	General import and export trade business	$15,681	$15,681	60,000 shares	100%	$12,701	$(775)	$(1,105)	Note 2
GENERAL PLASTIC INDUSTRIAL CO., LTD	GPI CO.(SAMOA) Ltd.	Offshore chambers, P.O. Box 217, Apia, Samoa	Investment and holding	$595,932	$595,932	20,000,000 shares	100%	$888,506	$272,324	$272,324	
GENERAL PLASTIC INDUSTRIAL CO., LTD	GPIKT (BVI) CO., LTD	Sertus Chambers,3rd Floor, Quastisky Building, Road Town, Tortola, British Virgin Island	Investment and holding	$30	$30	1,000 shares	100%	$31	$-	$-	
GENERAL PLASTIC INDUSTRIAL CO., LTD	GPIKT DE, INC.	3500 South Dupont Highway, Dover, Delaware 19901,USA	Investment and holding	$2,858,666	$2,858,666	971 shares	100%	$2,815,991	$69,055	$69,0552	Note 1 Note 3
GENERAL PLASTIC INDUSTRIAL CO., LTD	TJ Office Solution Co.,Ltd.	No.363, Street 590, Sangkat Boeung Kak Ti Pi, Khan Toul Kork, Phnom Penh, Cambodia.	Photocopiers rental	$9,648	$9,648	1,000 shares	100%	$4,454	$(2,278)	$(2,278)	
GENERAL PLASTIC INDUSTRIAL CO., LTD	WeKare Co., Ltd.	No. 502, Sec. 1, Yongxing Rd., Wuqi Dist., Taichung City, Taiwan	Retail sale and wholesale of drugs, medical goods	$20,000	$20,000	2,000,000 shares	100%	$1,997	$(10,265)	$(10,431)	Note 2
GPIKT DE, INC.	KATUN HOLDING, LP.	1209 Orange Street, Wilmington, DE 19801, New Castle County	Investment and holding	$2,831,108	$2,831,108	211,621 shares	100%	$2,886,976	$186,385	Consolidated with subsidiary	

Note: 1. The investment income (loss) recognized by the Company for the period includes the investment income (loss) of the Company's direct subsidiary.
2. The investment income (loss) of the investees recognized by the Company for the period includes the investment income (loss) arising from these downstream and upstream transactions.
3. If a public company holds a foreign holding company and regards the consolidated financial statements as the main financial statements pursuant to local laws and regulations, it could only disclose the related information of the foreign holding company.

C. Information on investments in Mainland China:

The Group invested in Mainland China through Katun Asia Pte Ltd.(Singapore)

Investee company	Main businesses and products	Total amount of paid-in capital	Method of investment (Note1)	Beginning accumulated outflow of investment from Taiwan	Investment flows for the period		Ending accumulated outflow of investment from Taiwan	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized (Note 2)	Carrying value as at end of the period	Accumulated inward remittance of earnings as at end of the period
					Outflow	Inflow						
Katun (Shanghai) Co., Ltd.	Distributors of cartridges and consumables for printers, photocopiers, fax machines and mul-ti-function machine	$9,682 (USD315,800)	(2)	$-	$-	$-	$-	$(3,689) (USD123,799)	100%	$(3,689) (USD123,799)	$3,416 (USD111,405)	None

Accumulated investment in mainland china as of December 31, 2022	Investment amounts authorized by investment commission, MOEA (Note 4)	Upper limit on lnvestment The lender’s net accounts value×60%
$-	$9,682 (USD315,800)	$2,384,066

Note1: Three types of investment methods:

(1) Direct investments.

(2) Indirect investments through a third-region company (please specify the investment company in the third region).

(3) Others.

Note2: The financial statements were certificated by the public accountants of the parent company in Taiwan.

Note3: The figures in this table are presented in New Taiwan Dollar.Current profit and investment income are convert-ed by average exchange rate and others are converted by tear end exchange rate.

D. Information on major shareholders

As of December 31, 2022

Name \ Shareholding	Shares	Percentage of ownership (%)
KuanFu Co.,Ltd.	27,136,380	21.26%
Hong Xi Li Co.,Ltd.	14,787,720	11,59%

14. Segment information

For management purposes, the Group segregates the business units based on their products and services and has two reportable operating segments as follows:

(1) Office Imaging Equipment Supplies segment: Responsible for the R & D, manufacturing and sales of imaging consumables, cartridges for photocopiers and printers, and photoreceptor drum gears, etc.

(2) Other Operations segment: Responsible for operations except Office Imaging Equipment Supplies segment.

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 resources 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 pricing between operating segment is on an arm's length basis in a manner similar to transactions with third parties.

A. Information on profit or loss, assets and liabilities of the reportable segment:

For the year ended December 31, 2022

	Office Imaging Equipment Supplies segment	Other segment	Adjustment and elimination	Consolidated
Net sales				
External customers	$5,491,663	$211,544	$-	$5,703,207
Inter-segment	924,492	507	(924,999)	-
Total net sales	$6,416,155	$212,051	$(924,999)	$5,703,207
Interest expenses	$38,846	$1,013	$(9)	$39,850
Depreciation and amortization	337,296	29,938	-	367,234
Tax expenses	109,861	-	-	109,861
Segment profit or loss	$464,161	$324,309	$-	$788,470
Assets				
Capital expenditure of non-current assets				
Segment assets	$10,979,102	$1,584,935	$(4,738,911)	$7,822,125
Segment liabilities	$4,086,646	$69,947	$(307,911)	$3,848,682

For the year ended December 31, 2021

	Office Imaging Equipment Supplies segment	Other segment	Adjustment and elimination	Consolidated
Net sales				
External customers	$4,724,369	$199,839	$-	$4,924,208
Inter-segment	973,364	1,475	(974,839)	-
Total net sales	$5,697,733	$201,314	$(974,839)	$4,924,208
Interest expenses	$25,236	$1,530	$-	$26,766
Depreciation and amortization	325,443	30,497	1	355,941
Tax expenses	125,801	(101)	-	125,700
Segment profit or loss	$587,539	$49,893	$(175,142)	$462,290
Assets				
Capital expenditure of non-current assets	$204,445	$3,418	$-	$207,863
Segment assets	$9,480,850	$1,276,625	$(3,973,422)	$6,784,153
Segment liabilities	$3,628,680	$154,055	$(273,467)	$3,509,268

B. No reconciliations of revenue, profit or loss, assets, liabilities and other material items of reportable segments are needed.

C. Geographical information

Net Sales from external customers

	For the years ended December 31, 2022	2021
United States	$1,470,826	$903,055
Netherlands	910,754	856,860
Italy	535,024	538,062
France	480,506	442,670
Mexico	447,183	349,115
United Kingdom	402,687	411,457
Germany	389,418	407,146
Spain	270,947	275,621
Taiwan	231,700	217,956
Brazil	208,535	176,204
Other countries	355,627	346,062
Total	$5,703,207	$4,924,208

Net sales are classified by customers' countries.

Non-current assets

	As of December 31,	
	2022	2021
Asia (including Taiwan and Cambodia)	$2,331,402	$2,279,367
North America	1,941,114	1,676,223
Europe	272,466	78,859
Central and South America	45,803	42,384
Total	$4,590,785	$4,076,833

(3) Information about major customers

No single customer of the Group accounts for more than 10% of net sales for the years ended December 31, 2022 and 2021.

Independent Auditors' Report Translated from Chinese

To GENERAL PLASTIC INDUSTRIAL CO., LTD.

Opinion

We have audited the accompanying parent company only balance sheets of GENERAL PLASTIC INDUSTRIAL CO., LTD. (the "Company") as of December 31, 2022 and 2021, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2022 and 2021, and notes to the parent company only financial statements, including the summary of significant accounting policies (together "the parent company only financial statements").

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2022 and 2021, and its 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.

Basis for Opinion

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

Rights and Obligations of Inventory

As of December 31, 2022, the amount of inventories of the Company was significant to the financial statements. The Company and its subsidiaries specializes in manufacturing and selling toner cartridges of photocopiers, laser printers and OPC Drum Gears. In order to respond to customer demands quickly, shorten the delivery time and reduce freight cost, the Company established shipping warehouses or some outsourcing warehouses in several countries. Because the rights and obligations of inventory is not easy to verify, we identified rights and obligations of inventory as a key audit matter. Our audit procedures include, but are not limited to, understanding and testing the effectiveness of internal control procedures for inventory, including the management records of shipping and receiving inventories; assessing the management's physical inventory count plan, observing the physcial inventory count at a significant inventory location, performing confirmation procedures on inventories located the oversea warehouse, and testing cut-offs by examining relevant documents, such as shipping documents, export declarations, and invoices before and after the end of balance sheet date. We also considered the appropriateness of the disclosure of inventory in Note 6 to the parent company only financial statements.

Revenue Recognition

The primary source of income of the Company is derived from sale of OEM-compatible imaging consumables and supplies, such as toner cartridges and drum gears for office equipment. Based on the varying contract terms in different distribution channels and sales models, it is significant to determine the timing when the control of goods is transferred and performance obligation is satisfied for the parent company only financial statements. We identified revenue recognition as a key audit matter. Our audit procedures include, but are not limited to, understanding and testing the effectiveness of internal related to revenue recognition in the sales cycle; selecting samples to perform the test of details of the sales transactions; reviewing the performance obligations of the orders or contracts and confirming the timing of performance obligations satisfaction against the related supporting documents to verify the correctness of the timing of revenue recognition; performing the cut-off testing for periods before and after the balance sheet date; and conducting analytical procedures for goods sold based on product types, regions, monthly sales revenue, and gross margin. We also considered the appropriateness of the disclosure of operating revenue in Note 6 to the parent company only financial statements.

Goodwill impairment

As of December 31, 2022, the amount of goodwill of the Company and its subsidiaries was significant to the financial statements. The Company performed impairment testing on the cash-generating units according to the International Financial Reporting Standards. The recoverable amount of the cash-generating units has been determined based on the value in use because their fair value cannot be reliably measured. The impairment testing indicated that the value in the use of certain cash-generating units was higher than their carrying amount. Because the carrying amounts of goodwill were significant to the Company and its subsidiaries, the determination of value in use was complex, as it involved significant management judgment when making assumptions about cash flow forecasts.We identified goodwill impairment as a key audit matter. Our audit procedures include, but are not limited to, evaluating whether the components of the cash-generating units have significantly changed, including analyzing the sales model and regions involved; evaluating the management's assessment approaches and assumptions of value in use; evaluating the reasonableness of key assumptions used by management, such as growth rates, discount rates, gross margin, and evaluating the reasonableness of key components of discount rates, such as cost of equity, company-specific risk premium and market risk premium by comparing them to other companies of similar size with the cash-generating units; interviewing management and assessing the reasonableness of assumptions used in their financial forecast, such as cash flows, gross margin, growth rates, the overall market and economic conditions; comparing the actual financials to date with previously forecast financials and analyzing the Company's historical data and performance to assess the reasonableness of the cash flow forecast. We also assessed the adequacy of the disclosures related to the result of impairment test and assumption's sensitivity in Notes 4 and 6 to the consolidated financial statements.

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

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

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

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

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only 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 parent company only financial statements.

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

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

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

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

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

5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the accompanying notes, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only 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 parent company only 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.

Huang, Yu Ting

Yen, Wen Pi

Ernst & Young, Taiwan

March 21, 2023

Notice to Readers

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

Accordingly, the accompanying parent company only financial statements and report of independent auditors 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 Parent Company Only Financial Statements Originally Issued in Chinese

GENERAL PLASTIC INDUSTRIAL CO., LTD.

PARENT COMPANY ONLY BALANCE SHEETS

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		As of December 31,			
		2022		2021	
Assets	Notes	Amount	%	Amount	%
Current assets					
Cash and cash equivalents	4, 6(1)	$131,855	2	$170,733	3
Financial assets measured at amortized cost, current	8	26,335	-	1,815	-
Notes receivable, net	6(2)	241	-	140	-
Accounts receivable, net	6(2)	77,226	1	110,899	2
Accounts receivable - related parties, net	6(2), 7	230,891	4	228,515	4
Other receivable		5,500	-	9,264	-
Inventories	4, 6(3)	195,768	3	187,975	4
Prepayments		6,766	-	12,655	-
Total current assets		674,582	10	721,996	13
Non-current assets					
Investments accounted for using the equity method	4, 6(4)	4,342,974	70	3,627,508	66
Property, plant and equipment	4, 6(5), 8	1,098,113	18	945,390	17
Right-of-use assets	4, 6(15)	9,523	-	10,767	-
Investment property, net	4, 6(6), 8	13,596	-	13,596	-
Intangible assets	4, 6(7)	40,978	1	51,702	1
Deferred tax assets	4, 6(19)	22,977	-	90,584	2
Other non-current assets		36,825	1	21,650	1
Total non-current assets		5,564,986	90	4,761,197	87
Total assets		$6,239,568	100	$5,483,193	100

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

(continued)

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

GENERAL PLASTIC INDUSTRIAL CO., LTD.

PARENT COMPANY ONLY BALANCE SHEETS (Continued)

December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

		As of December 31,			
		2022		2021	
Liabilities and Equity	Notes	Amount	%	Amount	%
Current liabilities					
Short-term loans	4, 6(8), 7	$1,510,000	24	$1,090,000	20
Short-term notes and bills payable	4, 6(9)	129,794	2	319,714	6
Contract liabilities, current	4, 6(14)	3,474	-	925	-
Notes payable		163	-	598	-
Accounts payable		60,972	1	98,471	2
Accounts payable-related parties, net	7	1,922		4,521	
Other payables	6(10)	155,282	2	153,911	3
Current tax liabilities	4	49,177	1	39,632	1
Lease liabilities, current	4, 6(15)	1,847	-	1,963	-
Current portion of long-term loans	4, 6(11)	95,000	2	135,000	2
Other current liabilities		3,394	-	3,130	-
Total current liabilities		2,011,025	32	1,847,865	34
Non-current liabilities					
Long-term loans	4, 6(11)	171,250	3	276,250	5
Deferred tax liabilities	4, 6(19)	12,146	-	315	-
Lease liabilities, non-current	4, 6(15)	7,783	-	8,868	-
Net defined benefit liabilities, non-current	4, 6(12)	63,921	1	75,010	1
Total non-current liabilities		255,100	4	360,443	6
Total liabilities		2,266,125	36	2,208,308	40
Equity					
Capital					
Common stock	6(13)	1,275,887	20	1,275,887	23
Additional paid-in capital	6(13)	1,213,799	20	1,239,317	23
Retained earnings	6(13)				
Legal reserve		514,355	8	480,826	9
Special reserve		212,520	4	114,265	2
Unappropriated earnings		697,509	11	377,110	7
Total retained earnings		1,424,384	23	972,201	64
Other components of equity					
Exchange differences on translation of foreign operations		60,844	1	(213,286)	(4)
Unrealized gains or losses from financial assets measured at fair value through other comprehensive income		(13,994)	-	(12,611)	-
Gains or losses on hedging instruments		12,523	-	13,377	-
Total other components of equity		59,373	1	(212,520)	(4)
Total equity		3,973,443	64	3,274,885	60
			-		-
Total liabilities and equity		$6,239,568	100	$5,483,193	100

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

GENERAL PLASTIC INDUSTRIAL CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the year Ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

		For the Years Ended December 31,			
	Notes	2022	%	2021	%
Operating revenues	4, 6(14), 7	$1,487,361	100	$1,481,043	100
Operating costs	6(3)(16), 7	(896,668)	(60)	(922,048)	(62)
Gross profit from operations		590,693	40	558,995	38
Unrealized gross profit		(111,417)	(7)	(91,684)	(6)
Realized gross profit		91,684	6	24,162	1
Net gross profit		570,960	39	491,473	33
Operating expenses	6(16)				
Selling and marketing expenses		(96,094)	(7)	(99,891)	(7)
General and administrative expenses		(128,334)	(9)	(114,367)	(8)
Research and development expenses		(60,080)	(4)	(58,266)	(4)
Expected credit impairment (losses) gains	6(2)	(4,491)	-	6,618	1
Total operating expenses		(288,999)	(20)	(265,906)	(18)
Operating Income		281,961	19	225,567	15
Non-operating income and expenses	6(17), 7				
Interest income		2,466	-	51	-
Other income		43,263	3	44,029	3
Other gains and losses		63,647	4	(10,491)	(1)
Finance costs		(20,584)	(1)	(13,942)	(1)
Share of profit or loss of associates and joint ventures accounted for using the equity method	6(4)	396,779	27	176,635	12
Total non-operating income and expenses		485,571	33	196,282	13
Income from continuing operatins before income tax		767,532	52	421,849	28
Income tax expense	4, 6(19)	(88,923)	(6)	(85,259)	(6)
Net income		678,609	46	336,590	22
Other comprehensive income (loss)	6(18)				
Items that may not be reclassified subsequently to profit or loss					
Remeasurements of defined benefit plans		4,042	-	(1,620)	-
Unrealized gains or losses from investments in equity instruments measured at fair value through other comprehensive income		(1,383)	-	365	-
Income tax related to items that may not be reclassified subsequently		(808)	-	324	-
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations		341,277	23	(123,507)	(8)
Gains or losses on hedging instruments		(854)	-	186	-
Income tax related to items that may be reclassified subsequently		(67,147)	(5)	24,701	2
Total other comprehensive income (loss), net of income tax		275,127	18	(99,551)	(6)
Total comprehensive income		$953,736	64	$237,039	16
Earnings per share (NTD)	4, 6(20)				
Earnings per share-basic		$5.32		$2.64	
Earnings per share-diluted		$5.28		$2.62	

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

GENERAL PLASTIC INDUSTRIAL CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the year Ended December 31, 2022 and 2021

(Expressed in Thousands of New Taiwan Dollars)

			Retained Earnings			Other Components of Equity			
	Common Stock	Additional Paid-in Capital	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of Foreign Operations	Unrealized Gains or Losses from Financial Assets Measured at Fair Value through Other Comprehensive Income	Gains or Losses on Hedging Instruments	Total Equity
Balance as of January 1, 2021	$1,275,887	$1,239,317	$467,490	$ -	$297,006	$(114,480)	$(12,976)	$13,191	$3,165,435
Appropriations and distributions of earnings, 2020:									
Legal reserve	-	-	13,336	-	(13,336)	-	-	-	-
Special reserve	-	-	-	114,265	(114,265)	-	-	-	-
Cash dividends	-	-	-	-	(127,589)	-	-	-	(127,589)
Net income in 2021	-	-	-	-	336,590	-	-	-	336,590
Other comprehensive income (loss), net of income tax in 2021	-	-	-	-	(1,296)	(98,806)	365	186	(99,551)
Total comprehensive income (loss)	-	-	-	-	335,294	(98,806)	365	186	237,039
Balance as of December 31, 2021	$1,275,887	$1,239,317	$480,826	$114,265	$377,110	$(213,286)	$(12,611)	$13,377	$3,274,885
Balance as of January 1, 2022	$1,275,887	$1,239,317	$480,826	$114,265	$377,110	$(213,286)	$(12,611)	$13,377	$3,274,885
Appropriations and distributions of earnings, 2021:									
Legal reserve	-	-	33,529	-	(33,529)	-	-	-	-
Special reserve	-	-	-	98,255	(98,255)	-	-	-	-
Cash dividends	-	-	-	-	(229,660)	-	-	-	(229,660)
Cash dividends from additional paid-in capital	-	(25,518)	-	-	-	-	-	-	(25,518)
Net income in 2022	-	-	-	-	678,609	-	-	-	678,609
Other comprehensive income (loss), net of income tax in 2022	-	-	-	-	3,234	274,130	(1,383)	(854)	275,127
Total comprehensive income (loss)	-	-	-	-	681,843	274,130	(1,383)	(854)	953,736
Balance as of December 31, 2022	$1,275,887	$1,213,799	$514,355	$212,520	$697,509	$60,844	$(13,994)	$12,523	$3,973,443

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

English Translation of Parent Company Only Financial Statements Originally Issued in Chinese

GENERAL PLASTIC INDUSTRIAL CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the year 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:		
Net income before tax	$767,532	$421,849
Adjustments to reconcile net income before tax to net cash provided by (used in) operating activities:		
Depreciation	34,290	35,247
Amortization	14,250	15,877
Expected credit impairment losses (gains)	4,491	(6,619)
Gain for market price decline, obsolete and slow-moving inventories	(2,249)	(5,731)
Financial costs	20,584	13,942
Interest income	(2,466)	(51)
Share of profit of subsidiaries,associates and joint ventures	(396,779)	(176,635)
Loss (Gain) on disposal of property, plant and equipment	150	(1,503)
Loss on disposal of intangible assets	289	-
Property, plant and equipment transferred to expenses	18,707	12,298
Net unrealized gross profit	19,733	67,522
Changes in operating assets and liabilities:		
(Increase) decrease in notes receivable	(101)	1,748
Decrease (increase) in accounts receivable	26,806	(179,677)
Decrease in other receivables	4,245	27,588
(Increase) decrease in inventories	(5,544)	62,146
Decrease (increase) in prepayments	5,889	(4,079)
Increase (decrease) in contract liabilities	2,549	(5,573)
Decrease in notes payable	(435)	(17,079)
(Decrease) increase in accounts payable	(40,098)	20,834
Increase in other payables	4,441	32,889
Increase in other current liabilities	264	1,351
Decrease in defined benefit liabilities	(7,047)	(1,779)
Cash generated from operations	469,501	314,565
Interest received	1,985	66
Interest paid	(20,169)	(13,929)
Income tax paid	(67,895)	(50,668)
Net cash provided by operating activities	383,422	250,034

	For the Years Ended December 31,	
	2022	2021
Cash flows from investing activities:		
(Increase) decrease in financial assets measured at amortized cost	(24,520)	2,551
Acquisition of investments accounted for under the equity method	-	(24,648)
Acquisition of property, plant and equipment	(191,645)	(132,630)
Proceeds from disposal of property, plant and equipment	20	1,702
Return of capital from disposal of subsidiaries	620	-
Acquisition of intangible assets	(3,316)	(35,166)
Increase in prepayments for equipment	(31,477)	(8,041)
(Increase) decrease in refundable deposits	(5)	32
Net cash used in investing activities	(250,323)	(196,200)
Cash flows from financing activities:		
Increase in short-term loans	8,290,000	4,900,500
Decrease in short-term loans	(7,870,000)	(4,750,500)
Increase in short term notes and bills payable	1,252,143	1,413,042
Decrease in short term notes and bills payable	(1,442,063)	(1,413,125)
Proceeds from long-term loans	-	240,000
Repayments of long-term loans	(145,000)	(254,730)
Cash dividends paid	(255,178)	(127,589)
Repayment of leasing principal	(1,879)	(1,585)
Net cash (used in) provided by financing activities	(171,977)	7,598
Net (decrease) increase in cash and cash equivalents	(38,878)	(239,270)
Cash and cash equivalents at beginning of period	170,733	110,886
Cash and cash equivalents at end of period	$131,855	($128,384)

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

1. History and organization

GENERAL PLASTIC INDUSTRIAL CO., LTD. ("the Company") was incorporated in July 1978 and has changed its main business activities a number of times to adapt to the economic development. The Company is mainly engaged in manufacturing and selling of toner cartridges of photocopiers, laser printers, OPC drum gears and other related business.

The Company completed the retroactive handing of public issuance procedures with the consent of the competent securities authorities in May 2000. The Company's shares were listed on the OTC on December 25, 2001 and were listed on the Taiwan Stock Exchange on June 16, 2003.The principal place of business of the Company is located at No.50, Tzu-Chiang Rd., Wu-Chi District, Taichung City, Taiwan.

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

The parent company only financial statements of the Company for the years ended December 31, 2022 and 2021 were authorized for issue in accordance with a resolution of the Board of Directors' meeting on March 21, 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 Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2022. The adoption of these new standards and amendments had no material impact on the Company.

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

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Disclosure Initiative - Accounting Policies – Amendments to IAS 1	January 1, 2023
b	Definition of Accounting Estimates – Amendments to IAS 8	January 1, 2023
c	Deferred Tax related to Assets and Liabilities arising from a Single Transaction – Amendments to IAS 12	January 1, 2023

The abovementioned standards and interpretations that are applicable for annual periods beginning on or after January 1, 2023 have no material impact on the Company.

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

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 "Insurance Contracts"	January 1, 2023
c	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	January 1, 2024
d	Lease Liability in a Sale and Leaseback– Amendments to IFRS 16	January 1, 2024
e	Non-current Liabilities with Covenants– Amendments to IAS 1	January 1, 2024

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC, the local effective dates are to be determined by FSC. These new or amended standards and interpretations have no material impact on the Company.

4. Summary of significant accounting polices

(1) Statement of Compliance

The parent company only financial statements of the Company 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”).

(2) Basis of Preparation

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

The parent company only financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The parent company only financial statements are expressed in thousands of New Taiwan Dollars (NTD) unless otherwise stated.

(3) Foreign currency transactions

The Company's parent company only financial statements are presented in its functional currency, New Taiwan Dollars (NTD). Items included in the financial statements are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the company at the 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 foreign currencies 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 foreign currencies are translated using the exchange rates as of 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 is part of a reporting entity's net investment in a foreign operation are recognized initially in other comprehensive income and reclassified from equity to profit or loss upon disposal of the net investment.

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

(4) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NTD at the closing rate of exchange prevailing at the reporting date, and their income and expenses are translated at an average exchange rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On 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. When partial disposal involves the loss of control of a subsidiary that includes a foreign operation and when the retained interest after partial disposal of an interest in a joint venture or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation, the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss upon the disposal of a foreign operation.

On 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. On partial disposal of an associate or joint venture that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

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

(5) Current and non-current distinction

An asset is classified as current when:

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

All other assets are classified as non-current.

A liability is classified as current when:

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

All other liabilities are classified as non-current.

(6) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(7) Financial instruments

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

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

A. Financial instruments: Recognition and Measurement

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

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

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

Financial assets measured at amortized cost

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

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
(b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

(a) purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

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

B. Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial asset measured at amortized cost.

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

(a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
(b) the time value of money;
(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 measures as follows:

(a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.

(b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
(c) For accounts receivable or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.
(d) For lease receivables arising from transactions within the scope of IFRS 16, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

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

C. Derecognition of financial assets

A financial asset is derecognized when:

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

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

(8) Fair value measurement

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

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

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

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

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

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

(9) Inventories

The inventory value includes costs incurred in bringing the inventory to its present location and condition. Raw materials and goods are stated at weighted average of actual purchase costs; finished goods and work in progress are stated at the cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity. Inventories are valued at lower of cost and net realizable value item by item. 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. Allowance are also estimated and recognized appropriately for slow moving and damaged inventories.

(10) Investments accounted for using the equity method

According to Article 21 of the Regulations, the Company's investment in subsidiaries was presented as "Investments accounted for using the equity method" and made necessary adjustments. The profit or loss during the period and other comprehensive income presented in the parent company only financial statements shall be the same as the allocations of profit or loss during the period and of other comprehensive income attributable to shareholders of the parent presented in the financial statements prepared on a consolidated basis, and the shareholders' equity presented in the parent company only financial statements shall be the same as the equity attributable to shareholders of the parent presented in the financial statements prepared on a consolidated basis. The adjustments are considered the difference between investment in subsidiaries in consolidated financial statements prepared in accordance with IFRS 10 "Consolidated Financial Statements" and the application of IFRS to different reporting entities. The adjustments are made by debiting or crediting "Investment accounted for using the equity method", "Share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method" or "Share of other comprehensive profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method" etc.

The Company's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence.

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

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

When the associate issues new stock, and the Company's interest in an associate is reduced or increased as the Company fails to acquire shares newly issued in the associate proportionately to its original ownership interest, the increase or decrease in the interest in the associate is recognized in Additional paid-in Capital and Investment accounted for using the equity method. When the interest in the associate 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 Company disposes the associate.

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

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired in accordance with "IAS 28 Investments in Associates and Joint Ventures". If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate 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 Company estimates:

The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

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

Upon loss of significant influence over the associate, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate 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.

(11) Property, plant and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognizes 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 useful lives of the following assets:

Item	Estimated useful lives
Buildings	2～50 years
Machinery and equipment	2～20 years
Transportation equipment	3～12 years
Office equipment	2～10 years
Other equipment	2～12 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 from 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. The differences resulted from previous estimation are regarded as changes in accounting estimates.

(12) Investment property

The Company's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations*, investment properties are measured using the cost model in accordance with the requirements of IAS 16 *Property, plant and equipment* for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Company transfers to or from investment properties when there is a change in use for these assets. Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(13) Leases

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

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

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

The Company as a lessee

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

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

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

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

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

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

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

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

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

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

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

The Company as a lessor

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

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

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

(14) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as of 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 which fail to meet the recognition criteria are not capitalized and expenditure are reflected in profit or loss in the period incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite useful lives are amortized over the useful 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 fisal 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 is treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit (CGU) level. The assessment of indefinite usrful life is reviewed annually to determine whether the indefinite useful life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

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

	Computer software	Other intangible assets
Useful lives	1~10 years	3~26 years
Method of Amortization	Amortized on a straight- line basis	Amortized on a straight- line basis
Acquired from	Exterally acquired	Exterally acquired

(15) Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 "Impairment of Assets" may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company completes impairment testing for an indivdual asset or the CGU to which the individual assets belong. 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. 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.

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

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

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

(16) Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

(17) Revenue recognition

The Company's revenue being recognized when control of the products or rendering of services is transferred to the customers to satisfy the performance obligation. The accounting policies are explained as follows:

Sale of goods

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

The Company provides its customer with a warranty with the purchase of the products. The warranty provides assurance that the products will operate as expected by the customers. And the warranty is accounted in accordance with IAS 37.

The credit period of the Company's sale of goods is from 30 to 180 days. For most of the contracts, when the Company transfers the products to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as accounts receivable. The Company usually collects the payments shortly after transfer of products to customers; therefore, there is no significant financing component to the contract.

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

For the defined contribution plan, the Company will make a monthly contribution and recognize expenses for the current period of no less than 6% of the monthly wages of the employees subject to the plan.

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

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

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

(21) Income taxes

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

<u>Current income tax</u>

Current income tax assets and liabilities for the current and prior periods are measured 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 directly in other comprehensive income or 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 income tax is provided on temporary differences between the tax bases of assets and liabilities and their carrying amounts in financial statement at the reporting date.

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, carryforward 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 carryforward of unused tax credits and unused tax losses can be utilized, except:

A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;

B. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

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

5. <u>Significant accounting judgements, estimates and assumptions</u>

The preparation of the Company's parent company only financial statements requires management to make judgements, estimates and assumptions at the end of the reporting period that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities. 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 Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

Investment property

Certain properties of the Company comprise a portion that is held to earn rentals or for capital appreciation and another portion that is owner-occupied. If these portions could be sold separately, the Company accounts for the portions separately as investment property and property, plant and equipment. If the portions could not be sold separately, the property is classified as investment property in its entirety only if the portion of owner-occupied is not significant to total property.

(2) Estimates and assumptions

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

A. Impairment of non-financial assets

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

B. Income tax

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

C. Accounts receivable - estimation of impairment loss

The Company estimates the impairment loss of accounts receivable at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that are expected to receive (by evaluating forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

D. Inventory valuation

Estimates of net realizable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of December 31,	
	2022	2021
Cash on hand	$416	$254
Checking and savings accounts	131,439	170,479
Total	$131,855	$170,733

(2) Accounts receivable and expected credit impairment losses (gains)

A. Accounts receivable

	As of December 31,	
	2022	2021
Accounts receivable	$81,793	$110,975
Less: loss allowance	(4,567)	(76)
Subtotal	77,226	110,899
Accounts receivable- related party	230,891	228,515
Total	$308,117	$339,414

The Company's collection period typically ranges from 30 to 180 days. The total carrying amount as of December 31, 2022 and 2021 were NTD312,684 thousand and NTD339,490 thousand, respectively. Please refer to Note 12 for more details on credit risk.

B. Expected credit impairment losses (gains)

	For the years ended December 31,	
	2022	2021
Operating expense- expected credit impairment losses (gains)		
Accounts receivable	$4,491	$(6,619)

The Company measures the loss allowance of its receivables (including notes receivable and accounts receivable) based on the lifetime expected credit losses. The assessment of the loss allowance is as follows:

(a) As of December 31, 2022

		Overdue							
	Not yet due (note)	<=30 days	31-60 days	61-90 days	91-120 days	121-150 days	151-180 days	<=181 days	Total
Gross carrying amount	$305,215	$3,647	$36	$51	$-	$172	$53	$3,750	$312,924
Loss ratio	1%	5%	27%	62%	80%	93%	100%	100%	
Lifetime expected credit losses	(416)	(146)	(10)	(31)	-	(160)	(53)	(3,750)	(4,566)
Carrying amount	$304,799	$3,501	$26	$20	$-	$12	$-	$-	$308,358

Note: The Company’s notes receivable are not overdue.

(b) As of December 31, 2021

		Overdue							
	Not yet due (note)	<=30 days	31-60 days	61-90 days	91-120 days	121-150 days	151-180 days	<=181 days	Total
Gross carrying amount	$328,828	$8,924	$1,878	$-	$-	$-	$-	$-	$339,630
Loss ratio	0%	0%	4%	27%	100%	100%	100%	100%	
Lifetime expected credit losses	(21)	(37)	(18)	-	-	-	-	-	(76)
Carrying amount	$328,807	$8,887	$1,860	$-	$-	$-	$-	$-	$339,554

Note: The Company’s notes receivable are not overdue.

The movement in the provision for impairment of notes receivable and accounts receivable for the years ended of December 31, 2022 and 2021 were as follows:

	Notes receivable	Accounts receivable
January 1, 2022	$-	$76
Addition for the current period	-	4,491
Write-off	-	-
December 31, 2022	$-	$4,567
January 1, 2021	$-	$7,614
Reversal for the current period	-	(6,619)
Write-off	-	(919)
December 31, 2021	$-	$76

(3) Inventories

	As of December 31,	
	2022	2021
Raw materials	$102,747	$63,379
Work in progress	13,939	19,731
Finished goods	41,435	46,814
Merchandises	37,647	58,051
Total	$195,768	$187,975

	For the years ended December 31,	
	2022	2021
The cost of inventories sold	$896,668	$922,048
Reversal of write-down of inventories	(2,249)	(5,731)

The reversal of write-down of inventories was due to destocking.

(4) Investments accounted for using the equity method

The following table lists the investments accounted for using the equity method of the Company:

	As of December 31,			
	2022		2021	
Investees	Amount	%	Amount	%
GPI CO. (SAMOA) LTD.	$888,506	100%	$548,196	100%
JIOU FU CO., LTD.	619,294	100%	554,728	100%
GPI USA, INC.	12,701	100%	10,834	100%
GPIKT DE, INC.	2,815,991	100%	2,495,449	100%
CHI FU INVESTMENT CO., LTD.	-	-	621	100%
GPIKT (BVI) CO., LTD.	31	100%	28	100%
WEKARE CO., LTD.	1,997	100%	11,596	100%
TJ OFFICE SOLUTION CO., LTD	4,454	100%	6,056	100%
Total	$4,342,974		$3,627,508	

A. On January 28, 2002, the Company established CHI FU INVESTMENT CO., LTD. With a total investment of NTD207,000 thousand to reinvest in COLOR IMAGING, INC. However, on March 25, 2022, the Board of Directors approved a resolution to dissolve and liquidate CHI FU INVESTMENT CO., LTD., the capital was remitted back to the Company.

B. On October 15, 2006, in accordance with the overall business planning, the Company establish a wholly owned subsidiary – JIOU FU CO., LTD. by investing NTD100,000 thousand for 10,000,000 shares at $10 per share. Subsequently, the Company made additional investments of NTD270,000 thousand and NTD330,000 thousand on July 19, 2007 and September 2, 2011, respectively. As of December 31, 2022, the total investment in JIOU FU CO., LTD. amounted to NTD700,000 thousand.

C. On March 29, 2011, the Company established GPI CO.(SAMOA) LTD. to expand its oversea business. The Company invested a total of NTD16,297 thousand in 2015. As of December 31, 2022, the total investment in GPI CO.(SAMOA) LTD. amounted to NTD595,932 thousand.

D. On July 5, 2016, in accordance with the overall business planning, the Board of Directors of the Company approved a resolution to increase investments of NTD9,645 thousand (USD300 thousand) in GPI USA, INC. Subsequently, the Company increased its investment by NTD5,693 thousand (USD200 thousand) on November 11, 2021. As of December 31, 2022, the total investment in GPI USA, INC. amounted to NTD15,681 thousand.

E. On December 28, 2017, the Company invested in the establishment of GPIKT (BVI) CO., LTD. and GPIKT DE, INC. to integrate the business of cartridges. The original investments were NTD30 thousand and NTD2,986 thousand, respectively. On January 8, 2018, the Company further invested NTD2,855,680 thousand in GPIKT DE, INC. to acquire Katun Holdings, LP. in the USA. As of December 31, 2022, the total investments in GPIKT (BVI) CO., LTD. and GPIKT DE, INC. amounted to NTD30 thousand and NTD2,858,666 thousand, respectively.

F. On December 25, 2020, the Board of Directors of the Company approved the resolution to establish a wholly owned subsidiary – WEKARE CO., LTD. to expand the Company’s business scope. The Company prepaid NTD5,000 thousand for the investment on December 31, 2020, and the establishment registration of WEKARE CO., LTD. was completed on January 5, 2021. As of December 31, 2022, the total investment in WEKARE CO., LTD. amounted to NTD20,000 thousand.

G. On March 25, 2020, in order to develop new business, the Board of Directors of the Company approved a resolution to acquire entire equity of TJ OFFICE SOLUTION CO., LTD. (“TJ”), which is engaged in renting and selling photocopiers in Cambodia, from Mr. Wang Kuoying. The equity transfer procedure of TJ was completed in Cambodia on September 3, 2020. The investment amounted to USD297,529 according to the net value in August 2020, which was one month before the share equity settlement date. The Company remitted NTD8,264 thousand and increased investment of NTD1,384 thousand in TJ on December 22, 2021 and December 27, 2021, respectively. As of December 31, 2022, the total investment amounted in TJ to NTD9,648 thousand.

H. For the years ended December 31, 2022 and 2021, the Company recognized the share of profit or loss of associates and joint ventures and exchange differences on translation of foreign operations accounted for the using equity method. The details are as follows:

(a) Share of profit or loss of associates and joint ventures accounted for the using equity method in 2022 and 2021 are as follows:

	For the years ended December 31,	
Investees	2022	2021
GPI CO. (SAMOA) LTD.	$272,324	$(101)
JIOU FU CO., LTD.	64,566	59,365
CHI FU INVESTMENT CO., LTD.	-	2,842
GPI USA, INC.	(1,105)	(995)
GPIKT DE, INC.	73,703	125,800
GPIKT (BVI) CO., LTD.	-	-
WEKARE CO., LTD.	(10,431)	(6,689)
TJ OFFICE SOLUTION CO., LTD	(2,278)	(3,587)
Total	$396,779	$176,635

(b) Exchange differences on translation of foreign operations in 2022 and 2021 are as follows:

	For the years ended December 31,	
Investees	2022	2021
GPI CO. (SAMOA) LTD.	$69,369	$(16,240)
JIOU FU CO., LTD.	-	-
CHI FU INVESTMENT CO., LTD.	-	(2,839)
GPI USA, INC.	1,401	(388)
GPIKT DE, INC.	269,828	(104,034)
GPIKT (BVI) CO., LTD.	3	(1)
WEKARE CO., LTD.	-	-
TJ OFFICE SOLUTION CO., LTD	676	(5)
Total	$341,277	$(123,507)

(5) Property, plant and equipment

	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment awaiting inspection	Total
Cost:								
As of January 1, 2022	$589,332	$211,593	$332,698	$23,194	$48,373	$23,031	$201,191	$1,429,412
Additions	42,327	2,444	11,466	1,300	7,160	14,502	108,825	188,024
Disposals	-	(219)	(31,390)	(739)	(1,257)	(77)	-	(33,682)
Transfers	-	226	2,824	-	-	12,984	(226)	15,808
As of December 31, 2022	$631,659	$214,044	$315,598	$23,755	$54,276	$50,440	$309,790	$1,599,562
Depreciation and impairment:								
As of January 1, 2022	$-	$146,504	$276,778	$12,511	$30,448	$17,781	$-	$484,022
Depreciation	-	7,306	11,265	2,274	4,767	6,620	-	32,232
Disposals	-	(219)	(31,390)	(569)	(1,257)	(77)	-	(33,512)
Transfers	-	-	18,707	-	-	-	-	18,707
As of December 31, 2022	$-	$153,591	$275,360	$14,216	$33,958	$24,324	$-	$501,449
Cost:								
As of January 1, 2021	$589,332	$206,863	$351,473	$23,337	$41,246	$21,897	$79,492	$1,313,640
Additions	-	4,636	12,051	384	5,790	2,022	120,613	145,496
Disposals	-	-	(31,585)	(527)	(1,813)	(888)	-	(34,813)
Transfers	-	94	759	-	3,150	-	1,086	5,089
As of December 31, 2021	$589,332	$211,593	$332,698	$23,194	$48,373	$23,031	$201,191	$1,429,412

	Land	Buildings	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment awaiting inspection	Total
Depreciation and impairment:								
As of January 1, 2021	$-	$140,366	$276,286	$10,692	$28,776	$16,529	$-	$472,649
Depreciation	-	6,138	19,675	2,346	3,389	2,141	-	33,689
Disposals	-	-	(31,481)	(527)	(1,717)	(889)	-	(34,614)
Transfers	-	-	12,298	-	-	-	-	12,298
As of December 31, 2021	$-	$146,504	$276,778	$12,511	$30,448	$17,781	$-	$484,022
Net carrying amount:								
As of December 31, 2022	$631,659	$60,453	$40,238	$9,539	$20,318	$26,116	$309,790	$1,098,113
As of December 31, 2021	$589,332	$65,089	$55,920	$10,683	$17,925	$5,250	$201,191	$945,390
As of January 1, 2021	$589,332	$66,497	$75,187	$12,645	$12,470	$5,368	$79,492	$840,991

Components of buildings that have different useful lives are the main building structure, utility and structure reinforcement constructions and others, which are depreciated over 50 years, 10 years and 15 years, respectively.

Please refer to Note 8 for details of property, plant and equipment pledged as collateral.

(6) Investment property

	Land
Cost:	
As of January 1, 2022	$13,596
Additions	-
Disposals	-
As of December 31, 2022	$13,596
Depreciation and impairment:	
As of January 1, 2022	$-
Depreciation	-
As of December 31, 2022	$-
Cost:	
As of January 1, 2021	$13,596
Additions	-
Disposals	-
As of December 31, 2021	$13,596
Depreciation and impairment:	
As of January 1, 2021	$-
Depreciation	-
As of December 31, 2021	$-
Net carrying amount:	
As of December 31, 2022	$13,596
As of December 31, 2021	$13,596
As of January 1, 2021	$13,596

Investment properties held by the Company are not measured at fair value, but for which the fair value are disclosed. The fair value measurements of the investment properties are categorized as Level 3. The fair value has been determined based on valuations performed by an independent appraiser, using the Comparison Method and Land Development Analysis Approach. As of December 31, 2022 and 2021, the Company's investment properties were both amounted to NTD15,777 thousand.

(7) Intangible assets

	For the years ended December 31, 2022		
	Computer software	Other intangible assets	Total
Cost:			
As of January 1, 2022	$87,031	$21,801	$108,832
Additions	3,086	230	3,316
Transfers	-	499	499
Disposals	(2,235)	(1,016)	(3,251)
As of December 31, 2022	$87,882	$21,514	$109,396
Amortization and impairment:			
As of January 1, 2022	$46,431	$10,699	$57,130
Amortization	11,060	3,190	14,250
Disposals	(2,235)	(727)	(2,962)
As of December 31, 2022	$55,256	$13,162	$68,418

	For the years ended December 31, 2021		
	Computer software	Other intangible assets	Total
Cost:			
As of January 1, 2021	$76,367	$29,826	$106,193
Additions	33,854	1,312	35,166
Disposals	(23,190)	(9,337)	(32,527)
As of December 31, 2021	$87,031	$21,801	$108,832
Amortization and impairment:			
As of January 1, 2021	$57,595	$16,185	$73,780
Amortization	12,026	3,851	15,877
Disposals	(23,190)	(9,337)	(32,527)
As of December 31, 2021	$46,431	$10,699	$57,130
Net carrying amount:			
As of December 31, 2022	$32,626	$8,352	$40,978
As of December 31, 2021	$40,600	$11,102	$51,702
As of January 1, 2021	$18,772	$13,641	$32,413

Please refer to Note 6(16) for recognition of amortization expenses of intangible assets.

(8) Short-term loans

A. As of December 31, 2022

	As of December 31, 2022	Interest Rates (%)
Unsecured bank loans	$995,000	1.175%~1.95%
Secured bank loans	460,000	2.05%
Others - related parties	55,000	2.05%
Total	$1,510,000	

B. As of December 31, 2021

	As of December 31, 2021	Interest Rates (%)
Unsecured bank loans	$790,000	0.26%~0.91%
Secured bank loans	300,000	0.91%
Total	$1,090,000	

The Company's unused short-term lines of credit amounted to NTD1,583,750 thousand and NTD1,845,000 thousand as of December 31, 2022 and 2021, respectively. Please refer to Note 8 for details of the assets pledged as collateral for these loans.

(9) Short-term notes and bills payable

	As of December 31,	
	2022	2021
Unsecured commercial paper payable	$130,000	$320,000
Less: discount on commercial paper payable	(206)	(286)
Net amount	$129,794	$319,714
Interest rates (%)	1.908%~1.968%	0.928%~0.938%

(10) Other payables

	As of December 31,	
	2022	2021
Payroll	$61,210	$60,839
Payables for equipment	22,743	27,690
Other accrued expenses	16,226	25,225
Payables on remuneration to employees	30,243	20,040
Payables on remuneration to directors and supervisors	13,500	11,561

	As of December 31,	
	2022	2021
Other payables – related parties	601	5,599
Payables for equipment – related parties	126	579
Other payables – others	10,633	2,378
Total	$155,282	$153,911

(11) Long-term loans

	As of December 31,	
	2022	2021
Secured loans	$150,000	$160,000
Unsecured loans	116,250	251,250
Subtotal	$266,250	$411,250
Less: current portion	(95,000)	(135,000)
Total	$171,250	$276,250
Interest rates (%)	1.49%~1.856%	0.93%~1.35%
Maturity date	Successively due from February 2024	Successively due from February 2024

As of December 31, 2022 and 2021, the Company's unused credit of long-term loans both amounted to NTD100,000 thousand.

Please refer to Note 8 for details of the assets pledged as collateral for these loans.

(12) Post-employment benefits

Defined contribution plan

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

Pension expenses under the defined contribution plan for the years ended December 31, 2022 and 2021 were NTD11,787 thousand and NTD 11,581 thousand, respectively.

Defined benefits plan

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

The Company expects to contribute NTD922 thousand to its defined benefit plan during the 12 months beginning after December 31, 2022.

The weighted average duration of the defined benefits plan obligation as of December 31, 2022 and 2021 were both 14 years.

Pension costs recognized in profit or loss are as follows:

	For the years ended December 31	
	2022	2021
Current period service costs	$100	$319
Net interest on the net defined benefit liabilities (assets)	562	278
Total	$662	$597

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

	As of December 31,	
	2022	2021
Present value of defined benefit obligation	$129,918	$134,265
Plan assets at fair value	(65,997)	(59,255)
Net defined benefit liabilities, non-current	$63,921	$75,010

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

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability (asset)
As of January 1, 2021	$140,884	$(65,715)	$75,169
Current period service costs	319	-	319
Net interest expense (income)	521	(243)	278
Subtotal	141,724	(65,958)	75,766
Remeasurements of the net defined benefit liabilities (assets):			
Actuarial gains and losses arising from changes in financial assumptions	(6,635)	-	(6,635)
Experience adjustments	9,161	-	9,161
Return on plan assets	-	(906)	(906)
Subtotal	2,526	(906)	1,620
Benefits paid	(9,985)	9,985	-
Contributions by employer	-	(2,376)	(2,376)
As of December 31, 2021	$134,265	$(59,255)	$75,010
Current period service costs	100	-	100
Net interest expense (income)	1,007	(445)	562
Subtotal	135,372	(59,700)	75,672

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liability (asset)
Remeasurements of the net defined benefit liabilities (assets):			
Actuarial gains and losses arising from changes in financial assumptions	13,789	-	13,789
Experience adjustments	(13,286)	-	(13,286)
Return on plan assets	-	(4,544)	(4,544)
Subtotal	503	(4,544)	(4,041)
Benefits paid	(5,957)	5,957	-
Contributions by employer	-	(7,710)	(7,710)
As of December 31, 2022	$129,918	$(65,997)	$63,921

The following significant actuarial assumptions are used in determining the Company's defined benefit plan:

	As of December 31,	
	2022	2021
Discount rate	1.39%	0.75%
Expected rate of salary increases	3.00%	1.50%

Sensitivity analysis for significant assumptions are shown below:

	For the years ended December 31,			
	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%	$-	$(8,380)	$-	$(8,301)
Discount rate decrease by 0.5%	9,204	-	9,943	-
Future salary increase by 0.5%	9,008	-	9,815	-
Future salary decrease by 0.5%	-	(8,294)	-	(8,290)

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.

(13) Equity

A. Common stock

As of January 1, 2021, the Company's authorized capital was NTD2,000,000 thousand divided into 200,000 thousand shares with par value of NTD10 each. The paid in capital stocks were NTD1,275,887 thousand divided into 127,589 thousand shares with par value of NTD10 each. There have been no changes as of December 31, 2022.

B. Additional paid-in capital

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

	As of December 31,	
	2022	2021
Share Premium	$1,200,346	$1,225,864
Employee stock	13,453	13,453
Total	$1,213,799	$1,239,317

C. Distribution of retained earnings and dividend policies

(a) According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

(i) Paymaent of tax;

(ii) Offsetting accumulated deficits, if any;
(iii) Setting aside 10% for legal reserve;
(iv) Appropriating or reversing special reserve in compliance with the Company Act or Securities and Exchange Act;
(v) The distribution of the remaining portion, if any, will be proposed by the Board of Directors and resolved in the shareholders' meeting.

The Company's policy of distribution is base on capital expenditure, business expansion and sustainable dsvelopment. The board of directors shall propose the distribution plan and resolve in the shareholders' meeting. The shareholders' dividends shall be more than 10% of distributable earnings. The cash dividends shall not be less than 10% of total shareholders' dividends. The Company may choose not to distribute earnings if the earnings are insufficient to fund appropriation of a NTD0.5 dividend per share.

(b) Pursuant to the Company Act, the company is required to set aside amount to legal reserve until the accumulated legal reserve equals total paid-in capital. The legal reserve can be used to make up the deficit. When a 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 shareholders.

(c) Details of the 2022 and 2021 earnings distribution and dividends per share as resolved by the Board of Director's meeting and the shareholders' meeting held on March 21, 2023 and June 16, 2022, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NTD)	
	2022	2021	2022	2021
(Reversal) special reserve	$(98,255)	$98,255		
Legal reserve	68,184	33,529		
Cash dividends	280,695	229,660	$2.2	$1.8

Please refer to Note 6(16) for details of employees' compensation and remuneration to directors and supervisors.

(14) Operating revenues

	For the years ended December 31,	
	2022	2021
Revenue from contracts with customers		
Sale of goods	$1,487,361	$1,481,043

Information of revenues from contracts with customers during the years ended Decmeber 31, 2022 and 2021 are as follows:

A. Disaggregation of revenue

The Company recognized revenues at a point in time for both the years ended December 31, 2022 and 2021.

B. Contract balances

Contract liabilities - current

	As of December 31,	
	2022	2021
Sales of goods	$3,474	$925

(15) Leases

A. The Company as a lessee

The Company leases various properties, including real estate such as land and buildings, transportation equipment, office equipment and other equipment. The lease terms range from 1 to 7 years.

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

(a) 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	$8,201	$9,879
Office equipment	1,322	888
Total	$9,523	$10,767

(ii) Lease liabilities

	As of December 31,	
	2022	2022
Current	$1,847	$1,963
Non-current	7,783	8,868
Total	$9,630	$10,831

Please refer to Note 6(17) (D) for the interest on lease liabilities recognized for the years ended December 31, 2022 and 2021 and refer to Note 12 (5) Liquidity risk management for the maturity analysis for lease liabilities as of December 31, 2022 and 2021.

(b) Amounts recognized in the statement of comprehensive income

Depreciation charge for right-of-use assets

	For the years ended December 31,	
	2022	2021
Land	$1,678	$1,156
Office equipment	3860	402
Total	$2,058	$1,558

(c) Income and expenses relating to leasing activities

	For the years ended December 31,	
	2022	2022
The expenses relating to short-term leases	$3,270	$3,568
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	251	254
Total	$3,521	$3,822

(d) Cash outflow relating to leasing activities

The Company's total cash outflows for leases for the years ended December 31, 2022 and 2021 were NTD1,879 thousand and NTD1,585 thousand, respectively.

(16) Summarized statement of employee benefits, depreciation and amortization expenses by function for the years ended December 31, 2022 and 2021:

Function / Nature	For the years ended December 31,					
	2022			2021		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	$196,445	$121,176	$317,621	$185,611	$112,013	$297,624
Labor and health insurance	20,174	8,302	28,476	20,561	8,667	29,228
Pension	8,161	4,288	12,449	7,907	4,271	12,178
Remuneration to directors	-	12,520	12,520	-	9,172	9,172
Other employee benefits expenses	7,425	3,744	11,169	7,514	3,410	10,924
Depreciation	20,927	13,363	34,290	23,439	11,808	35,247
Amortization	324	13,926	14,250	248	15,629	15,877

Note: As of December 31, 2022 and 2021, the Company's employees were 464 and 459, respectively; the number of directors who were not concurrently employees were both 4.

For the years ended December 31, 2022 and 2021, the average of employees benefits expense of the Company were NTD804 thousand and NTD 769 thousand, respectively. For the years ended December 31, 2022 and 2021, the average of employees salaries expenses of the Company were NTD690 thousand and NTD654 thousand, respectively; the average salary expense adjustment increased by 5.5%.

For the years ended December 31, 2022 and 2021, the remuneration to supervisors of the Company were NTD1,304 thousand and NTD3,537 thousand, respectively.

The Company's policy for compensation of directors, managers and employees is as follows:

According to the Articles of Incorporation, at least 0.1% of profit of the current year is distributable as employees' compensation and no more than 5% of profit of the current year is distributable as remuneration to directors and supervisors. However, the Company's accumulated losses shall have been covered. The aforementioned profit refers to the profit before tax in the current year after deducting the distribution of employee remuneration and the remuneration of directors and supervisors.

The manager's remuneration policy is based on consideration of the manager's performance on the company's strategic development, operating finance, and business development, as well as factors such as work responsibilities, work experience, price inflation, and market standards, to set a competitive policy that reflects work performance remuneration.

The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

For the years ended December 31, 2022 and 2021, the Company recognized employees' compensation and remuneration to directors and supervisors based on 6.2% and 3.6% of profit of current year, respectively. The details of employees' compensation and remuneration to directors and supervisors were as follows:

	For the years ended December 31,	
	2022	2021
Employees' compensation	$30,243	$20,040
Remuneration to directors and supervisors	13,500	11,561

A resolution was approved at a Board of Directors' meeting held on 21 March 2023 to distribute NTD30,243 thousand and NTD13,500 thousand in cash as the employee's compensation and remuneration to directors and supervisors, respectively. There was no material differences between the estimated amount and the actual distribution of the employee's compensation and remuneration to directors and supervisors for the year ended December 31, 2022.

There was no material differences between the estimated amount and the actual distribution of the employee compensation and remuneration to directors and supervisors to the year ended December 31, 2021.

(17) Non-operating income and expenses

A. Interest income

	For the years ended December 31,	
	2022	2021
Financial assets measured at amortized cost	$2,186	$21
Cash and cash equivalent	280	30
Total assets measured at amortized cost	$2,466	$51

B. Other income

	For the years ended December 31,	
	2022	2021
Management income	$35,804	$33,494
Rental income	1,055	941
Others	6,404	9,594
Total	$43,263	$44,029

C. Other gains and losses

	For the years ended December 31,	
	2022	2021
(Losses) gains on disposal of property, plant and equipment, net	$(150)	$1,503
Foreign exchange gains (losses), net	65,469	(10,186)
Miscellaneous expenditure	(1,672)	(1,808)
Total	$63,647	$(10,491)

D. Finance costs

	For the years ended December 31,	
	2022	2021
Interest on loans from bank	$20,439	$13,859
Interest on lease liabilities	136	83
Interest on loans from related parties	9	-
Total	$20,584	$13,942

(18) Components of other comprehensive income (loss)

A. For the year ended December 31, 2022

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax Benefit (expense)	Other comprehensive income, net of tax
Items that may not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit plans	$4,042	$-	$4,042	$(808)	$3,234
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(1,383)	-	(1,383)	-	(1,383)
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	341,277	-	341,277	(67,147)	274,130
Gains (losses) on hedging instruments	(854)	-	(854)	-	(854)
Total other comprehensive income (loss)	$343,082	$-	$343,082	$(67,955)	$275,127

B. For the year ended December 31, 2021

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income, before tax	Income tax benefit (expense)	Other comprehensive income, net of tax
Items that may not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit plans	$(1,620)	$-	$(1,620)	$324	$(1,296)
Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	365	-	365	-	365
Items that may be reclassified subsequently to profit or loss:					
Exchange differences on translation of foreign operations	(123,507)	-	(123,507)	24,701	(98,806)
Gains (losses) on hedging instruments	186	-	186	-	186
Total other comprehensive income (loss)	$(124,576)	$-	$(124,576)	$25,025	$(99,551)

(19) Income tax

A. The major components of income tax expense were as follows:

(a) Income tax expense recognized in profit or loss

	For the years ended December 31,	
	2022	2021
Current income tax expense (benefit):		
Current income tax charge	$77,440	$56,272
Adjustments in respect of current income tax of prior periods	-	886
Deferred income tax expense (benefit):		
Deferred income tax expense (benefit) relating to origination and reversal of temporary differences	11,483	28,101
Total income tax expense	$88,923	$85,259

(b) Income tax relating to components of other comprehensive income

	For the years ended December 31,	
	2022	2021
Deferred income tax expense (benefit):		
Remeasurements of defined benefit plans	$808	$(324)
Exchange differences on translation of foreign operations	67,147	(24,701)
Income tax relating to components of other comprehensive income	$67,955	$(25,025)

(c) A reconciliation between tax expense and accounting profit multiplied by applicable tax rates were as follows:

	For the years ended December 31,	
	2022	2021
Accounting profit before tax from continuing operations	$767,532	$421,849
Tax calculated based on statutory tax rate	$153,506	$84,370
Tax effect of revenues exempt from taxation	(62,013)	-
Tax effect of expenses not deductible for tax purposes	-	4
Tax effect of deferred tax assets/liabilities	(2,570)	-
Adjustments in respect of current income tax of prior periods	-	885
Total income tax expense recognized in profit or loss	$88,923	$85,259

(d) Amounts and components of deferred tax assets (liabilities) were as follows:

(i) For the year ended December 31, 2022

	Beginning balance as of January 1, 2022	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance as of December 31, 2022
Temporary differences				
Exchange differences on translation of foreign operations	$56,012	$-	$(67,147)	$(11,135)
Investments accounted for using the equity method	16,976	(10,631)	-	6,345
Gain (losses) on financial assets at fair value through profit or loss	31	-	-	31
Unrealized foreign exchange gains or losses	320	498	-	818
Allowance for doubtful accounts	(315)	592	-	277
Allowance to reduce inventory to market value	2,115	(450)	-	1,665
Defined benefit liability non-current	15,002	(1,410)	(808)	12,784
Unrealized sales revenue	128	(82)	-	46
Deferred tax (expense) benefit		$(11,483)	$(67,955)	
Net deferred tax assets (liabilities)	$90,269			$10,831
Reflected in balance sheet as follows:				
Deferred tax assets	$90,584			$22,977
Deferred tax liabilities	$(315)			$(12,146)

(ii) For the year ended December 31, 2021

	Beginning balance as of January 1, 2021	Recognized in profit or loss	Recognized in other comprehensive income	Ending balance as of December 31, 2021
Temporary differences				
Exchange differences on translation of foreign operations	$31,311	$-	$24,701	$56,012
Investments accounted for using the equity method	38,435	(21,459)	-	16,976
Gain (losses) on financial assets at fair value through profit or loss	32	-	-	32
Unrealized foreign exchange gains or losses	411	(91)	-	320
Allowance for doubtful accounts	1,193	(1,508)	-	(315)
Allowance to reduce inventory to market value	3,261	(1,146)	-	2,115
Sales discounts and allowances	296	(296)	-	-
Defined benefit liability non-current	15,033	(356)	324	15,001
Unrealized sales revenue	3,373	(3,245)	-	128
Deferred tax (expense) benefit		$(28,101)	$25,025	
Net deferred tax assets (liabilities)	$93,345			$90,269
Reflected in balance sheet as follows:				
Deferred tax assets	$93,345			$90,584
Deferred tax liabilities	$-			$(315)

B. As of December 31, 2022, the Company's income tax returns for all the fiscal years up to 2020 have been assessed and approved by the tax authority.

(20) Earnings per share

Basic earnings per share amount are calculated by dividing net 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 profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on the convertible bonds) 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.

	For the years ended December 31,	
	2022	2021
A. Basic earnings per share		
Net income attributable to ordinary equity holders of the parent (in thousand of NTD)	$678,609	$336,590
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	127,589	127,589
Basic earnings per share (NTD)	$5.32	$2.64
B. Diluted earnings per share		
Net income attributable to ordinary equity holders of the parent (in thousand of NTD)	$678,609	$336,590
Net income attributable to ordinary equity holders of the parent after dilution (in thousand NTD)	$678,609	$336,590
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	127,589	127,589
Effect of dilution:		
Employees compensation - stock (in thousands)	1,027	694
Weighted average number of ordinary shares outstanding after dilution (in thousands)	128,616	128,283
Diluted earnings per share (NTD)	$5.28	$2.62

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

7. Related party transactions

Related parties and relationship

Related Party	Relationship
GPI USA,INC.	Subsidiary
Katun Corporation	Subsidiary
Katun EDC (B.V.)	Subsidiary
PNA Holding Mexico SA DE CV	Subsidiary
KATUN ASIA	Subsidiary
Katun Corporation Taiwan Branch (USA)	Subsidiary
JIOU FU CO., LTD.	Subsidiary
WEKARE CO., LTD.	Subsidiary
CK ROYAL CONSTRUCTION CO., LTD.	The Chairman of the related party is the Chairman of the Company
Wang, Jui-Hung and 11 others	Board of Directors or vice presidents and above

(1) Sales

	For the years ended December 31,	
	2022	2021
Katun EDC (B.V.)	$329,921	$414,683
Katun Corporation	361,588	312,874
Other	24,205	38,901
Total	$715,714	$766,458

The price at which the Company sold to related parties was negotiated based on the market price by both parties; the payment term was 70 to 180 days (70 days was the majority). The outstanding amount was not secured and cash-payment only, and no interest was accrued as of December 31, 2022. The accounts receivables from related parties were not pledged.

(2) Purchases

	For the years ended December 31,	
	2022	2021
Katun Corporation	$14,181	$10,270
Others	43	-
Total	$14,224	$10,270

The purchase price from the above related parties was determined through mutual agreement based on the market rates. The payment terms from the related party suppliers were comparable with third party suppliers and were 60 days.

(3) Accounts receivable - related parties

	As of December 31,	
	2022	2021
Katun EDC (B.V.)	$107,512	$117,035
Katun Corporation	115,947	101,689
PNA Holding Mexico SA DE CV	6,412	8,221
Others	1,020	1,570
Total	$230,891	$228,515

(4) Accounts payable - related parties

	As of December 31,	
	2022	2021
Katun Corporation	$1,922	$4,521

(5) Other income

	For the years ended December 31,	
	2022	2021
Katun Corporation	$36,025	$33,583
Other	94	1,608
Total	$36,119	$35,191

(6) Short-term loans

	As of December 31,	
	2022	2021
JIOU FU CO., LTD.	$55,000	$-

(7) Key management compensation

	For the years ended December 31,	
	2022	2021
Short-term employee benefits	$48,697	$43,386
Defined benefit obligation	647	642
Total	$49,344	$44,028

For more information about key management compensation mentioned above, please refer to Annual Report.

8. Assets pledged as collateral

The following table lists assets of the Company pledged as collateral for customs cleanrance of imported goods and bank loans:

	Carrying amount	
	As of December 31,	
Category	2022	2021
Financial assets measured at amortized cost	$26,335	$1,815
Property, plant and equipment - land and buildings	344,324	349,355
Total	$370,659	$351,470

9. Significant Contingent Liabilities and Unrecognized Commitments

(1)The Company has available amounts of NTD38,106 thousand and NTD28,713 thousand under unused letters of credit as of December 31, 2022 and 2021, respectively.

(2) The important contractual commitment

As of December 31, 2022, the details of the contracts the Company has signed but not yet completed, recognized as construction in progress, are as follows:

Contracting parties	Contract target	Total contract amount	Contract amount unpaid as of December 31, 2022
Company A	Plants and buildings	$105,039	$9,457
Company B	Plants and buildings	74,275	7,773
Company C	Plants and buildings	59,800	27,100
Company D	Plants and buildings	46,500	41,370
Company E	Plants and buildings	15,000	7,809
Company F	Plants and buildings	11,144	7,801

10. Significant losses from disasters

None.

11. Significant subsequent events

None.

12. Financial instruments

(1) Categories of financial instruments

Financial assets	As of December 31,	
	2022	2021
Financial assets measured at amortized cost:		
Financial assets measured at amortized cost, current	$26,335	$1,815
Cash and cash equivalents (excluding cash on hand)	131,439	170,480
Notes receivable and accounts receivable	308,358	339,554
Other receivables	5,500	9,264
Total	$471,632	$521,113

Financial liabilities	As of December 31,	
	2022	2021
Financial liabilities at amortized cost:		
Short-term loans	$1,510,000	$1,090,000
Short-term notes and bills payable	129,794	319,714
Notes and accounts payable	63,057	103,590
Lease liabilities	1,847	10,831
Other payables	155,282	153,911
Long-term loans (including current portion)	95,000	411,250
Total	$1,954,980	$2,089,296

(2) Financial risk management objectives and policies

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

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

(3) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market risks comprise foreign currency risk, interest rate risk and other price risk (such as equity instrument).

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

Foreign currency risk

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

The Company's main revenues and expenses are foreign currency transactions and are exposed to the risk of foreign currency exchange rate fluctuations. To hedge exchange rate risks resulting in reduced value and future cash flow fluctuations, the Company uses financial instruments such as forward exchange contracts to hedge the foreign currency risk that may arise from some expected and highly probable risks. The above hedging operation only reduces part of the financial impact caused by exchange rate changes.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as of the end of the reporting period.

The Company's foreign currency risk is mainly related to the volatility in the exchange rates for USD. Sensitivity analysis as follows:

When NTD strengthens/weakens against foreign currency USD by 1%, the profit for the years ended December 31, 2022 and 2021 decreases/increases by NTD3,301 thousand and NTD3,314 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's bank borrowings with fixed interest rates and variable interest rates.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as of 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 NTD1,776 thousand and NTD1,501 thousand , respectively.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for accounts receivable and notes receivable) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria etc. Certain counter parties' 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, the accounts receivables of top ten customers accounted for 89% and 87% of the total accounts receivable of the Company, respectively. The credit concentration risk of other accounts receivable is insignificant.

Credit risk of bank deposits and other financial instruments is managed by the Company's treasury department in accordance with the Company's policy. The Company only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

(5) Liquidity risk management

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments and bank borrowings. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of December 31, 2022					
Short-term loans	$1,510,000	$-	$-	$-	$1,510,000
Short-term notes and bills payable	129,794	-	-	-	129,794
Accounts payable	63,057	-	-	-	63,057
Other payables	155,282	-	-	-	155,282
Lease liabilities	1,976	3,148	2,753	2,164	10,041
Long-term loans	98,931	171,927	-	-	270,858
As of December 31, 2021					
Short-term loans	$1,090,000	$-	$-	$-	$1,090,000
Short-term notes and bills payable	319,714	-	-	-	319,714
Accounts payable	103,590	-	-	-	103,590
Other payables	153,911	-	-	-	153,911
Lease liabilities	2,134	3,284	2,660	3,274	11,352
Long-term loans	138,985	279,346	-	-	418,331

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for year ended December 31, 2022:

	Short-term loans	Short-term notes and bills payable	Long-term loans (including current portion)	Leases liabilities	Total liabilities from financing activities
As of January 1, 2022	$1,090,000	$319,714	$411,250	$10,831	$1,831,795
Cash flows	420,000	(189,920)	(145,000)	(1,879)	83,201
Non-cash changes	-	-	-	678	678
As of December 31, 2022	$1,510,000	$129,794	$266,250	$9,630	$1,915,674

Reconciliation of liabilities for year ended December 31, 2021:

	Short-term loans	Short-term notes and bills payable	Long-term loans (including current portion)	Leases liabilities	Total liabilities from financing activities
As of January 1, 2021	$940,000	$319,797	$425,980	$3,285	$1,689,062
Cash flows	150,000	(83)	(14,730)	(1,585)	132,836
Non-cash changes	-	-	-	9,131	9,897
As of December 31, 2021	$1,090,000	$319,714	$411,250	$10,831	$1,831,795

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

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 following methods and assumptions were used by the Company to measure or disclose the fair values of financial assets and financial liabilities:

(a) The carrying amount of cash and cash equivalents, account receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.

(b) Fair value of equity instruments without market quotations (including 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).

(c) Fair value of debt instruments without market quotations, bank loans 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 Taipei Exchange, 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 amounts of the Company's financial assets and financial liabilities are measured at amortized cost approximate their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12(8) for fair value measurement hierarchy for financial instruments of the Company.

(8) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Company's assets and liabilities

The Company does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis were as follows:

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 properties (please refer to Note 6(6))	$-	$-	$15,777	$15,777

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 properties (please refer to Note 6(6))	$-	$-	$15,777	$15,777

(9) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies were listed below:

	As of December 31, 2022		
	Foreign currencies (thousands)	Exchange rate	NTD (thousands)
Financial assets			
Monetary items:			
USD	$11,196	30.66	$343,269
Financial liabilities			
Monetary items:			
USD	$430	30.66	$13,184

	As of December 31, 2021		
	Foreign currencies (thousands)	Exchange rate	NTD (thousands)
Financial assets			
Monetary items:			
USD	$12,864	27.63	$355,432
Financial liabilities			
Monetary items:			
USD	$870	27.63	$24,038

Since the functional currencies of entities of the Company vary, the Company is not able to disclose the information of exchange gains and losses of monetary financial assets and liabilities by each significant assets and liabilities denominated in foreign currencies. The Company recognized NTD65,469 thousand and NTD(10,186) thousand for foreign exchange gain (loss) for the years ended December 31, 2022 and 2021, respectively.

(10) Capital management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

(11) Covid-19 influence

The outbreak of Covid-19 pandemic had led to lockdowns, travel restrictions, temporary close-down and other measures in the areas of the Company and the clients to slow down further spread of the virus. The sales of the Company were mainly in the Europe and the U.S. Currently, most lockdowns had been lifted for most regions, and the business had been recovered. It is expected that the pandemic's impact on the business and financial performance will be softened; consequently, it's expected the operation of the Company will gradually return to normal level.

13. Additional disclosures

(1) Information of significant transactions

A. Loans to others: The following transactions were written off when the parent company only financial statements were prepared.

No	Lender	Borrower	Financial statement account	Related parties	Maximum balance for the period	Ending balance (By resolution of the Board of Directors)	Amount actually drawn	Interest rate (%)	Nature of financing	Transaction amount	Reasons for short-term financing	Allowance for doubtful account	Collateral		Financing limits for a single borrowing company (Note)	Limits on total loans granted (Note)
													Item	value		
1	JIOU FU CO., LTD.	GENERAL PLASTIC INDUSTRIAL CO., LTD.	Other receivables	Yes	$200,000	$200,000	$55,000	2.05%	The need for short-term financing	$-	Operating Purposes	$-	No	$-	$247,718	$247,718
2	GPI CO. (Samoa) Ltd.	GENERAL PLASTIC INDUSTRIAL CO., LTD.	Other receivables	Yes	$306,600 (USD 10,000,000)	$306,600 (USD 10,000,000)	$-	2.05%	The need for short-term financing	$-	Operating Purposes	$-	No	$-	$355,402	$355,402

Note: 1.The Company's total lending amounts shall be limited to 80% of the Company's net value.

2.If the Company provides financing to a corporation or entity it already had a business transaction with, the total lending amount shall be limited to 40% of the Company's net value; and the individual lending amount shall not exceed the total transaction amount between the two parties in the latest year. The transaction amount referred to above shall mean the higher of purchase or sales amount between the two parties.

3.The total lending amounts shall not exceed 40% of the Company's net value when providing financing to companies that require short-term loans.

JIOU FU CO., LTD.: NTD619,295 thousand*40= NTD247,718 thousand

GPI CO. (Samoa) Ltd.: USD28,979,310*30.66*40%= NTD355,402 thousand

B. Endorsement/Guarantee provided to others for the year ended December 31, 2022:

No	Endorser/ Guarantor	Party being endorsed/guaranteed		Limit on endorsements/ guarantees amount to a single party	Maximum balance for the period	Ending balance	Actual amount provided	Amount of endorsement/ guarantee collateralized by properties	Ratio of accumulated amount of guarantee provided to net equity of the latest financial statements	Limit on total endorsements/ guarantees amount provided (Note 1)	Parent company to subsidiary
		Company name	Relationship								
0	GENERAL PLASTIC INDUSTRIAL CO., LTD.	GPI CO. (Samoa) Ltd.	2	$3,973,443	$306,600 (USD 10,000,000)	$-	$-	$-	7.72%	$3,973,443	Yes
1	Katun Holdings, LP.	Katun Corporation	2	$1,496,668	$232,250 (USD7,575,000)	$232,250 (USD7,575,000)	$-	$-	5.85%	$1,496,668	Yes

Note: 1. a. The Company's total endorsement/guarantee amounts shall not exceed 100% of the Company's net value. The guarantee limit for endorsement of a single enterprise shall not exceed 100% of the Company's net worth. In addition to the above limit regulations, the amount of endorsement guarantee shall not exceed the total amount of transactions with the Company in the most recent year.

b. The calculation of individual and total limits is as follows:

The Company: NTD3,973,443 *100%= NTD3,973,443 thousand

Katun Holdings, LP.: USD48,814,992*100%*30.66= NTD1,496,668 thousand

2. The total endorsement/guarantee amounts shall not exceed 100% of lending company’s net value. The Company endorsement/guarantee to a single enterprise shall not exceed 100% of the Company’s net value. The Company policy requires that if the total amount of the endorsement/guarantee reaches more than 50% of the Company's net value, it shall be reported to the shareholders' meeting to explain its necessity and rationality.
3. The net value of the Company referred to above are based on the latest audited or reviewed financial statements.

C. Securities held at the end of the period:

Held company	Securities type and name	Relationship with the securities issuer	Financial statement account	End of period				Note
				Shares/Units	Book value	Ownership (%)	Market price/ Fair value	
GPI CO. (Samoa) Ltd.	Stock KHMER CAPITAL MICROFINANCE INSTITUTION PLC.	Related party	Financial assets measured at fair value through other comprehensive income, non-current	3,800,000	$99,016	19%	$99,016	

D. Individual securities acquired or disposed of at costs or prices with accumulated amount at least of NTD300 million or 20% of the paid-in capital for the year ended December 31, 2022: None.

E. Acquisition of individual real estate at costs reaching NTD300 million or 20% of the paid-in capital for the year ended December 31, 2022: None.

F. Disposal of individual real estate at prices reaching NTD300 million or 20% of the paid-in capital for the year ended December 31, 2022:

Disposing company	Properties	Disposal date (Note1)	Acquired date	Carrying amount (Note2)	Transaction amount (Note3)	Collected or not	Gains on disposal (Note4)	Counter party	Relationship with the counter party	Purpose of disposal	Value measuring methodology	Others
GPI CO. (Samoa) Ltd.	Land	2022.06.09	2017.08.15 2018.04.05	$75,109 (USD2,447 thousand)	$407,366 (USD13,670 thousand)	Received in full	$269,362 (USD9,039 thousand)	Natural person	None	Utilization of the assets	Appraisal report	None

Note: 1. GPI CO. (Samoa) Ltd., a subsidiary of the Company signed the contract on June 9, 2022, and completed the transaction on September 12, 2022.
2. The carrying amount was calculated using the exchange rate of 30.66 on the balance sheet date.
3. The transaction amount and gains on disposal were calculated at the average exchange rate of 29.7989 for 2022.
4. The amount of gains on disposal of investment property has deducted related disposal fees.

G. Related party transactions for purchases and sales amounts reaching NTD100 million or 20% of the paid-in capital for the year ended December 31, 2022:

Company name	Counter-party	Relationship (Note1)	Transactions				Details of non-arm's length transaction		Notes and accounts receivable (payable)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Term	Unit price	Term	Balance	Percentage of total receivables (payable)	
GENERAL PLASTIC INDUSTRIAL CO., LTD.	Katun EDC (B.V.)	1	Sales	$329,921 (USD11,071,585)	5.78%	Regular	Regular	Regular	$107,512 (USD3,506,597)	14.29%	
GENERAL PLASTIC INDUSTRIAL CO., LTD.	Katun Corporation	1	Sales	$361,588 (USD12,134,271)	6.34%	Regular	Regular	Regular	$115,947 (USD3,781,706)	15.41%	
Katun Corporation	PNA Holding Mexico SA DE CV	2	Sales	$229,087 (USD7,687,762)	4.02%	Regular	Regular	Regular	$45,749 (USD1,492,149)	6.08%	
Katun Corporation	Katun Brasil Comercio De Suprimentos Peças E Equipamentos LTDA	2	Sales	$144,229 (USD4,840,063)	2.53%	Regular	Regular	Regular	$58,375 (USD1,903,962)	7.76%	
Katun Corporation	Katun EDC (B.V.)	2	Sales	$461,480 (USD15,486,462)	8.09%	Regular	Regular	Regular	$457,637 (USD14,926,202)	60.82%	
Katun EDC (B.V.)	Katun Benelux B.V.	2	Sales	$409,746 (USD13,750,384)	7.18%	Regular	Regular	Regular	$(16,746) (USD546,188)	(3.40)%	
Katun EDC (B.V.)	Katun Germany GMBH	2	Sales	$229,384 (USD7,697,746)	4.02%	Regular	Regular	Regular	$5,947 (USD193,959)	0.79%	
Katun EDC (B.V.)	Katun U.K. LTD.	2	Sales	$294,755 (USD9,891,459)	5,17%	Regular	Regular	Regular	$(20,211) (USD659,213)	(4.10)%	

Company name	Counter-party	Relationship (Note1)	Transactions				Details of non-arm's length transaction		Notes and accounts receivable (payable)		Note
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Term	Unit price	Term	Balance	Percentage of total receivables (payable)	
Katun EDC (B.V.)	Katun France SARL	2	Sales	$392,166 (USD13,160,413)	6.88%	Regular	Regular	Regular	$7,392 (USD241,091)	0.98%	
Katun EDC (B.V.)	Katun Spain, SA	2	Sales	$216,945 (USD7,280,287)	3.80%	Regular	Regular	Regular	$11,505 (USD375,258)	1.53%	
Katun EDC (B.V.)	Katun Italy S.R.L.	2	Sales	$399,995 (USD13,423,147)	7.01%	Regular	Regular	Regular	$75,937 (USD2,476,747)	10.09%	

Note 1: The transaction relationships with the counterparties are as follows:
(1) Parent company to subsidiary.
(2) Subsidiary to another subsidiary.

H. Receivables from related parties reaching NTD100 million or 20% of paid-in capital for the year ended December 31, 2022:

Company name	Related party	Relationship (Note1)	Ending balance	Turnover rate (times)	Overdue receivables		Amount received in subsequent period	Allowance for bad debts	Note
					Amount	Measure			
GENERAL PLASTIC INDUSTRIAL CO., LTD.	Katun EDC (B.V.)	1	$107,512 (USD3,506,597)	2.94	-	-	-	$-	
GENERAL PLASTIC INDUSTRIAL CO., LTD.	Katun Corporation	1	$115,947 (USD3,781,706)	3.32	-	-	-	$-	
Katun Corporation	Katun EDC (B.V.)	2	$457,637 (Accounts receivable USD14,626,066 Other receivables USD300,136)	1.8 (Note2)	-	-	$265,238 (Accounts receivable USD8,650,957 Other receivables USD300,136)	$-	
Katun EDC (B.V.)	Coöperatieve Katun DutchHoldco U.A.	2	$130,115 (Other receivables USD4,243,808)	(Note2)	-	-	-	$-	

Note: 1. The transaction relationships with the counterparties are as follows:
(1) Parent company to subsidiary.
(2) Subsidiary to another subsidiary.
2. The calculation of turnover rate does not include other receivables - related parties.

I. Transactions of financial instruments and derivatives:

Please refer to Note 12 (8) for more details.

J. Significant intercompany transactions between parent company and subsidiaries:

No (Note1)	Company name	Counter party	Nature of relationship (Note2)	Intercompany transactions			
				Financial statements item	Amount	Terms	Percentage of consolidated total gross sales or total assets (%) (Note3)
0	General Plastic Industrial Co., Ltd.	Katun EDC (B.V.)	1	Sales	$329,921 (USD11,071,585)	T/T60 days	5.78%
0	General Plastic Industrial Co., Ltd.	Katun EDC (B.V.)	1	Accounts receivable	$107,512 (USD3,506,597)	T/T60 days	1.37%
0	General Plastic Industrial Co., Ltd.	Katun Corporation	1	Sales	$361,588 (USD12,134,271)	T/T60 days	6.34%
0	General Plastic Industrial Co., Ltd.	Katun Corporation	1	Accounts receivable	$115,947 (USD3,781,706)	T/T60 days	1.48%
1	Katun Corporation	PNA Holding Mexico SA DE CV	2	Sales	$229,087 (USD7,687,762)	T/T60 days	4.02%
1	Katun Corporation	PNA Holding Mexico SA DE CV	2	Accounts receivable	$45,749 (USD1,492,149)	T/T60 days	0.58%
1	Katun Corporation	Katun Brasil Comercio De Suprimentos Peças E Equipamentos LTDA	2	Sales	$144,229 (USD4,840,063)	T/T150 days	2.53%
1	Katun Corporation	Katun Brasil Comercio De Suprimentos Peças E Equipamentos LTDA	2	Accounts receivable	$58,375 (USD1,903,962)	T/T150 days	0.75%
1	Katun Corporation	Katun EDC (B.V.)	2	Sales	$461,480 (USD15,486,462)	T/T60 days	8.09%
1	Katun Corporation	Katun EDC (B.V.)	2	Accounts receivable	$457,637 (USD14,926,202)	T/T60 days	5.85%
1	Katun Corporation	Katun EDC (B.V.)	2	Other income	$123,552 (USD4,146,207)	Note 4	2.17%
2	Katun EDC (B.V.)	Coöperatieve Katun DutchHoldco U.A.	2	Accounts receivable	$130,115 (USD4,243,808)	T/T60 days	1.66%
2	Katun EDC (B.V.)	Katun Benelux B.V.	2	Sales	$409,746 (USD13,750,384)	T/T60 days	7.18%
2	Katun EDC (B.V.)	Katun Benelux B.V.	2	Accounts receivable	$(16,746) (USD546,188)	T/T60 days	(0.21)%
2	Katun EDC (B.V.)	Katun Germany GMBH	2	Sales	$229,384 (USD7,697,746)	T/T60 days	4.02%
2	Katun EDC (B.V.)	Katun Germany GMBH	2	Accounts receivable	$5,947 (USD193,959)	T/T60 days	0.08%
2	Katun EDC (B.V.)	Katun U.K. LTD.	2	Sales	$294,755 (USD9,891,459)	T/T60 days	5.17%
2	Katun EDC (B.V.)	Katun U.K. LTD.	2	Accounts receivable	$(20,211) (USD659,213)	T/T60 days	(0.26)%
2	Katun EDC (B.V.)	Katun France SARL	2	Sales	$392,166 (USD13,160,413)	T/T60 days	6.88%
2	Katun EDC (B.V.)	Katun France SARL	2	Accounts receivable	$7,392 (USD241,091)	T/T60 days	0.09%
2	Katun EDC (B.V.)	Katun Spain, SA	2	Sales	$216,945 (USD7,280,287)	T/T60 days	3.80%
2	Katun EDC (B.V.)	Katun Spain, SA	2	Accounts receivable	$11,505 (USD375,258)	T/T60 days	0.15%
2	Katun EDC (B.V.)	Katun Italy S.R.L.	2	Sales	$399,995 (USD13,423,147)	T/T60 days	7.01%
2	Katun EDC (B.V.)	Katun Italy S.R.L.	2	Accounts receivable	$75,937 (USD2,476,747)	T/T60 days	0.97%

Note 1: The information of transactions between the Company and the consolidated subsidiaries should be noted in “Number” column.
(1) Number 0 represents parent company.
(2) The consolidated subsidiaries are numbered in order from number 1.

Note 2: The transaction relationships with the counterparties are as follows:
(1) Parent company to subsidiary.
(2) Subsidiary to subsidiary.

Note 3: Ratio of transaction amount to the consolidated income or assets is calculated as follows: for balance sheet accounts, the ratio is accounted as the ending balance to consolidated total assets; for income statement accounts, the ratio is based on interim accumulated amount to consolidated total revenue.

Note 4: Other income was the income that the company generated from providing management service.

(2) Information of investees

Names, locations, main businesses and products, original investment amount, ownership, net income (loss) of investee company and investment income (loss) recognized as of December 31, 2022 (excluding investees in Mainland China):

Investor	Investee	Location	Main businesses and products	Original investment amount		Shares held at the end of period			Investee income (loss)	Investment income (loss) recognized by the Company	Note
				Ending balance	Prior ending balance	Number of shares	Ownership (%)	Book value			
GENERAL PLASTIC INDUSTRIAL CO., LTD	JIOU FU CO., LTD.	No. 388, Dazhi Road, Wu-chi Dist., Taichung City, Taiwan	Real Estate Trading, Land Development Business and Tourist Hotel	$700,000	$700,000	70,000,000 shares	100%	$619,294	$64,566	$64,566	
GENERAL PLASTIC INDUSTRIAL CO., LTD	GPI USA, INC.	1105 Asoott Valley Dr Duluth, GA 30097	General import and export trade business	$15,681	$15,681	60,000 shares	100%	$12,701	$(775)	$(1,105)	Note 2
GENERAL PLASTIC INDUSTRIAL CO., LTD	GPI CO.(SAMOA) Ltd.	Offshore chambers, P.O. Box 217, Apia, Samoa	Investment and holding	$595,932	$595,932	20,000,000 shares	100%	$888,506	$272,324	$272,324	
GENERAL PLASTIC INDUSTRIAL CO., LTD	GPIKT (BVI) CO., LTD	Sertus Chambers,3rd Floor, Quastisky Building,Road Town,Tortola, British Virgin Island	Investment and holding	$30	$30	1,000 shares	100%	$31	$-	$-	

Investor	Investee	Location	Main businesses and products	Original investment amount		Shares held at the end of period			Investee income (loss)	Investment income (loss) recognized by the Company	Note
				Ending balance	Prior ending balance	Number of shares	Ownership (%)	Book value			
GENERAL PLASTIC INDUSTRIAL CO., LTD	GPIKT DE, INC.	3500 South Dupont Highway, Dover, Delaware 19901,USA	Investment and holding	$2,858,666	$2,858,666	971 share	100%	$2,815,991	$69,055	$69,0552	Note 1 Note 3
GENERAL PLASTIC INDUSTRIAL CO., LTD	TJ Office Solution Co.,Ltd.	No.363, Street 590, Sangkat Boeung Kak Ti Pi, Khan Toul Kork, Phnom Penh, Cambodia.	Photocopiers rental	$9,648	$9,648	1,000 shares	100%	$4,454	$(2,278)	$(2,278)	
GENERAL PLASTIC INDUSTRIAL CO., LTD	WeKare Co., Ltd.	No. 502, Sec. 1, Yongxing Rd., Wuqi Dist., Taichung City, Taiwan	Retail sale and wholesale of drugs, medical goods	$20,000	$20,000	2,000,000 shares	100%	$1,997	$(10,265)	$(10,431)	Note 2 Note 4
GPIKT DE, INC.	KATUN HOLDING, LP.	1209 Orange Street, Wilmington, DE 19801, New Castle County	Investment and holding	$2,831,108	$2,831,108	211,621 shares	100%	$2,886,976	$186,385	Consolidated with subsidiary	

Note 1. The investment income (loss) recognized by the Company for the period includes the investment income (loss) of the Company's direct subsidiary.
2. The investment income (loss) of the investees recognized by the Company for the period includes the investment income (loss) arising from these downstream and upstream transactions.
3. If a public company holds a foreign holding company and regards the consolidated financial statements as the main financial statements pursuant to local laws and regulations, it could only disclose the related information of the foreign holding company.

(3) Information on investments in Mainland China:

The Group invested in Mainland China through Katun Asia Pte Ltd.(Singapore)

Investee company	Main businesses and products	Total amount of paid-in capital	Method of investment (Note1)	Beginning accumulated outflow of investment from Taiwan	Investment flows for the period		Ending accumulated outflow of investment from Taiwan	Net income (loss) of investee company	Percentage of ownership	Investment income (loss) recognized (Note 2)	Carrying value as at end of the period	Accumulated inward remittance of earnings as at end of the period
					Outflow	Inflow						
Katun (Shanghai) Co., Ltd.	Distributors of cartridges and consumables for printers, photocopiers, fax machines and mul-ti-function machine	$9,682 (USD315,800)	(2)	$-	$-	$-	$-	$(3,689) (USD123,799)	100%	$(3,689) (USD123,799)	$3,416 (USD111,405)	None

Accumulated Investment in Mainland China as of December 31, 2022	Investment amounts authorized by investment commission, MOEA (Note 4)	Upper limit on investment
		The lender’s net accounts value×60%
$-	$9,682 (USD315,800)	$2,381,840

Note1: Three types of investment methods:

(1) Direct investments.

(2) Indirect investments through a third-region company (please specify the investment company in the third region).

(3) Others.

Note2: The financial statements were certificated by the public accountants of the parent company in Taiwan.

Note3: The figures in this table are presented in New Taiwan Dollars and the foreign currency is converted at the exchange rate on the balance sheet date.

(4) Information on major shareholders

As of December 31, 2022

Shareholding / Name	Shares	Percentage of ownership (%)
KuanFu Co.,Ltd.	27,136,380	21.26%
Hong Xi Li Co.,Ltd.	14,787,720	11,59%