Stock Code: 1735

Evermore Chemical Industry Co., Ltd.

Individual Financial Statements and Independent Auditor's Report

2021 and 2020

Address: No. 7, Gongye S. 2nd Rd., Nantou City, Nantou County 540, Taiwan (R.O.C.)

Tel.: (049)2255357

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders Evermore Chemical Industry Co., Ltd.

Audit Opinion

We have audited the accompanying individual balance sheets of Evermore Chemical Industry Co., Ltd. ("the Company") as at December 31, 2021 and 2020, and the related individual statements of comprehensive income, of changes in equity and of cash flow for the years then ended, and notes to the individual financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and reports of other independent accountants, the accompanying individual financial statements present fairly, in all material respects, the individual financial position of the Company as at December 31, 2021 and 2020, and its individual financial performance and its individual cash flow for the years then ended in accordance with 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 auditing standards generally accepted in the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's individual financial statements of the year 2021. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2021 individual financial statements are stated as follows:

Authenticity of revenue recognition for specific customers

The main source of the Company's revenue is the sales of resins, and the sales locations are mainly located in markets such as Asia. Operating revenue in 2021 increased compared to the previous year. The amount of transactions with specific customers were critical to the overall operating revenue. Meanwhile, subject to the epidemic and changes in the economic environment, there was a significant risk to the authenticity of their revenue and, therefore, the authenticity of revenue recognition for specific customers was listed as a key audit matter. For accounting policies related to revenue recognition, please refer to Note IV of the parent company only financial statements.

The main audit procedures that we have implemented in response to the above key audit matters are as follows:

1. Understand and evaluate internal control design related to inspection and risk in the sales and collection cycle, and execute tests of its effectiveness.
2. Select samples from the sales details of specific customers, review relevant documents such as shipment orders and export declarations, and check whether collection counterparties are consistent with sales counterparties.

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 financial statements in accordance with 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 the Company's financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company'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 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 Company’s financial reporting process.

Auditors’ Responsibilities for the Audit of the Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management’s use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company’s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors’ report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors’ report. However, future events or conditions may cause the Company to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the 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 the governance unit, we have determined key audit matters of the Company's 2021 parent company only financial statements. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Deloitte Taiwan

Dai Hsin-Wei, CPA

Su Ting-Chien, CPA

Approval reference of the Securities and Futures Bureau
Tai-Tsai-Cheng (VI) No. 0930128050

Approval reference of the Financial Supervisory Commission
SFB Shenzi No. 1070323246

March 15, 2022

Evermore Chemical Industry Co., Ltd.

BALANCE SHEETS

December 31, 2021 and 2020

Unit: NTD thousand

Code	ASSETS	March 31, 2021 Amount	%	31-Dec-20 (Re-prepared and audited) Amount	%
	CURRENT ASSETS				
1100	Cash (Notes IV and VI)	$ 80,623	2	$ 49,458	2
1136	Financial assets measured at amortized cost - current (Notes IV, VII and XXIV)	70,765	2	68,158	3
1150	Notes receivable (Notes IV, VIII, and XXIII)	98,617	3	64,562	2
1170	Accounts receivable due from non-related parties (Notes IV and VIII)	278,906	8	164,420	6
1180	Accounts receivable due from related parties (Notes IV, IV, and XXIII)	100,820	3	101,744	4
1200	Other receivables (Note XXIII)	21,002	1	32,746	1
1220	Current tax assets (Notes IV and XVIII)	2,691	-	-	-
1300	Inventories (Notes IV and IX)	399,112	12	257,473	9
1479	Other current assets	18,789	1	6,448	-
11XX	Total current assets	1,071,325	32	745,009	27
	NON-CURRENT ASSETS				
1550	Investment accounted for using the equity method (Notes IV and X)	1,137,415	34	1,283,529	46
1600	Property, plant, and equipment (Notes IV, XI, and XXIV)	1,070,480	32	685,823	25
1760	Investment real estate (Notes IV and XII)	1,007	-	1,094	-
1801	Computer software (Note IV)	2,490	-	606	-
1840	Deferred tax assets (Notes IV and XVIII)	24,442	1	22,236	1
1915	Prepayments for equipment	46,541	1	29,658	1
1920	Refundable deposits	894	-	129	-
15XX	Total non-current assets	2,283,269	68	2,023,075	73
1XXX	TOTAL	$ 3,354,594	100	$ 2,768,084	100

Code	LIABILITIES AND EQUITY	March 31, 2021 Amount	%	31-Dec-20 (Re-prepared and audited) Amount	%
	CURRENT LIABILITIES				
2100	Short-term borrowings (Notes XIII and XXIV)	$ 903,123	27	$ 560,965	20
2110	Short-term bills payable (Note XIII)	129,926	4	129,855	5
2150	Notes payable	25,843	1	73,095	3
2170	Accounts payable (Note XXIII)	273,643	8	2021,497	4
2200	Other payables (Notes XIV and XXIII)	59,127	2	63,434	2
2230	Current tax liabilities (Notes IV and XVIII)	2,845	-	24,120	1
2322	Long-term borrowings due within one year (Notes XIII and XXIV)	56,500	1	64,000	2
2399	Other current liabilities- Other	11,639	-	5,785	-
21XX	Total current liabilities	1,462,646	43	1,031,751	37
	Noncurrent liabilities				
2541	Long-term borrowings (Notes XIII and XXIV)	430,617	13	207,117	7
2570	Deferred tax liabilities (Notes IV and XVIII)	29,113	1	44,636	2
25XX	Total non-current liabilities	459,730	14	251,753	9
2XXX	Total liabilities	1,922,376	57	1,283,504	46
	EQUITY				
3110	Share capital from common stock	993,880	30	993,880	36
3200	Capital surplus	98,017	3	98,017	3
	Retained earnings				
3310	Statutory reserves	222,026	7	214,625	8
3320	Special reserve	11,624	-	21,610	1
3350	Undistributed earnings	130,984	4	168,036	6
3400	Other equity	(24,313)	(1)	(11,588)	-
3XXX	Total equity	1,432,218	43	1,484,580	54
	TOTAL	$ 3,354,594	100	$ 2,768,084	100

The attached notes form part of this parent-company only financial report

Chairman: Ho Wen-Chieh Manager: Huang Chng-Tze Chief Accountant: Chen Hsiang-Li

Evermore Chemical Industry Co., Ltd.

STATEMENTS OF COMPREHENSIVE INCOME

January 1to December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		2021 Amount	2021 %	2020 (Re-prepared and audited) Amount	2020 (Re-prepared and audited) %
4000	NET SALES REVENUES (Notes IV and XVIII)	$ 1,660,798	100	$ 1,219,612	100
5000	Operating costs (Notes IX, XVII and XXIII)	1,460,364	88	1,001,883	82
5900	Gross profit	200,434	12	217,729	18
5910	UNREALIZED GROSS PROFIT ON SALES TO SUBSIDIARIES	(1,840)	-	(5,223)	-
5920	REALIZED GROSS PROFIT ON SALES TO SUBSIDIARIES	5,223	-	5,451	-
5950	REALIZED GROSS PROFIT	203,817	12	217,957	18
	Operating expenses (Note XVII)				
6100	Selling and marketing expenses	57,154	3	48,011	4
6200	Management expenses	61,955	4	60,496	5
6300	Research and development expenses	46,902	3	46,191	4
6450	Expected credit loss (Notes IV and VIII)	1,445	-	3,150	-
6000	Total operating expenses	167,456	10	157,848	13
6900	Operating profit	36,361	2	60,109	5
	Non-operating revenue and expenditure				
7010	Other income (Note XXIII)	10,464	1	18,214	1
7020	Other gains and losses (Note X)	(678)	-	(25,919)	(2)
7070	Share of profits and losses of subsidiaries and affiliates using the equity method (Note IV)	(22,996)	(1)	38,180	3

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Code		2021 Amount	2021 %	2020 (Re-prepared and audited) Amount	2020 (Re-prepared and audited) %
7100	Interest income (Note XXIII)	$ 364	-	$ 291	-
7510	Interest fees	(13,082)	(1)	(8,621)	(1)
7630	Net loss from foreign exchange	(6,664)	(1)	(14,889)	(1)
7000	Total non-operating income and expenses	(32,592)	(2)	7,256	-
7900	PROFIT BEFORE INCOME TAX	3,769	-	67,365	5
7950	Income tax gain (Notes IV and XVIII)	(6,288)	(1)	(6,645)	(1)
8200	Net income	10,057	1	74,010	6
	OTHER COMPREHENSIVE INCOME (LOSS) (Note IV)				
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translating the financial statements of foreign operations	(15,642)	(1)	11,013	1
8399	Income tax relating to items that may be reclassified subsequently to profit or loss (Note XIX)	2,917	-	(2,066)	-
8300	Other comprehensive income (loss) for the year, net income tax	(12,725)	(1)	8,947	1
8500	Total comprehensive income	($ 2,668)	-	$ 82,957	7
	Earnings per share (Note XIX)				
9710	Basic	$ 0.10		$ 0.74	
9810	Diluted	$ 0.10		$ 0.74	

The attached notes form part of this parent-company only financial report

Chairman: Ho Wen-Chieh Manager: Huang Chng-Tze Chief Accountant: Chen Hsiang-Li

Evermore Chemical Industry Co., Ltd.

STATEMENTS OF CHANGES IN EQUITY

January 1 to December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

Code		Ordinary Shares (Note XVI)	Capital Surplus (Note XVI)	Retained earnings (Note XVI) Statutory reserve	Special Reserve	Unappropriated Earnings	Exchange differences on translating the financial statements of foreign operations	Total Equity
A1	Balance on January 1, 2020	$ 993,880	$ 98,017	$ 202,841	$ 2,169	$ 189,853	($ 21,610)	$ 1,465,150
	Earnings allocation and distribution for 2019							
B1	Statutory reserves	-	-	11,784	-	(11,784)	-	-
B3	Special reserve	-	-	-	19,441	(19,441)	-	-
B5	Shareholder cash dividend - NTD 0.65 per share	-	-	-	-	(64,602)	-	(64,602)
D1	2020 net profit (re-prepared and audited)	-	-	-	-	74,010	-	74,010
D3	Other comprehensive income 2020 (re-prepared and audited)	-	-	-	-	-	8,947	8,947
D5	Total comprehensive income 2020 (re-prepared and audited)	-	-	-	-	74,010	8,947	82,957
M3	Proceeds from investments accounted for using equity method	-	-	-	-	-	1,075	1,075
Z1	Balance on December 31, 2020 (re-prepared and audited)	993,880	98,017	214,625	21,610	168,036	(11,588)	1,484,580
	Earnings allocation and distribution for 2020							
B1	Statutory reserves	-	-	7,401	-	(7,401)	-	-
B3	Special reserve	-	-	-	(9,986)	9,986	-	-
B5	Cash dividends distributed by the Company - NT$ 0.5 per share	-	-	-	-	(49,694)	-	(49,694)
D1	2021 net profit	-	-	-	-	10,057	-	10,057
D3	Other comprehensive income after tax for 2021	-	-	-	-	-	(12,725)	(12,725)
D5	Total comprehensive income for 2021	-	-	-	-	10,057	(12,725)	(2,668)
Z1	Balance on December 31, 2021	$ 993,880	$ 98,017	$ 222,026	$ 11,624	$ 130,984	($ 24,313)	$ 1,432,218

The attached notes form part of this parent-company only financial report

Chairman: Ho Wen-Chieh Manager: Huang Chng-Tze Chief Accountant: Chen Hsiang-Li

Evermore Chemical Industry Co., Ltd.

INDIVIDUAL CASH FLOW STATEMENT

January 1 to December 31, 2021 and 2020

Unit: NTD thousand

Code		2021	2020 (Re-prepared and audited)
	CASH FLOW FROM OPERATING ACTIVITIES		
A10000	Income before tax	$ 3,769	$ 67,365
A20000	Adjustments for:		
A20100	Depreciation expense	62,976	59,292
A20200	Amortization expense	757	520
A20300	Expected credit loss	1,445	3,150
A20900	Interest fees	13,082	8,621
A21200	Interest income	(364)	(291)
A22300	Share of profits and losses of subsidiaries and affiliates using the equity method	22,996	(38,180)
A22500	Loss (gain) on disposal of property, plant, and equipment	28	(128)
A23100	Loss on disposal of investments	-	25,513
A23700	(Reversal of) impairment loss on non-financial assets	(7,369)	4,091
A23900	Unrealized (realized) profit from subsidiaries	(3,383)	(228)
A24100	Foreign exchange losses (gains)	(2,148)	5,507
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	(34,055)	12,235
A31150	Accounts receivable	(113,780)	(35,479)
A31180	Other receivables	2,110	(1,888)
A31200	Inventories	(134,270)	5,257
A31240	Other current assets	(12,341)	(1,211)
A32130	Notes payable	(47,252)	2,280
A32150	Accounts payable	162,953	22,935
A32180	Other payables	(3,906)	(581)
A32230	Other current liabilities	5,854	(161)
A33000	Cash generated from operations	(82,898)	138,619
A33100	Interest received	363	290
A33300	Interest paid	(12,781)	(8,587)
A33500	Income tax paid	(32,490)	(7,235)
AAAA	Net cash generated from (used in) operating activities	(127,806)	123,087

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Code		2021	2020 (Re-prepared and audited)
	CASH FLOW FROM INVESTING ACTIVITIES		
B00040	Increase in financial assets measured at amortized cost	($ 79,746)	($ 126,250)
B00050	Disposal of financial assets measured at amortized cost	77,634	58,643
B01800	Investments acquired and accounted for using equity method	-	(267,880)
B02700	Payments for property, plant, and equipment	(404,504)	(33,716)
B02800	Proceeds from disposal of property, plant, and equipment	25	313
B03700	Increase in refundable deposits	(825)	-
B03800	Decrease in refundable deposits	60	119
B04400	Decrease (increase) in other receivables from related parties	10,459	(24,363)
B04500	Payments for intangible assets	(2,641)	(360)
B07100	Increase in prepayments for equipment	(60,732)	(62,409)
B07600	Dividends received from subsidiaries	110,859	135,600
BBBB	Net cash used in investing activities	(349,411)	(320,303)
	CASH FLOW FROM FINANCING ACTIVITIES		
C00100	Proceeds from short-term borrowings	5,742,005	4,481,600
C00200	Repayments of short-term borrowings	(5,400,000)	(4,389,293)
C00500	Proceeds (repayments) from short-term bills payable	71	(12)
C01600	Proceeds from long-term borrowings	280,000	270,000
C01700	Repayments of long-term borrowings	(64,000)	(80,968)
C04500	Dividends paid to owners of the Company	(49,694)	(64,602)
CCCC	Net cash inflow from financing activities	508,382	216,725
EEEE	Net increase in cash for the year	31,165	19,509
E00100	CASH AT THE BEGINNING OF THE YEAR	49,458	29,949
E00200	CASH AT THE END OF THE YEAR	$ 80,623	$ 49,458

The attached notes form part of this parent-company only financial report

Chairman: Ho Wen-Chieh Manager: Huang Chng-Tze Chief Accountant: Chen Hsiang-Li

Evermore Chemical Industry Co., Ltd.

INDIVIDUAL FINANCIAL STATEMENT NOTES

January 1 to December 31, 2021 and 2020

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

I. GENERAL INFORMATION

Evermore Chemical Industry Co., Ltd. (the “Company”) was incorporated in 1989. The Company‘s shares were listed on the Taiwan Stock Exchange (“TWSE”) in 2002 after being traded on the Taipei Exchange (“TPEx”) since 2000.

The Company mainly engages in the manufacturing and selling of synthetic resin, synthetic chemistry, and investment related business operations.

The parent company of the Company is AICA Kogyo Company Limited (AICA) of Japan. As of December 31, 2021 and 2020, it held 50.1% of the Company's common stock.

II. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the Board of Directors on March 15, 2022.

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

(I) First time applying International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations, or SIC Interpretations endorsed by the Financial Supervisory Commission (hereafter IFRSs)

The application of the revised FSC approved and issued effective IFRSs will not cause significant changes to the Company's accounting policies.

(II) IFRSs recognized by the FSC applicable in 2022

New, Revised or Amended Standards and Interpretations	Effective date of promulgation by International Accounting Standards Board (IASB)
“Annual Improvements to IFRS Standards 2018–2020”	January 1, 2022 (Note I)
Amendment to IFRS 3 "Updates to Reference to the Conceptual Framework"	January 1, 2022 (Note II)
Amendments to IAS 16 "Property, Plant and Equipment — Proceeds before Intended Use"	January 1, 2022 (Note III)
Amendments to IAS 37 “Onerous Contracts — Cost of Fulfilling a Contract”	January 1, 2022 (Note IV)

Note 1: The amendments to IFRS 9 are applicable to the exchange or modification of terms of financial liabilities incurred during the annual reporting period beginning on January 1, 2022. The amendment to IAS 41 "Agriculture" applies to the fair value measurement of the annual reporting period beginning after January 1, 2022. The amendment of IFRS 1 "First-time Adoption of International Financial Reporting Standards" is retrospectively applied to the annual reporting period beginning after January 1, 2022.

Note 2: This amendment applies to business mergers whose acquisition date starts in the annual reporting period after January 1, 2022.

Note 3: Property, plant and equipment that attain the necessary locations and conditions for the management's expected mode of operation after January 1, 2021 are subject to this amendment.

Note 4: This amendment applies to contracts that have not fulfilled all obligations as of January 1, 2022.

As of the date the parent company only financial statements were authorized for issue, the Company assessed that there would be no material impact of the initial application of other standards and the amendments to interpretations on its financial position and results of operations.

(III) New IFRSs in issue by IASB but not yet endorsed and issued into effect by the FSC

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	Unresolved
IFRS 17 “Insurance Contracts”	1-Jan-23
Amendments to IFRS 17	1-Jan-23
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9—Comparative Information”	1-Jan-23
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	1-Jan-23
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023 (Note II)
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023 (Note III)
Amendments to IAS 12 “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction”	Sunday, January 1, 2023 (Note 4)

Note 1: Unless otherwise specified, all new/amended/modified standards and interpretations above shall take effect from the financial year that begins after the specified date.

Note 2: The application of this amendment will be postponed during the annual reporting period beginning after January 1, 2023.

Note 3: This amendment applies to changes in accounting estimates and changes in accounting policies that occur during the annual reporting period beginning after January 1, 2023.

Note 4: Except the deferred income tax recognized for the temporary differences related to lease and decommissioning obligations on January 1, 2022, the amendments shall apply to transactions occurring after January 1, 2022.

As of the date the financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of other standards and interpretations will have on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

IV. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(I) Statement of compliance

The financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(II) Basis of preparation

The financial statements have been prepared on the historical cost basis except for financial instruments.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
2. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
3. Level 3 inputs are unobservable inputs for the asset or liability.

The subsidiaries and associates are incorporated in the financial statements under the equity method. To make net profit for the year, other comprehensive income and equity in the financial statements equal to those attributed to owners of the Company on parent company only financial statements, the effect of the differences between standalone and consolidated basis of consolidation are adjusted in the "investments accounted for using the equity method," the "share of profit of subsidiaries," and related equity.

(III) Classification of current and non-current assets and liabilities

Current assets include:

1. Assets held primarily for the purpose of trading;
2. Assets expected to be realized within 12 months after the reporting period; and
3. Cash unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities due to be settled within 12 months after the reporting period, and
3. Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

(IV) Foreign currencies

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

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

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

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

For the purpose of presenting financial statements, the functional currencies of the Company and its entities are translated into the presentation currency, the New Taiwan dollar as follows: Income and expense items are translated in accordance with the current average exchange rates and the exchange differences are booked in the other comprehensive profit or loss.

(V) Inventories

Inventories consist of raw materials, finished goods, and merchandise. Inventories are stated at the lower cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at the weighted-average cost.

(VI) Investment accounted for using the equity method

The Company uses the equity method to account for its investments in subsidiaries and associates.

1. Investments in subsidiaries

Subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment is initially recognized at cost and adjusted thereafter to recognize the Company’s share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the share of equity of subsidiaries.

Changes in the Company’s ownership interests in a subsidiaries that do not result in the Company losing of control over the subsidiary are accounted for as equity transaction. Differences between the carrying amounts of the investment and the fair value of consideration paid or received are directly recognized in equity.

When the Company's share of losses to a subsidiary equals or exceeds its equity in the subsidiary, the Company continues to recognize the loss based on its shareholding ratio.

The amount of the acquisition cost exceeding the Company's share of the net fair value of the identifiable assets and liabilities of the subsidiaries that constitute the business on the acquisition date is classified as goodwill, which is included in the carrying value of the investment and is not amortized.

When the Company assesses impairment, it considers the cash-generating unit as a whole in the financial statements and compares its recoverable amount with the book value. If the recoverable amount of the asset increases in the future, the reversal of the impairment loss is recognized as profit. However, the book value of the asset after the impairment loss has been reversed shall not exceed the book value of the asset after deducting the amortization if the impairment loss is not recognized. Impairment losses attributable to goodwill shall not be reversed in subsequent periods.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

The unrealized profits and losses are eliminated in the individual financial report for downstream transactions between the Company and its subsidiaries. Profits and losses on transactions with subsidiaries other than downstream are recognized in financial statements only to the extent of interests in the subsidiary that are not related to the Company.

2. Investment related companies

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

Under the equity method, on initial recognition the investment in the associate is recognized at cost, and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The Company also recognizes the changes in the Company’s share of the equity of associates.

Any excess of the cost of acquisition over the Company’s share of the net fair value of the identifiable assets and liabilities of an associate recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When impairment loss is evaluated the entire carrying amount of an investment is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is deducted from the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment has subsequently increase.

When a Company entity transacts with its associates, profits and losses on these transactions are recognized in the financial statements only to the extent of interests in the associate that are not related to the Company.

(VII) Property, plant and equipment

Property, plant, and equipment are stated at cost minus accumulated depreciation.

Property, plant, and equipment in the course of construction are carried at cost. Such properties are classified to the appropriate categories of property, plant, and equipment when completed and ready for intended use and depreciated accordingly.

Property, plant and equipment shall be depreciated on a straight-line basis within the service life of each significant component. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

(VIII) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties also include land held for a currently undetermined future use

Investment property is initially measured at cost (including transaction costs), and the subsequent measurement is the cost minus accumulated depreciation. Depreciation is recognized using the straight-line method.

On derecognition of an investment property, the difference between the net disposal proceeds, and the carrying amount of the asset is included in profit or loss.

(IX) Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost minus accumulated amortization. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset are recognized in profit or loss.

(X) Impairment of property, plant and equipment, right of use assets, investment properties and intangible assets

The Company evaluates on each balance sheet date whether there are any signs of possible impairment of property, plant and equipment and intangible assets If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to the individual cash-generating units; otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is adjusted to the revised recoverable amount. However, the increased carrying amount should not exceed the carrying amount determined when the asset or cash-generating unit had not recognized the impairment loss in the previous year (minus amortization or depreciation). A reversal of an impairment loss is recognized in profit or loss.

(XI) Financial instruments

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

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

Financial assets

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

1. Measurement Category

    Financial assets are classified into the following categories: financial assets at amortized cost.

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

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

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

    Subsequent to initial recognition, financial assets at amortized cost (including cash and cash equivalents, notes and trade receivables at amortized cost, other receivables, other financial asset and refundable deposits) are measured at amortized cost, which equals to the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

    Credit-impaired financial assets refers to when there is a significant financial difficulty or a breach of contract of the issuer or debtor, the debtor will enter bankruptcy or other financial reorganization, or the disappearance of an active market because the financial instruments are no longer publicly traded.

2. Impairment of financial assets

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

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

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

To manage the internal credit risk, the Company determined that the following situations represent a default of financial assets without considering the collateral information:

(1) Internal or external information indicates that debt settlement is no longer possible for the debtor.

(2) Past due more than 90 days, unless there is reasonable evidence as the appropriate reason for the delay.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

3. Derecognition of financial assets

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

When a financial asset measured at amortized cost is delisted as a whole, the difference between its book value and the consideration received is recognized in profit or loss.

Financial liabilities

1. Subsequent measurement

   The financial liabilities are measured at amortized cost using the effective interest method.

2. Derecognition of financial liabilities

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

(XII) Provisions

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

(XIII) Revenue recognition

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

For contracts where the period between the date the consolidated entity transfers a promised good or service to a customer and the date the customer pays for that good or service is one year or less, the consolidated entity does not adjust the promised amount of consideration for the effects of a significant financing component.

For the revenue from sale of goods, when the products are delivered, shipped or provided to the destination designated by the customers and the customers take over the products, the Company recognizes the revenue and receivable accounts at the same time.

The consideration already received from customers before the customers take over the products is stated as contract liability.

(XIV) Government subsidies

Government subsidies are recognized only when it is reasonably certain that the Company will comply with the conditions attached to the government subsidies and will receive the subsidies.

Government subsidies related to income are recognized in other revenues on a systematic basis during the period when the related costs that they intend to compensate are recognized as expenses by the Company.

If government subsidies are used to offset expenses or losses incurred, or used for the purpose of providing immediate financial support to the Company and there are no future related costs, they are recognized in profit and loss during the period when they can be collected.

(XV) Employee benefits

1. Short-term employee benefits

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

2. Retirement benefits

   Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered service entitling them to the contributions.

(XVI) Taxation

Income tax expense is the sum of the current income tax and deferred income tax.

1. Current income tax

   Income tax on undistributed surplus earnings is calculated in accordance with the provisions of the Income Tax Act of the Republic of China and recognized in the annual resolution of the shareholders' meeting.

   The adjustment to prior period income tax payable is booked as current income tax.

2. Deferred tax

   Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences.

Deferred tax liability is generally recognized for all taxable temporary differences, while deferred tax asset is recognized is recognized for deductible temporary differences to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilized.

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

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

3. Current and deferred income taxes

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

V. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The Company took into account the recent development of COVID-19 epidemic and the potential impact posed by it to the economic environment in Taiwan, when estimating the cash flow, growth rate, discount rate and profitability. The management will review the estimates and underlying assumptions on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Major sources of estimation and assumption uncertainty

(I) Provision for impairment of financial assets

The provision for impairment of trade receivables, investments in debt instruments, and financial guarantee contracts is based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Company’s historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

(II) Write-down of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and disposal. The estimation of net realizable value is based on current market conditions and historical experience with product sales of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

VI. Cash

	March 31, 2021	31-Dec-20
Cash on hand and petty cash	$ 20	$ 20
Checking accounts and demand deposits	80,603	49,438
	$ 80,623	$ 49,458
Rates of interest per annum (%)		
Demand deposits	0.01-0.05	0.01-0.05

VII. Financial assets measured at amortized cost - current

	March 31, 2021	31-Dec-20
Restricted bank demand deposits	$ 55,425	$ 52,418
Bank time deposits with original maturities of more than 3 months	15,340	15,740
	$ 70,765	$ 68,158
Rates of interest per annum (%)		
Restricted bank demand deposits	0.03	0.05
Bank time deposits with original maturities of more than 3 months	0.03	0.03

For the information about pledge of the financial assets measured at amortized cost, please refer to Note XXIV.

The Company has gained approval from the National Taxation Bureau of the Ministry of Finance, in accordance with the Regulations on Investment from Repatriated Offshore Funds and has put forward an investment plan to the Ministry of Economic Affairs. In accordance with the Regulations, the funds from the restricted bank demand deposits are limited to approved plans and cannot be used for other purposes.

VIII. Notes receivable and accounts receivable

	March 31, 2021	31-Dec-20
Notes receivable		
Notes receivable - operating	$ 98,617	$ 64,562
Less: Loss allowance	-	-
	$ 98,617	$ 64,562
Trade receivables - unrelated parties		
Measured by cost after amortization		
Total carrying amount	$ 310,114	$ 194,183
Less: Loss allowance	(31,208)	(29,763)
	$ 278,906	$ 164,420
Accounts receivables - related parties		
Measured by cost after amortization		
Total carrying amount	$ 100,820	$ 101,744
Less: Loss allowance	-	-
	$ 100,820	$ 101,744

(I) Notes receivable

The aging of notes receivable was as follows:

	March 31, 2021	31-Dec-20
Not past due	$ 98,617	$ 64,562
Past due	-	-
Total	$ 98,617	$ 64,562

The above aging schedule was based on the number of past due days from the invoice date.

(II) Accounts receivable

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

The Company recognizes loss provisions on accounts receivable based on expected credit losses over the duration. The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The allowance for loss on accounts receivable measured by the Company are as follows:

	Not Past Due	Less than 30 Days	31 to 90 Days	Over 91 Days	Total
March 31, 2021					
Expected credit loss rate	0%-1%	0%-10%	0%-50%	100%	
Total carrying amount	$ 352,764	$ 11,432	$ 19,688	$ 27,050	$ 410,934
Allowance for loss (Expected credit loss during the period)	(2,767)	(233)	(1,158)	(27,050)	(31,208)
Amortized cost	$ 349,997	$ 11,199	$ 18,530	$ -	$ 379,726

	Not Past Due	Less than 30 Days	31 to 90 Days	Over 91 Days	Total
31-Dec-20					
Expected credit loss rate	0%-1%	0%-10%	0%-50%	100%	
Total carrying amount	$ 259,544	$ 4,676	$ 6,064	$ 25,643	$ 295,927
Allowance for loss (Expected credit loss during the period)	(2,674)	(347)	(1,099)	(25,643)	(29,763)
Amortized cost	$ 256,870	$ 4,329	$ 4,965	$ -	$ 266,164

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

	2021	2020
Balance at Beginning of Year	$ 29,763	$ 26,613
Provision of impairment loss for the current year	1,445	3,150
Balance at End of Year	$ 31,208	$ 29,763

IX. Inventories

	March 31, 2021	31-Dec-20
Finished goods	$ 186,536	$ 124,366
Merchandise	3,863	2,235
Raw materials and supplies	208,713	130,872
	$ 399,112	$ 257,473

The nature of the cost of goods sold was as follows:

	2021	2020
Cost of inventories sold	$ 1,438,537	$ 973,582
Inventory devaluation (or reversal gains)	(7,369)	4,091
Unallocated production overhead	25,858	24,860
Revenue from sale of scraps	(1,698)	(1,128)
Others	5,036	478
	$ 1,460,364	$ 1,001,883

A rebound in net realizable value of inventories was caused by increases in the sales prices of inventory in specific markets.

X. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	March 31, 2021	31-Dec-20 (Re-prepared and audited)
Investments in subsidiaries	$ 1,137,415	$ 1,283,529

For the main business items and company registration information of the above-mentioned subsidiaries, please refer to the attached Tables V and VI.

The investments in subsidiaries and associates accounted for using the equity method and the share of profit or loss and other comprehensive income (loss) of those investments were based on the subsidiaries and associates financial statements which have been audited for the same years.

	March 31, 2021		31-Dec-20 (Re-prepared and audited)	
Investee company name	Amount	Share holding	Amount	Share holding
Unlisted Companies				
NEOLITE INVESTMENTS LIMITED (NEOLITE)	$ 554,922	100%	$ 631,473	100%
GIANT STAR TRADING CO., LTD (Giant Star Trading Co.)	165,018	100%	206,831	100%
SUCCESS INVESTMENTS LIMITED（SUCCESS）	129,473	100%	143,996	100%
U-BEST VIETNAM POLYMER INDUSTRY COMPANY LIMITED（U-BEST）	128,689	100%	128,395	100%
CHEM-MAT TECHNOLOGIES CO., LTD (CHEM-MAT)	125,229	100%	132,071	100%
TOPWELL ELASTIC TECHNOLOGY CO., LTD.（TOPWELL）	34,084	100%	40,763	100%
	$ 1,137,415		$ 1,283,529	

Based on the future market layout and strategic considerations of industrial supply chain integration, the Company acquired U-BEST in April 2020, holding 100% equity; it acquired 100% of shares of SUCCESS in July 2020, and indirectly invested 100% shares of SUNYAD; and it acquired 52% of shares in TOPWELL, an affiliated company, in July 2020, and it has been listed as a subsidiary since July 2020. Since the date of acquisition, the investment has no longer been stated as that in affiliated company but re-measured as fair value. The difference in the fair value and carrying amount of the investment on the date of acquisition was stated as the loss on disposal of investment, NT$25,513 thousand. For related disclosures, please refer to Note XXIII of the consolidated financial statements.

XI. PROPERTY, PLANT, AND EQUIPMENT

2021	Balance at Beginning of Year	Additions	Deductions	Reclassification	Balance at End of Year
Cost					
Land	$ 345,894	$ 315,369	$ -	$ -	$ 661,263
Buildings	291,204	47,405	-	18,219	356,828
Machinery and equipment	781,942	15,787	(22,208)	17,146	792,667
Transportation equipment	11,303	-	-	-	11,303
Other equipment	180,772	25,189	(2,989)	8,484	211,456
Total cost	1,611,115	$ 403,750	($ 25,197)	$ 43,849	2,033,517
Accumulated depreciation					
Buildings	140,222	$ 12,690	$ -	$ -	152,912
Machinery and equipment	641,447	35,637	(22,155)	-	654,929
Transportation equipment	8,814	951	-	-	9,765
Other equipment	134,809	13,611	(2,989)	-	145,431
Total accumulated depreciation	925,292	$ 62,889	($ 25,144)	$ -	963,037
	$ 685,823				$ 1,070,480

2020	Balance at Beginning of Year	Additions	Deductions	Reclassification	Balance at End of Year
Cost					
Land	$ 345,894	$ -	$ -	$ -	$ 345,894
Buildings	232,419	4,799	-	53,986	291,204
Machinery and equipment	730,011	20,422	(3,237)	34,746	781,942
Transportation equipment	11,303	-	-	-	11,303
Other equipment	155,864	9,399	(90)	15,599	180,772
Total cost	1,475,491	$ 34,620	($ 3,327)	$ 104,331	1,611,115
Accumulated depreciation					
Buildings	130,025	$ 10,197	$ -	$ -	140,222
Machinery and equipment	608,518	36,008	(3,079)	-	641,447
Transportation equipment	7,670	1,144	-	-	8,814
Other equipment	123,078	11,794	(63)	-	134,809
Total accumulated depreciation	869,291	$ 59,143	($ 3,142)	$ -	925,292
	$ 606,200				$ 685,823

Depreciation expenses are provided on a straight-line basis over useful years shown as follows:

Buildings	
Main building	25 to 50 years
Additional project	2-50 years
Machinery and equipment	2-12 years
Transportation equipment	5 years

Other equipment	
Office equipment	2-8 years
Landscape gardening	15 years
Others	2-20 years

Property, plant, and equipment pledged as collateral for bank borrowings is set out in Note 24.

XII. NET AMOUNT FOR INVESTMENT PROPERTIES

2021	Balance at Beginning of Year	Additions	Balance at End of Year
Cost			
Land	$ 1,007	$ -	$ 1,007
Buildings	3,513	-	3,513
Total cost	4,520	$ -	4,520
Accumulated depreciation			
Buildings	3,426	$ 87	3,513
	$ 1,094		$ 1,007
2020			
Cost			
Land	$ 1,007	$ -	$ 1,007
Buildings	3,513	-	3,513
Total cost	4,520	$ -	4,520
Accumulated depreciation			
Buildings	3,277	$ 149	3,426
	$ 1,243		$ 1,094

The following items of investment properties are depreciated on a straight-line basis over the following useful lives:

Buildings	
Main building	25 years

The management was unable to reliably measure the fair value of the Company investment property located in Zhongli City, because the market for comparable properties is inactive and alternative reliable measurements of fair value are not available; therefore, the Company determines that the fair value of the investment property is not reliably measurable.

XIII. BORROWINGS

(I) Short-term bank borrowings

	March 31, 2021	31-Dec-20
Credit loans	$ 540,000	$ 320,000
Secured borrowings	337,000	218,000
Letter of credit loans	26,123	22,965
	$ 903,123	$ 560,965
Rates of interest per annum (%)		
Credit loans	1.01-1.13	1.05-1.13
Secured borrowings	1.00-1.13	1.13-1.15
Letter of credit loans	1.15-1.39	1.13-1.15

Mortgage loans are secured by the mortgages of the Company's own land, buildings, and other financial assets. Please refer to Note XXIV.

(II) Short-term bills payable

	March 31, 2021	31-Dec-20
Commercial paper	$ 130,000	$ 130,000
Less: Unamortized discounts on bills payable	(74)	(145)
	$ 129,926	$ 129,855

Outstanding short-term bills payable were as follows:

Promissory Institution	Nominal Amount	Discount Amount	Carrying Amount	Interest rate range (%)
March 31, 2021				
Mega Bills Finance Co., Ltd.	$ 70,000	$ 14	$ 69,986	0.67
International Bills Finance Corporation	60,000	60	59,940	0.74
	$ 130,000	$ 74	$ 129,926	
31-Dec-20				
Mega Bills Finance Co., Ltd.	$ 70,000	$ 57	$ 69,943	0.83
International Bills Finance Corporation	60,000	88	59,912	0.94
	$ 130,000	$ 145	$ 129,855	

(III) Long-term bank borrowings

	March 31, 2021	31-Dec-20
Credit loans	$ 280,000	$ -
Secured borrowings	207,117	271,117
Less: Current portion	(56,500)	(64,000)
Long-term borrowings	$ 430,617	$ 207,117
Rates of interest per annum (%)		
Credit loans	1.05	-
Secured borrowings	1.22-1.26	0.32-1.25

Mortgage loans are secured by the mortgages of the Company's own land and buildings. Please refer to Note XXVIII.

XIV. OTHER PAYABLES

	March 31, 2021	31-Dec-20
Payable for salaries and bonuses	$ 27,273	$ 32,170
Payable for commissions and professional service fees	4,821	4,941
Payable for freight	3,178	2,377
Payable for purchase of equipment	1,637	2,391
Payable for employee's compensation and remuneration of directors and supervisors	333	5,183
Others	21,885	16,372
	$ 59,127	$ 63,434

XV. RETIREMENT BENEFIT PLANS

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

XVI. Equity

(I) Share capital from common stock

	March 31, 2021	31-Dec-20
Authorized shares (thousand shares)	120,000	120,000
Authorized capital stock	$ 1,200,000	$ 1,200,000
Shares issued and received in full (In Thousands)	99,388	99,388
Issued share capital	$ 993,880	$ 993,880

(II) Capital surplus

	March 31, 2021	31-Dec-20
Issuance of common shares	$ 70,860	$ 70,860
Treasury share transactions	27,157	27,157
	$ 98,017	$ 98,017

The capital surplus arising from shares issued in excess of par (including share premium from issuance of ordinary shares and treasury share transactions) and donations may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company’s capital surplus and once a year). However, capitalization of this reserve is capped at a certain percentage of the Company's paid-up capital each year.

(III) Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a Statutory reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company’s board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders’ meeting for the distribution of dividends and bonuses to shareholders.

The dividend policy considers the future operating expansion and capital expenditures meet the best capital budget and diluted earnings per share, and the annual allocated surplus accounts for at least 50% of the available surplus. Distribution of profits may also be made by way of cash dividend provided; however, the ratio of share dividend shall exceed 25% of total distribution.

An appropriation of earnings to a Statutory reserve shall be made until the Statutory reserve equals the Company’s paid-in capital. The Statutory reserve may be used to offset deficit. If the Company has no deficit and the Statutory reserve has exceeded 25% of the Company’s paid-in capital, the excess may be transferred to capital or distributed in cash.

The Company provided and reversed the special reserve according to the letter under Jin-Guan-Zheng-Fa-Zi No. 1090150022.

The Company held its General Meetings of Shareholders in August 2021 and June 2020 and passed resolutions for its 2020 and 2019 earnings distributions as follows:

	Appropriation of Earnings		Dividend per share (NTD)	
	2020	2019	2020	2019
Statutory reserves	$ 7,401	$ 11,784		
Appropriation (reversal) of special reserve	(9,986)	19,441		
Cash dividend	49,694	64,602	$ 0.50	$ 0.65

In March 2022, the Company's Board of Directors proposed the 2021 earnings distribution plan as follows:

	Appropriation of Earnings
Statutory reserves	$ 1,006
Special reserve	12,689

The earnings distribution plan for 2021 has yet to be resolved at the General Meeting of Shareholders that is expected to be held in June 2022.

XVII. NET PROFIT

(I) Employee benefits expense, depreciation, and amortization expense

Type	Operating Costs	Operating Expenses	Total
2021			
Salary	$ 71,176	$ 60,264	$ 131,440
Health and labor insurance	6,792	5,942	12,734
Retirement benefits			
Defined contribution plans	2,925	2,965	5,890
Remuneration to directors	-	2,331	2,331
Other employee benefits	2,935	4,234	7,169
Depreciation expense	45,410	17,566	62,976
Amortization expense	140	617	757
2020			
Salary	59,763	65,498	125,261
Health and labor insurance	5,128	5,157	10,285
Retirement benefits			
Defined contribution plans	2,262	2,600	4,862
Remuneration to directors	-	2,810	2,810
Other employee benefits	2,361	3,485	5,846
Depreciation expense	42,316	16,976	59,292
Amortization expense	-	520	520

The number of employees of the Company in 2021 and 2020 was 184 and 164 respectively. Among them, the number of directors who were not concurrent employees was 6 and 6 respectively, and their calculation basis is the same as that of employee benefits.

The Company's average employee benefits for 2021 and 2020 were NT$ 888 thousand and NT$926 thousand, respectively, and average employee salary costs were NT$743 thousand and NT$793 thousand, respectively. The average employee salary cost adjustment change witnessed an decrease by 6%.

The remuneration to the Company's supervisors was NT$962 thousand and NT$1,968 thousand in 2021 and 2020. The Audit Committee was established in August 2021.

Remuneration policy

1. Remuneration policy for directors and supervisors

   The remuneration of directors and supervisors is handled in accordance with the Company's Remuneration and Performance Evaluation Measures for Directors, Supervisors, and Functional Committees. Monthly fixed remunerations and remunerations provided in accordance with the Articles of Incorporation are allocated according to the degree of contribution and calculated based on the ratio of the number of board meetings to the total number of attendances, and with reference to the value of business participation and contribution. After the remuneration is reviewed by the Remuneration Committee, it is submitted to the Board of Directors for approval.

2. Policies for employees and managers

   (1) Employee salary compensation includes fixed salary, year-end bonus, employee remuneration and quarterly bonus. The Company calculates the total bonus based on operating results, and issues individual bonuses based on the individual contribution of employees.

   (2) Authorization of manager salaries is handled in accordance with the Company's salary management measures, including fixed and variable components. After review by the Remuneration Committee regarding changes in operating performance and future risk considerations, it is submitted to the Board of Directors for approval.

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

According to the Articles of Incorporation of the Company, the Company accrued employees' compensation and remuneration of directors and supervisors at rates of 3% to 5% and no higher than 2%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors and supervisors. The remuneration to employees and directors/supervisors estimated for 2021 and 2020 was resolved by the Board of Directors in 2021 and in March 2020 as follows:

	2021	2020
Employees' compensation (5%)	$ 203	$ 3,622
Remuneration of directors and supervisors (2%)	81	1,449

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

There are no differences between the actual allotment amounts of employee remuneration and directors and supervisors' remuneration for 2020 and 2019 and the amounts recognized in the parent company only financial statements for 2020 and 2019.

For information about the remuneration of employees and the remuneration of directors and supervisors as decided by the Board of Directors of the company, please go to the Market Observation Post System of the Taiwan Stock Exchange for inquiries.

XVIII. Income tax

(I) Income tax recognized in profit or loss

Major components of income tax gain are as follows:

	2021	2020
Current income tax		
In respect of the current year	$ 3,001	$ 11,482
Separate taxation on repatriation of overseas funds	5,523	9,481
Undistributed surplus earnings	-	1,101
Adjustments for prior years	-	(2,068)
	8,524	19,996
Deferred tax		
In respect of the current year	(14,812)	(26,641)
Income tax gain recognized in profit or loss	($ 6,288)	($ 6,645)

The adjustment of accounting income and income tax gain is as follows:

	2021	2020
Income tax expense calculated at the statutory rate	$ 754	$ 13,473
Nondeductible expenses in determining taxable income	95	201
Not recognized income in determining taxable income	(12,660)	(28,833)
Undistributed surplus earnings	-	1,101
Separate taxation on repatriation of overseas funds	5,523	9,481
Adjustments for prior years' tax	-	(2,068)
Income tax gain recognized in profit or loss	($ 6,288)	($ 6,645)

In July 2019, Taiwan's President announced amendments to the Statute for Industrial Innovation, clearly stipulating that the construction or purchase of specific assets or technologies based on undistributed surplus earnings of 2018 may be included as a deduction item for calculating the undistributed surplus earnings. When the consolidated entity calculated tax on undistributed surplus earnings, it only deducted the amounts of capital expenditures that had actually been reinvested.

In July 2019, Taiwan's President promulgated regulations on the management, operation, and taxation of overseas fund repatriation. For newly-added for-profit businesses that applied between August 15, 2019 and August 14, 2020 and between August 15, 2020 and August 14, 2021 repatriated the deposited funds within the approved period, the applicable tax rate would be reduced from 20% to 8% and 10%. The repatriated funds should be deposited in a special foreign exchange deposit account, and the receiving bank would deduct tax when the funds were deposited there. In February and September 2020 and August 2021, NEOLITE gained approval by the National Taxation Bureau of Ministry of Finance to respectively remit US$2,000 thousand in each instance, thereby enjoying tax concessions of NT$19,744 thousand altogether.

(II) Deferred tax assets and liabilities

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

2021	Balance at Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance at End of Year
Deferred tax assets				
Temporary differences				
Inventory write-downs	$ 2,975	($ 1,237)	$ -	$ 1,738
Investment accounted for using the equity method	8,141	2,461	-	10,602
Allowance for losses	5,232	(9)	-	5,223
Exchange differences on translating the financial statements of foreign operations	2,215	-	2,189	4,404
Others	3,673	(1,198)	-	2,475
	$ 22,236	$ 17	$ 2,189	$ 24,442
Deferred tax liabilities				
Temporary differences				
Investment accounted for using the equity method	$ 41,178	($ 14,795)	$ -	$ 26,383
Exchange differences on translating the financial statements of foreign operations	3,458	-	(728)	2,730
	$ 44,636	($ 14,795)	($ 728)	$ 29,113

2020	Balance at Beginning of Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance at End of Year
Deferred tax assets				
Temporary differences				
Inventory write-downs	$ 1,926	$ 1,049	$ -	$ 2,975
Investment accounted for using the equity method	1,115	7,026	-	8,141
Allowance for losses	4,640	592	-	5,232
Exchange differences on translating the financial statements of foreign operations	823	-	1,392	2,215
Others	2,607	1,066	-	3,673
	$ 11,111	$ 9,733	$ 1,392	$ 22,236
Deferred tax liabilities				
Temporary differences				
Investment accounted for using the equity method	$ 58,086	($ 16,908)	$ -	$ 41,178
Exchange differences on translating the financial statements of foreign operations	-	-	3,458	3,458
	$ 58,086	($ 16,908)	$ 3,458	$ 44,636

(III) Income tax assessments

The tax collection authority approved the Profit-seeking Enterprise Income Tax Return case for the Company through 2019.

XIX. Earnings per share

Unit: NT$ per share

	2021	2020 (After re-preparation)
Basic earnings per share	$ 0.10	$ 0.74
Diluted earnings per share	$ 0.10	$ 0.74

The net profit and weighted average number of common stocks used to calculate the Earnings per Share are stated as following:

Net income

	2021	2020 (After re-preparation)
The net profit used to calculate the Earnings per Share	$ 10,057	$ 74,010
The net profit used to calculate the diluted Earnings per Share	$ 10,057	$ 74,010

Quantity of shares

Unit: Thousand Shares

	2021	2020 (After re-preparation)
The weighted average number of common stocks used to calculate the Earnings per Share	99,388	99,388
Effect of potentially dilutive ordinary shares:		
Remuneration to employees	56	317
The weighted average number of common stocks used to calculate the diluted Earnings per Share	99,444	99,705

If the Company offered to settle the compensation or bonuses paid to employees in cash or shares, the Company assumed that the entire amount of the compensation or bonuses will be settled in shares, and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares should is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

XX. Cash flow

(I) Non cash transactions

Except those already disclosed in the other notes, the Company engaged in the following investing and financing activities other than cash transactions in 2021 and 2020:

1. The amount of cash paid by the Companyy for purchase of the property, plant and equipment in 2021 and 2020 is stated as following:

	2021	2020
Increase in property, plant and equipment	$ 403,750	$ 34,620
Net changes in construction contract payables	754	(904)
Amount of cash paid	$ 404,504	$ 33,716

(II) Changes in liabilities from financing activities

2021

	January 1, 2021	Cash flow	Non-cash changes: Interest fees/selling expenses	Non-cash changes: Foreign exchange rate change	March 31, 2021
Short-term bank borrowings	$ 560,965	$ 342,005	$ -	$ 153	$ 903,123
Short-term bills payable	129,855	-	71	-	129,926
	$ 690,820	$ 342,005	$ 71	$ 153	$ 1,033,049

2020

	January 1, 2020	Cash flow	Non-cash changes: Interest fees/selling expenses	Non-cash changes: Foreign exchange rate change	31-Dec-20
Short-term bank borrowings	$ 468,715	$ 92,307	$ -	($ 57)	$ 560,965
Short-term bills payable	129,867	-	(12)	-	129,855
	$ 598,582	$ 92,307	($ 12)	($ 57)	$ 690,820

XXI. CAPITAL MANAGEMENT

The Company manages its capital to ensure it will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity (comprising issued capital, reserves, retained earnings and other equity).

Key management personnel of the Company regularly review the capital structure. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Company may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and/or the amount of new debt issued or existing debt redeemed.

XXII. FINANCIAL INSTRUMENTS

(I) Fair value of financial instruments

1. Financial instruments carried at fair value

The following table provides an analysis of financial instruments that are measured at fair value subsequent to initial recognition. The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable as follows:

(1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

(2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

(3) Level 3 inputs are unobservable inputs for the asset or liability

In 2021 and 2020, there will be no transfer of fair value measurement between Level 1 and Level 2.

2. Financial instruments not carried at fair value

(1) The fair value of short-term financial instruments is estimated by their carrying amount on the balance sheet for the carrying amount at the end of reporting period because the maturity date is close to the reporting date or the payment price is similar to the carrying amount. The carrying amount should be a reasonable basis for the estimated fair value. This

method is applied to cash, notes and accounts receivable, other receivables, other financial assets, refundable deposits-time deposits, short-term bank loans, short term notes and bills payable and refundable deposits.

(2) The fair value of long-term borrowings (including current portion) is determined using the discounted value of future cash flow. If the Company's long-term borrowings rate is a floating rate, the carrying amount is equal to the fair value.

(II) Categories of financial instruments

	March 31, 2021	31-Dec-20
Financial assets		
Financial assets at amortized cost (Note 1)	$ 651,627	$ 481,217
Financial liabilities		
Financial liabilities at amortized cost (Note 2)	1,878,779	1,208,963

Note 1: Balances include financial assets measured at amortized cost including cash, financial assets measured at amortized cost－current, notes and accounts receivable, other receivables, other financial assets and refundable deposit-time deposits, etc.

Note 2: The balances include financial liabilities at amortized cost, which comprise short-term borrowings, short-term bills payable, notes payable, trade payables, other payables, and long-term borrowings (including current portion).

(III) Financial risk management objectives and policies

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

1. Market risk

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

There has been no change to the Company's exposure to market risks or the manner in which these risks are managed and measured. The major financial risks are as follows:

(1) Foreign currency risk

The Company has foreign currency sales and purchases, which exposes the Company to foreign currency risk.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 26.

Sensitivity analysis

The Company's sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period. A positive number below indicates an increase in post-tax profit associated with the New Taiwan dollar strengthening 1% against the relevant currency. For a 1% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on post-tax profit and the balances below would be negative.

Currency	2021	2020
USD	$ 2,662	$ 1,796

The sensitivity rate used by the Company when reporting foreign currency risk internally to key management personnel is 1%, which represents management's assessment of the reasonably possible change in foreign exchange rates.

In management's opinion, sensitivity analysis was unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period did not reflect the exposure during the period.

(2) Interest rate risk

The carrying amount of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	March 31, 2021	31-Dec-20
Fair value interest rate risk		
Financial assets	$ 15,340	$ 15,740
Financial liabilities	909,926	129,855
Cash flow interest rate risk		
Financial assets	135,814	101,855
Financial liabilities	610,240	832,082

Sensitivity analysis

For the consolidated financial assets and liabilities with floating interest rates, assuming that other conditions remain unchanged, a change in 0.25% interest rate has led to 2021 and 2020 net profit before tax to change by NT$1,186 thousand and NT$1,826 thousand, respectively.

2. Credit risk

The Company's transactions are targeted at reputable financial and securities institutions, and it also transacts with a number of financial institutions to spread the risks, so the probability of default from contractual counterparty is very low; even if the other party defaults, the Company will not suffer significant loss.

The Company is required to go through the credit confirmation procedure only after it has dealt with the approved third party, and the policy of the Company is to conduct credit transactions with the customer, and to regularly assess the possibility of recovering the receivables while providing appropriate allowances for doubtful debts, so the Company doesn't expect the possibility of major losses.

3. Liquidity risk

The Company has built an appropriate liquidity risk management framework for the Company's short, medium, and long-term funding and liquidity management requirements. The consolidated entity manages liquidity risk by maintaining sufficient reserve or banking facilities, obtaining the loan commitment, collecting debts proactively, and continuously monitoring forecast and actual cash flow as well as the maturity profiles of financial assets and liabilities. As of December 31, 2021 and 2020, the Company's unused bank financing lines were NT$434,757 thousand and NT$469,715 thousand respectively.

Schedule of liquidity and interest rate risk

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables had been drawn up based on the undiscounted cash flow of financial liabilities from the earliest date on which the Company can be required to pay.

To the extent that interest flows are at floating rate, the undiscounted amount was derived from the interest rate curve at the end of the reporting period.

Non-derivative financial liabilities	Less Than 1 Year	More than 1 Year
March 31, 2021		
Non-interest bearing liabilities	$ 358,598	$ -
Variable interest rate liabilities	459,623	150,617
Fixed interest rate liabilities	629,926	280,000
	$ 1,448,147	$ 430,617
31-Dec-20		
Non-interest bearing liabilities	$ 247,026	$ -
Variable interest rate liabilities	624,965	207,117
Fixed interest rate liabilities	129,855	-
	$ 1,001,846	$ 207,117

XXIII. TRANSACTIONS WITH RELATED PARTIES

Besides information disclosed elsewhere in the other notes, details of transactions between the Company and other related parties are disclosed below:

(I) Related party name and category

Name of related party	Related Party Category
AICA	The Company's parent
PT. PT. AICA INDRIA (PT. AICA)	Fellow subsidiary
AICA NEW ZEALAND Ltd. （AICA NEW ZEALAND）	Fellow subsidiary
Dynea (Shanghai) Co, Ltd.（Dynea）	Fellow subsidiary
Pou Chen Corporation and its subsidiaries	Other related parties (affiliated companies of the company's corporate directors)
Yue Yuen Industrial (Holdings) Limited and its subsidiaries	Other related parties (affiliated companies of the company's corporate directors)
TOPWELL	Related enterprise (subsidiary since July 2020)
NEOLITE	Subsidiary
CHEM-MAT	Subsidiary
Giant Star Trading Co.	Subsidiary
LIBERTY BELL INVESTMENTS LTD. (LIBERTY BELL)	Subsidiary
POU CHIEN CHEMICAL CO.,LTD (POU CHIEN)	Subsidiary
LEADERSHIP (SHANGHAI) CO., LTD (LEADERSHIP)	Subsidiary
U-BEST	Subsidiary

(II) Sales of goods

Accounts	Related Party Category	2021	2020
Sales	Subsidiary	$ 284,967	$ 232,846
	Parent company	99,393	83,426
	Other related parties	1,132	3,531
	Fellow subsidiary	190	3,395
	Associated enterprise	-	37,648
		$ 385,682	$ 360,846
Purchases of goods	Subsidiary	$ 17,224	$ 11,838
	Parent company	192	234
		$ 17,416	$ 12,072
Other revenue	Parent company	$ 746	$ 270
	Subsidiary	393	524
		$ 1,139	$ 794

The sales transactions of the Company to related parties are quoted based on the differences between the products and the acceptance of the market, and the credit period is from 60 days to 180 days. The purchase price and payment term have no significant difference with unrelated parties.

The balance of accounts receivable from related parties on the balance sheet date is as follows:

Accounts	Related Party Category/Name	March 31, 2021	31-Dec-20
Notes receivable	Subsidiary	$ 1,249	$ 1,803
	Other related parties	-	57
		$ 1,249	$ 1,860
Accounts receivable	Subsidiary		
	TOPWELL	$ 44,815	$ 36,120
	Dongguan Baojian Company	28,619	12,538
	U-BEST	8,182	17,395
	NEOLITE	2,316	12,293
	Others	8,168	16,735
	Parent company	8,573	6,181
	Fellow subsidiary	92	355
	Other related parties	55	127
		$ 100,820	$ 101,744
Other receivables	Subsidiary		
	LIBERTY BELL	$ 398	$ 4,606
	Others	132	55
		$ 530	$ 4,661

The outstanding trade receivables from related parties are unsecured.

The following balances of trade payables from related parties were outstanding at the end of the reporting period:

Accounts	Related Party Category	March 31, 2021	31-Dec-20
Accounts payable	Subsidiary	$ 8,715	$ 2,305
	Parent company	89	91
		$ 8,804	$ 2,396
Other payables	Subsidiary	$ 964	$ 534
	Parent company	-	44
		$ 964	$ 578

(III) Loans to related parties (stated as other receivables)

Related Party Category/Name	March 31, 2021	31-Dec-20
Subsidiary		
U-BEST	$ 13,840	$ 24,208

Related Party Category/Name	2021	2020
Interest income		
Subsidiary		
U-BEST	$ 240	$ 163

The Company provided the unsecured loans to related parties at the lending interest rates, 1.5% and 1.25%, in 2021 and 2020. The interests receivable on December 31, 2021 and 2020 were NT$69 thousand and NT$160 thousand, respectively.

(IV) Endorsements and guarantees

As of December 31, 2021 and 2020, the Company had provided an endorsement guarantee of US$15,000 thousand to its subsidiary LIBERTY BELL to guarantee the company's bank facility.

As of December 31, 2021 and 2020, the Company had provided an endorsement guarantee of US$500 thousand to its subsidiary TOPWELL to guarantee the subsidiary' bank facility.

(V) Payables to related parties

The following balances of trade payables from related parties were outstanding at the end of the reporting period.

	2021	2020
Short-term employee benefits	$ 9,784	$ 12,681
Retirement benefits	220	195
	$ 10,004	$ 12,876

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

XXIV. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	March 31, 2021	31-Dec-20
Property, plant and equipment	$ 450,476	$ 220,888
Financial assets measured at amortized cost - current	15,340	15,740
	$ 465,816	$ 236,628

XXV. Significant contingent liabilities and unrecognized contract commitments

As of December 31, 2021 and 2020, the outstanding balances of letters of credit that had been opened were approximately US$723 thousand and US$93 thousand, respectively.

XXVI. The significant assets and liabilities denominated in foreign currencies

The following information was aggregated by the currencies other than the Company's functional currencies, and the exchange rates between respective functional currencies and the presentation currency were disclosed. The significant assets and liabilities denominated in foreign currencies:

	March 31, 2021		
Financial assets	Foreign currency	Exchange Rate	Carrying Amount
Monetary items			
USD	$ 12,398	27.68 (USD:NTD)	$ 343,177
Financial liabilities			
Monetary items			
USD	2,781	27.68 (USD:NTD)	76,978

	31-Dec-20		
Financial assets	Foreign currency	Exchange Rate	Carrying Amount
Monetary items			
USD	$ 10,606	28.48 (USD:NTD)	$ 302,059
Financial liabilities			
Monetary items			
USD	4,299	28.48 (USD:NTD)	122,436

XXVII. SEPARATELY DISCLOSED ITEMS

(I) Information about significant transactions and investees:

1. Financing provided to others: Table 1.
2. Endorsements/guarantees provided: Table 2.
3. Status of securities held at the end of the year: None.
4. Marketable securities acquired and disposed of at costs or prices at least $300 million or 20% of the paid-in capital: None.
5. Acquisition of individual real estate at costs of at least $300 million or 20% of the paid-in capital: Table 3.
6. Disposal of individual real estate at prices of at least $300 million or 20% of the paid-in capital: None.
7. Total purchases from or sales to related parties amounting to at least $100 million or 20% of the paid-in capital: Table 4.

8. Receivables from related parties amounting to at least \$100 million or 20% of the paid-in capital: None.
9. Trading in derivative instruments: None.
10. Information on investees: Table 5.

(III) Investments in Mainland China

1. Invested company's name, business operations, paid-in capital, investment method, capital inward or outward, shareholding ratio, investment gains and losses, investment yearend book value, investment income and loss inward, and investment limits in Mainland China: Table 6.
2. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
   (1) Purchase amount and percentage and the related payables ending balance and percentage: Table 5.
   (2) Sale amount and percentage and the related receivables ending balance and percentage: Table 5.
   (3) The amount of property transactions and the amount of the resultant gains or losses: None.
   (4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None.
   (5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: Table 1.
   (6) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: None.

(IV) Information on principal shareholders: The names, amounts, and proportions of shares of shareholders with a shareholding ratio of 5% or more: Table 7.

EVERMORE CHEMICAL INDUSTRY CO., LTD. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS

January 1 to December 31, 2021

Table 1

Unit: Thousands of New Taiwan Dollars or Foreign Currencies)

Number	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Period	Balance at End of Year (Note I)	Actual Borrowing Amount	Interest Rate	Nature of Financing	Business Transaction Amount	Reasons for Short-term Financing	Allowance for bad debt	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit	Note
													Item	Value			
0	NEOLITE	The Company	Other receivables	Yes	$ 57,070 (USD 2,000)	$ 55,360 (USD 2,000)	$ -	(Note II)	Necessary for short-term financing	$ -	Operating capital	$ -	—	$ -	$ 277,977 (Note III)	$ 277,977 (Note III)	
1	TOPCO (SHANGHAI) CO., LTD.	LEADERSHIP SHANGHAI	Other receivables	Yes	8,816 (CNY 2,000)	-	-	(Note II)	Necessary for short-term financing	-	Operating capital	-	—	-	12,212 (Note IV)	48,849 (Note IV)	
2	The Company	U-BEST	Other receivables	Yes	41,460 (USD 1,500)	13,840 (USD 500)	13,840 (USD 500)	(Note II)	Necessary for short-term financing	-	Operating capital	-	—	-	143,222 (Note V)	572,887 (Note V)	
3	U-BEST	SUNYAD	Other receivables	Yes	6,120 (VND 5,000,000)	6,070 (VND 5,000,000)	6,070 (VND 5,000,000)	(Note II)	Necessary for short-term financing	-	Operating capital	-	—	-	23,840 (Note VI)	23,840 (Note VI)	

Note 1: The ending balance amount has been approved by the board of directors.

Note 2: Interest rate according to bank loan contract.

Note 3: The loan limit and total limit for individual counterparties are all limited to 50% of NEOLITE's net value.

Note 4: The limit of lent funds for individual counterparties and the total limit shall be respectively be the sum of 10% of TOPCO's net value and the monthly average transaction volume within the most recent year and 40% of TOPCO's net value.

Note 5: The limit of lent funds for individual counterparties and the total limit shall be respectively be the sum of 10% of the Company's net value and the monthly average transaction volume within the most recent year and 40% of the Company's net value.

Note 6: The limit of lent funds for individual counterparties and the total limit shall be respectively be the sum of 40% of U-BEST's net value and the monthly average transaction volume within the most recent year and 40% of U-BEST's net value.

Evermore Chemical Industry Co., Ltd. and Subsidiaries

ENDORSEMENTS/GUARANTEES PROVIDED

January 1 to December 31, 2021

Table 2

Unit: Thousands of New Taiwan Dollars or Foreign Currencies)

Number	Endorser / Guarantor	Endorsee & guaranteed company		Limit on Endorsement / Guarantee Given on Behalf of Each Party (Note)	Maximum Amount Endorsed / Guaranteed During the Period	Outstanding Endorsement / Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed / Guaranteed by Collateral	The ratio of the accumulated endorsement guarantee amount to the net value of the financial report for the year	Endorsement guarantee maximum limit (Note)	Endorsement / Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement / Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement / Guarantee Given on Behalf of Companies in Mainland China	Note
		Company name	Relationship											
0	The Company	LIBERTY BELL	Sub-subsidiaries	$ 716,109	$ 428,025 (USD 15,000)	$ 415,200 (USD 15,000)	$ 13,840 (USD 500)	$ -	28.99%	$ 1,002,553	Y	—	—	
1	The Company	TOPWELL	Subsidiary	716,109	14,268 (USD 500)	13,840 (USD 500)	13,840 (USD 500)	-	0.97%	1,002,553	Y	—	—	

Note: The guarantee limit and maximum limit for individual entity are 50% and 70% of the net worth of the Company, respectively.

EVERMORE CHEMICAL INDUSTRY CO., LTD. AND SUBSIDIARIES

Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital.

January 1 to December 31, 2021

Table 3

Unit: NTD thousand

Acquirer of the real property	Name of the property	Date of occurrence	Transaction amount	Payment status	Counterparty	Relationship	Information about the previous transfer, if the trading counterpart is a related party.				Reference basis for determination of the price	Purpose and usage	Other agreements
							All persons	Relationship with the issuer	Date of transfer	Amount			
The Company	Land and building	January 29, 2021	$ 356,488	Paid in full	AGI Corporation	—	—	—	—	$ -	Negotiation based on the appraisal report issued by China Credit Information Service Ltd.	Expansion of business locations	None.

EVERMORE CHEMICAL INDUSTRY CO., LTD. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL

January 1 to December 31, 2021

Table 4

Unit: NTD thousand

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
The Company	TOPWELL	Subsidiary	(Sales)	($ 106,083)	(6)	T/T 90 days	Note	—	$ 44,815	9	
TOPWELL	The Company	Parent company	Purchase	106,083	97	T/T 90 days	Note	—	(44,815)	(100)	

Note: The price of sales transactions with related parties is quoted based on product differentiation and market condition.

EVERMORE CHEMICAL INDUSTRY CO., LTD. AND SUBSIDIARIES

INFORMATION ON INVESTEES

January 1 to December 31, 2021

Table 5

Unit: Thousands of New Taiwan Dollars or Foreign Currencies/Thousands of Shares

Investor	Investee company name	Location	Main business items	Original Investment Amount		As of December 31, 2018			Net Income (Loss) of the Investee	Share of Profit (Loss)
				End of this year	End of last year	Number of Shares	%	Carrying Amount		
The Company	NEOLITE	British Virgin Islands	Financial investment and international trade	$ 413,902	$ 413,902	13,059	100	$ 554,922	($ 20,353)	($ 20,353)
	Giant Star Trading Co.	Taichung City	Trading of chemical raw materials	97,367	97,367	12,600	100	165,018	3,308	3,308
	CHEM-MAT	Nantou County	Wholesale of coating, pigments, and industrial catalyst	111,484	111,484	7,199	100	125,229	3,982	3,974
	U-BEST	Vietnam	Production and sales of PU resin and adhesives	132,314	132,314	-	100	128,689	5,031	2,385
	TOPWELL	Thailand	Synthetic resin trading business	76,201	76,201	8,000	100	34,084	(3,753)	(1,707)
	SUCCESS	Samoa	Financial investment and international trade	155,250	155,250	4,000	100	129,473	(6,196)	(10,603)
Giant Star Trading Co.	NEOTOP	Samoa	Financial investment and international trade	58,800	58,800	-	100	122,156	5,048	(Note)
	NEOWIN	Samoa	Financial investment and international trade	15,553	15,553	-	100	6,755	2	(Note)
NEOLITE	LIBERTY BELL	British Virgin Islands	Financial investment and international trade	563,243 USD 18,126	563,243 USD 18,126	21,000	100	556,905	(23,078) (USD 819)	(Note)
SUCCESS	SUNYAD	Vietnam	Manufacturing and sales of PU synthetic leather products	155,250	155,250	-	100	26,224	(6,196) (USD 221)	(Note)

Note: Not applicable.

EVERMORE CHEMICAL INDUSTRY CO., LTD. AND SUBSIDIARIES

Investments in Mainland China

January 1 to December 31, 2021

Table 6

Unit: Thousands of New Taiwan Dollars or Foreign Currencies)

INFORMATION ON INVESTMENTS IN MAINLAND CHINA	Main business items	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2018	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2019(Note 2)	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 3)	Carrying Amount as of December 31, 2018	Accumulated Repatriation of Investment Income as of December 31, 2018
					Outward	Inward						
Dongguan Baojian Company	Production and sales of PU resin	$ 512,818 CNY 120,789	(Note I)	$ 244,425 USD 7,576	$ -	$ -	$ 244,425 USD 7,576	($ 111,945) (CNY 25,738)	100%	($ 111,945) (CNY 25,738)	$ 555,781 CNY 127,942	$ -
TOPCO	Wholesale of chemical products	38,922 CNY 8,053	(Note I)	26,450 USD 820	-	-	26,450 USD 820	5,083 CNY 1,169	100%	5,083 CNY 1,169	122,123 CNY 28,113	134,275 CNY 29,447
LEADERSHIP SHANGHAI	Wholesale of chemical products	15,400 CNY 3,474	(Note I)	15,400 USD 500	-	-	15,400 USD 500	84 CNY 19	100%	84 CNY 19	6,787 CNY 1,562	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2019	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$ 412,055 (USD 12,796)	$ 921,115 (USD 29,126) (Note IV)	(Note V)

Note 1: Investments in mainland China were through companies established in the third region.

Note 2: Including investment in equipment and expertise, but not including the surplus of investment in China's investment business, and reinvestment of investment in the third region.

Note 3: The financial statements of the investee were audited by the ROC parent company’s CPA during the same period.

Note 4: Investment of US$29,126 thousand was authorized by the Investment Commission, MOEA, not including the surplus of investment in China's investment business, and reinvestment of investment in the third region (NEOLITE) of US$ 5,591 thousand.

Note 5: In accordance with “Principle of Examination on Investment or Technical Cooperation in Mainland China” stipulated by the Investment Commission, MOEA on August 29, 2008, the Company obtained the scope certificate for the headquarters issued by the Industrial Development Bureau, MOEA, with no upper limit for the investment amount in mainland China.

Evermore Chemical Industry Co., Ltd.

Information on principal shareholders

December 31, 2020

Table 7

Name of Major Shareholder	Shares	
	Number of shares held (shares)	Shareholding
Aica Kogyo Company, Limited	49,793,388	50.10%
Ho Wen Chieh	7,003,532	7.04%

Note: Principal shareholder information in this schedule is prepared by the depository corporation based on the last business day at the end of the quarter, calculating the information that shareholders held more than 5% of the Company's common stock and preferred stock that have been delivered without physical registration (including treasury shares). The share capital recorded in the Company’s parent company only financial statements and the actual number of shares delivered without physical registration may be different due to different calculation bases or other differences.

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

Evermore Chemical Industry Co., Ltd.

STATEMENT OF CASH

December 31, 2021

STATEMENT 1

Unit: In Thousands of New Taiwan Dollars, Unless Otherwise Specified

Item	Amount
Cash on hand and petty cash	$ 20
Cash in banks	
Foreign deposits (Note)	74,205
Demand deposits	6,184
Checking accounts	214
	80,603
	$ 80,623

Note: Including US$2,681 thousand (US$1=NT$27.68).

Evermore Chemical Industry Co., Ltd.

STATEMENT OF NOTES RECEIVABLE

December 31, 2020

STATEMENT 2 Unit: NTD thousand

Client Name	Amount
Unrelated parties	
HEYO ENTERPRISES CO., LTD.	$ 12,182
TUOH YA ENTERPRISE CO., LTD	6,231
UNIQUE POLYMER CO., LTD.	6,182
JPT CORPORATION	5,324
Others (Note)	67,449
	97,368
Related party	
Giant Star Trading Co.	1,249
	$ 98,617

Note: The amount of individual client included in others does not exceed 5% of the account balance.

Evermore Chemical Industry Co., Ltd.

Accounts receivable－unrelated party

December 31, 2020

STATEMENT 3 Unit: NTD thousand

Client Name	Amount
Unrelated parties	
AGI Corporation	$ 53,302
SHAN HUA PLASTIC INDUSTRIAL CO., LTD	32,885
SHANGHAI OCT IMP.&EXP. COMPANY LIMITED	27,050
ESE INDUSTRIES (S) PTE LTD.	14,291
Others (Note)	182,586
	310,114
Less: Loss allowance	(31,208)
	$ 278,906

Note: The amount of individual client included in others does not exceed 5% of the account balance.

Evermore Chemical Industry Co., Ltd.

STATEMENT OF INVENTORIES

December 31, 2020

STATEMENT 4

Unit: NTD thousand

Item	Cost	Market Price
Finished goods	$ 186,537	$ 230,431
Merchandise	3,862	3,863
Raw materials and supplies	208,713	216,232
	$ 399,112	$ 450,526

Note: The inventories are stated at the lower cost or net realizable value, and they were compared item by item.

Evermore Chemical Industry Co., Ltd.

STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

January 1 to December 31, 2021

STATEMENT 5

Unit: In Thousands of New Taiwan Dollars, Unless Otherwise Specified

Net Income (Loss) of	Amount at Beginning of Year			Cash Dividends	Share of Profit (Loss) of Subsidiaries and Associates in Using the Equity Method	Exchange differences on translating the financial statements of foreign operations	Unrealized gain	Balance at End of Year			Net value of equity	Pledge status
	Number of Shares	Ownership (%)	Amount					Number of shares	Shareholding %	Amount		
NEOLITE	13,059	100	$ 631,473	($ 56,010)	($ 20,353)	($ 3,638)	$ 3,450	13,059	100	$ 554,922	$ 555,955	Nil
Giant Star Trading Co.	12,600	100	206,831	(44,100)	3,308	(1,021)	-	12,600	100	165,018	165,024	None.
SUCCESS	4,000	100	143,996	-	(10,603)	(3,920)	-	4,000	100	129,473	26,224	None.
U-BEST	-	100	128,395	-	2,385	(2,091)	-	-	100	128,689	59,600	None.
CHEM-MAT	7,199	100	132,071	(10,749)	3,974	-	(67)	7,199	100	125,229	131,725	None.
TOPWELL	8,000	100	40,763	-	(1,707)	(4,972)	-	8,000	100	34,084	10,403	None.
			$ 1,283,529	($ 110,859)	($ 22,996)	($ 15,642)	$ 3,383			$ 1,137,415	$ 948,931	

Evermore Chemical Industry Co., Ltd.

STATEMENT OF SHORT-TERM BANK BORROWINGS

December 31, 2020

STATEMENT 6

Unit: NTD thousand

Borrowing Types and Banks	Maturity Date	Interest Rates (%)	Total
Credit loans			
MUFG Bank - Taipei Branch	February 16, 2022	1.00	$ 360,000
Taipei Fubon Bank Commercial Finance Division	January 6, 2022-January 30, 2022	1.01	150,000
E.Sun Bank Taichung Regional Center	February 21, 2022	1.13	30,000
			540,000
Secured borrowings			
Bank of Taiwan - Nantou Branch	July 9, 2022	1.00	160,000
Mega International Commercial Bank - Nantou Branch	May 8, 2022-June 7, 2022	1.00-1.13	67,000
CHANG HWA BANK - Nantou Branch	December 27, 2022	1.1	110,000
			337,000
Letter of credit loans			
Bank of Taiwan - Nantou Branch (Note 1)	May 6, 2022-June 17, 2022	1.15	5,234
Mega International Commercial Bank - Nantou Branch (Note II)	June 2, 2022	1.28	8,645
CHB Nan Tou Branch (Note III)	April 21, 2022-May 18, 2022	1.39	12,244
			26,123
			$ 903,123

Note 1: Including US$189 thousand (US$1=NT$27.68).

Note 2: Including US$312 thousand (US$1=NT$27.68).

Note 3: Including US$442 thousand (US$1 = NT$27.68).

Evermore Chemical Industry Co., Ltd.

STATEMENT OF NOTES PAYABLE

December 31, 2020

STATEMENT 7

Unit: NTD thousand

Vendor Name	Amount
Unrelated parties	
AGI Corporation	$ 10,043
HUNTSMAN (TAIWAN) LIMITED	3,388
SHINGHO CHEMICAL CORP.	2,471
Others (Note)	9,941
	$ 25,843

Note: The amount of individual client included in others does not exceed 5% of the account balance.

Evermore Chemical Industry Co., Ltd.

STATEMENT OF ACCOUNTS PAYABLES

December 31, 2020

STATEMENT 8 Unit: NTD thousand

Vendor Name	Amount
Unrelated parties	
AGI Corporation	$ 25,613
ESTCHEM CO., LTD.	23,141
SHINGHO CHEMICAL CORP.	20,930
CHI MEI TRADING CO., LTD., Taichung Branch	20,132
WORLWIDE RESIN & CHEMICAL CO., LTD.	14,049
Others (Note)	160,974
	264,839
Related party	
CHEM-MAT	8,170
Giant Star Trading Co.	545
AICA	89
	8,804
	$ 273,643

Note: The amount of individual client included in others does not exceed 5% of the account balance.

Evermore Chemical Industry Co., Ltd.

STATEMENT OF LONG-TERM BANK BORROWINGS

December 31, 2020

STATEMENT 9

Unit: NTD thousand

Borrowing Types and Banks	Maturity Date	Interest Rates (%)	Current Portion of Long-term Borrowings	Long-term borrowings	Total	Collateral
Secured borrowings						
Bank of Taiwan - Nantou Branch	Maturity in October 2025, starting in November 2020, monthly repayment in 60 installments	1.25	$ 20,000	$ 56,667	$ 76,667	Land and building
CHANG HWA BANK - Nantou Branch	Maturity in September 2025, starting in October 2020, monthly repayment in 60 installments	1.26	6,000	16,500	22,500	Land and building
	Maturity in December 2025, starting in January 2021, monthly repayment in 60 installments	1.26	13,800	41,400	55,200	Land and building
	Maturity in September 2025, starting in October 2020, monthly repayment in 60 installments	1.26	5,200	14,300	19,500	Land and building
Mega International Commercial Bank - Nantou Branch	Due on March 2022 from June 2017, repayment over 20 periods, three months for one period	1.22	2,500	-	2,500	Land and building
	Maturity in May 2025, starting in June 2020, monthly repayment in 60 installments	1.25	9,000	21,750	30,750	Land and building
Credit loans						
MUFG Bank - Taipei Branch	Maturity in June 2026, starting in June 2024, monthly repayment in 20 installments	1.05	-	280,000	280,000	—
			$ 56,500	$ 430,617	$ 487,117	

Evermore Chemical Industry Co., Ltd.

STATEMENT OF NET REVENUE

January 1 to December 31, 2021

STATEMENT 10

Unit: NTD thousand

Item	Quantity (Ton)	Amount
PU synthetic resin	approx. 14,811	$ 1,438,293
PE resin	approx. 1,901	122,207
Others	approx. 1,113	113,153
		1,673,653
Less: Sales return		(8,929)
Sales discount		(3,926)
Net revenue		$ 1,660,798

Evermore Chemical Industry Co., Ltd.

STATEMENT OF COST OF REVENUE

January 1 to December 31, 2021

STATEMENT 11 Unit: NTD thousand

Item	Amount	
Raw material at beginning of year	$ 132,013	
Raw material purchased	1,289,699	
Raw material at end of year	(206,317)	
Sale of raw material	(79,504)	
Others	(3,745)	
Raw material used		$ 1,132,146
Material, beginning of year	1,213	
Raw material purchased	55,766	
Material, end of year	(3,332)	
Others	(53,595)	
Material used		52
Direct labor		74,101
Manufacturing expenses		175,818
Manufacturing cost		1,382,117
Finished goods at beginning of year		143,203
Raw material purchased		14,385
Finished goods at end of year		(199,422)
Others		(1,233)
Cost of finished goods		1,339,050
Merchandise at beginning of year	2,235	
Merchandise purchased	23,018	
Merchandise at end of year	(3,863)	
Others	(1,407)	
Cost of merchandise		19,983
Cost of goods sold of raw material		79,504
Inventory devaluation reversal gains		(7,369)
Revenue from sale of scraps		(1,698)
Unallocated production overhead		25,858
Other costs		5,036
Operating costs		$ 1,460,364

Evermore Chemical Industry Co., Ltd.

STATEMENT OF OPERATING EXPENSES

January 1 to December 31, 2021

STATEMENT 12

Unit: NTD thousand

	Selling expenses	Management expenses	R&D expenses
Payroll	$ 10,105	$ 33,063	$ 23,273
Freight	25,378	1	399
Depreciation expense	975	7,423	9,081
Professional service fees	12,998	5,364	1,765
Others	7,698	16,104	12,384
	$ 57,154	$ 61,955	$ 46,902